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STATE OF RHODE ISLAND

IN GENERAL ASSEMBLY

JANUARY SESSION, A.D. 2026

A N A C T

MAKING APPROPRIATIONS FOR THE SUPPORT OF THE STATE FOR THE FISCAL
YEAR ENDING JUNE 30, 2027

Introduced By: Representative Marvin L. Abney

Date Introduced: January 15, 2026

Referred To: House Finance

(Governor)

It is enacted by the General Assembly as follows:

- 1 ARTICLE 1 RELATING TO MAKING APPROPRIATIONS IN SUPPORT OF FY
- 2 2027
- 3 ARTICLE 2 RELATING TO STATE FUNDS
- 4 ARTICLE 3 RELATING TO GOVERNMENT REFORM AND REORGANIZATION
- 5 ARTICLE 4 RELATING TO DEBT MANAGEMENT ACT JOINT RESOLUTIONS
- 6 ARTICLE 5 RELATING TO TAXES AND FEES
- 7 ARTICLE 6 RELATING TO CAPITAL DEVELOPMENT PROGRAM
- 8 ARTICLE 7 RELATING TO EDUCATION
- 9 ARTICLE 8 RELATING TO MEDICAL ASSISTANCE
- 10 ARTICLE 9 RELATING TO LEASES
- 11 ARTICLE 10 RELATING TO HEALTH AND HUMAN SERVICES
- 12 ARTICLE 11 RELATING TO AFFORDABILITY
- 13 ARTICLE 12 RELATING TO EFFECTIVE DATE

1 **ARTICLE 1**

2 **RELATING TO MAKING APPROPRIATIONS IN SUPPORT OF FY 2027**

3 SECTION 1. Subject to the conditions, limitations and restrictions hereinafter contained in
4 this act, the following general revenue amounts are hereby appropriated out of any money in the
5 treasury not otherwise appropriated to be expended during the fiscal year ending June 30, 2027.
6 The amounts identified for federal funds and restricted receipts shall be made available pursuant to
7 § 35-4-22 and chapter 41 of title 42. For the purposes and functions hereinafter mentioned, the state
8 controller is hereby authorized and directed to draw the state controller's orders upon the general
9 treasurer for the payment of such sums or such portions thereof as may be required from time to
10 time upon receipt by the state controller of properly authenticated vouchers.

11 **Administration**

12 *Central Management*

13	General Revenues	4,006,929
14	Restricted Receipts	853,701
15	Total - Central Management	4,860,630

16 *Legal Services*

17	General Revenues	2,998,750
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18 *Accounts and Control*

19	General Revenues	650,061
20	Restricted Receipts - OPEB Board Administration	100,000
21	Restricted Receipts - Grants Management Administration	1,726,550
22	Total - Accounts and Control	2,476,611

23 *Office of Management and Budget*

24	General Revenues	11,156,879
25	Federal Funds	
26	Federal Funds	151,778
27	Federal Funds – Capital Projects Fund	
28	CPF Administration	668,915
29	Federal Funds – State Fiscal Recovery Fund	
30	Pandemic Recovery Office	682,668
31	Restricted Receipts	300,000
32	Other Funds	1,191,363
33	Total - Office of Management and Budget	14,151,603

34 *Purchasing*

1	General Revenues	2,411,346
2	Restricted Receipts	3,180,152
3	Other Funds	670,572
4	Total - Purchasing	6,262,070
5	<i>Human Resources</i>	
6	General Revenues	701,698
7	<i>Personnel Appeal Board</i>	
8	General Revenues	152,228
9	<i>Information Technology</i>	
10	General Revenues	998,042
11	Restricted Receipts	1,124,485
12	Total - Information Technology	2,122,527
13	<i>Library and Information Services</i>	
14	General Revenues	2,214,102
15	Federal Funds	1,639,564
16	Restricted Receipts	6,990
17	Total - Library and Information Services	3,860,656
18	<i>Planning</i>	
19	General Revenues	1,126,048
20	Restricted Receipts	50,000
21	Other Funds	
22	Air Quality Modeling	24,000
23	Federal Highway - PL Systems Planning	3,851,173
24	State Transportation Planning Match	670,918
25	FTA - Metro Planning Grant	1,571,094
26	Total - Planning	7,293,233
27	<i>General</i>	
28	General Revenues	
29	Miscellaneous Grants/Payments	3,980,821
30	Torts Court Awards	1,850,000
31	Wrongful Conviction Awards	900,000
32	Resource Sharing and State Library Aid	12,095,022
33	Library Construction Aid	2,097,515
34	Restricted Receipts	700,000

1	Other Funds	
2	Rhode Island Capital Plan Funds	
3	Security Measures State Buildings	950,000
4	Cranston Street Armory	100,000
5	State House Renovations	17,379,000
6	Zambarano Buildings and Campus	2,300,000
7	Replacement of Fueling Tanks	620,000
8	Environmental Compliance	225,000
9	Big River Management Area	746,000
10	Shepard Building Upgrades	3,920,000
11	RI Convention Center Authority	2,825,000
12	Pastore Center Power Plant	3,500,000
13	DoIT Enterprise Operations Center	3,700,000
14	Cannon Building	3,925,000
15	Old State House	600,000
16	State Office Building	975,000
17	State Office Reorganization & Relocation	750,000
18	William Powers Building	2,600,000
19	Pastore Center Non-Hospital Buildings Asset Protection	6,250,000
20	Washington County Government Center	200,000
21	Chapin Health Laboratory	300,000
22	560 Jefferson Blvd Asset Protection	50,000
23	Arrigan Center	100,000
24	Civic Center	1,250,000
25	Veterans Auditorium	275,000
26	Pastore Center Hospital Buildings Asset Protection	1,750,000
27	Pastore Campus Infrastructure	20,000,000
28	Community Facilities Asset Protection	1,425,043
29	Medical Examiners - New Facility	1,050,000
30	Group Home Replacement & Rehabilitation	5,000,000
31	Zambarano LTAC Hospital	2,000,000
32	Total - General	106,388,401
33	<i>Debt Service Payments</i>	
34	General Revenues	176,670,576

1	Other Funds	
2	Transportation Debt Service	27,630,704
3	Investment Receipts - Bond Funds	100,000
4	Total - Debt Service Payments	204,401,280
5	<i>Rhode Island Health Benefits Exchange</i>	
6	General Revenues	11,383,620
7	Federal Funds	12,244,211
8	Restricted Receipts	18,363,602
9	Total - Rhode Island Health Benefits Exchange	41,991,433
10	<i>Division of Equity, Diversity & Inclusion</i>	
11	General Revenues	2,198,317
12	Other Funds	116,324
13	Total - Division of Equity, Diversity & Inclusion	2,314,641
14	<i>Capital Asset Management and Maintenance</i>	
15	General Revenues	9,922,655
16	<i>Statewide Personnel and Operations</i>	
17	General Officer Transition Costs	
18	General Revenues	464,000
19	Total - Statewide Personnel and Operations	464,000
20	Grand Total - Administration	410,362,416
21	Office of Energy Resources	
22	Federal Funds	32,548,662
23	Restricted Receipts	38,536,799
24	Other Funds	
25	National Electric Vehicle Infrastructure Formula Program	14,570,364
26	Rhode Island Capital Plan Funds	
27	Energy Efficiency Improvements	1,000,000
28	Grand Total – Office of Energy Resources	86,655,825
29	Business Regulation	
30	<i>Central Management</i>	
31	General Revenues	4,188,236
32	Restricted Receipts	39,014
33	Total - Central Management	4,227,250
34	<i>Banking Regulation</i>	

1	General Revenues	2,038,094
2	Restricted Receipts	100,000
3	Total - Banking Regulation	2,138,094
4	<i>Securities Regulation</i>	
5	General Revenues	1,031,168
6	<i>Insurance Regulation</i>	
7	General Revenues	5,406,581
8	Restricted Receipts	2,417,538
9	Total - Insurance Regulation	7,824,119
10	<i>Office of the Health Insurance Commissioner</i>	
11	General Revenues	3,119,299
12	Federal Funds	552,446
13	Restricted Receipts	612,142
14	Total - Office of the Health Insurance Commissioner	4,283,887
15	<i>Board of Accountancy</i>	
16	General Revenues	5,490
17	<i>Commercial Licensing and Gaming and Athletics Licensing</i>	
18	General Revenues	1,301,739
19	Restricted Receipts	1,277,843
20	Total - Commercial Licensing and Gaming and Athletics Licensing	2,579,582
21	<i>Building, Design and Fire Professionals</i>	
22	General Revenues	9,290,874
23	Federal Funds	344,288
24	Restricted Receipts	3,113,579
25	Other Funds	
26	Quonset Development Corporation	68,580
27	Rhode Island Capital Plan Funds	
28	Fire Academy Expansion	962,000
29	Total - Building, Design and Fire Professionals	13,779,321
30	Grand Total - Business Regulation	35,868,911
31	RI Cannabis Control Commission	
32	Restricted Receipts	7,964,425
33	Executive Office of Commerce	
34	<i>Central Management</i>	

1	General Revenues	3,167,540
2	<i>Quasi-Public Appropriations</i>	
3	General Revenues	
4	Rhode Island Commerce Corporation	8,506,041
5	Airport Impact Aid	1,010,036
6	Sixty percent (60%) of the first \$1,000,000 appropriated for airport impact aid shall be	
7	distributed to each airport serving more than 1,000,000 passengers based upon its percentage of the	
8	total passengers served by all airports serving more than 1,000,000 passengers. Forty percent (40%)	
9	of the first \$1,000,000 shall be distributed based on the share of landings during calendar year 2026	
10	at North Central Airport, Newport-Middletown Airport, Block Island Airport, Quonset Airport,	
11	T.F. Green International Airport and Westerly Airport, respectively. The Rhode Island commerce	
12	corporation shall make an impact payment to the towns or cities in which the airport is located	
13	based on this calculation. Each community upon which any part of the above airports is located	
14	shall receive at least \$25,000.	
15	STAC Research Alliance	900,000
16	Innovative Matching Grants/Internships	1,000,000
17	I-195 Redevelopment District Commission	1,245,050
18	Polaris Manufacturing Grant	500,000
19	East Providence Waterfront Commission	50,000
20	Urban Ventures	140,000
21	Chafee Center at Bryant	476,200
22	Blackstone Valley Visitor Center	75,000
23	Industrial Recreational Building Authority Obligations	105,094
24	Other Funds	
25	Rhode Island Capital Plan Funds	
26	I-195 Redevelopment District Commission	1,000,000
27	I-195 Park Improvements	500,000
28	Quonset Infrastructure	2,500,000
29	Total - Quasi-Public Appropriations	18,007,421
30	<i>Economic Development Initiatives Fund</i>	
31	General Revenues	
32	Rebuild RI Tax Credit Fund	6,100,000
33	Destination Marketing	1,500,000
34	Federal Funds	21,292,601

1	Total - Economic Development Initiatives Fund	28,892,601
2	<i>Commerce Programs</i>	
3	General Revenues	
4	Wavemaker Fellowship	1,016,621
5	Air Service Development Fund	2,728,800
6	Main Street RI Streetscape Improvement Fund	1,000,000
7	Total - Commerce Programs	4,745,421
8	Grand Total - Executive Office of Commerce	54,812,983
9	Housing	
10	General Revenues	8,343,617
11	Provided that \$100,000 shall support Sojourner House's supportive housing and rapid	
12	rehousing activities.	
13	Federal Funds	19,300,731
14	Restricted Receipts	23,018,954
15	Other Funds	
16	Rhode Island Capital Plan Funds	
17	Housing Asset Protection	1,700,000
18	Grand Total - Housing	52,363,302
19	Labor and Training	
20	<i>Central Management</i>	
21	General Revenues	1,457,908
22	Restricted Receipts	423,851
23	Total - Central Management	1,881,759
24	<i>Workforce Development Services</i>	
25	General Revenues	884,194
26	Federal Funds	17,651,272
27	Total - Workforce Development Services	18,535,466
28	<i>Workforce Regulation and Safety</i>	
29	General Revenues	5,558,728
30	<i>Income Support</i>	
31	General Revenues	3,733,778
32	Federal Funds	24,274,004
33	Restricted Receipts	5,047,984
34	Other Funds	

1	Temporary Disability Insurance Fund	299,751,826
2	Employment Security Fund	296,100,000
3	Total - Income Support	628,907,592
4	<i>Injured Workers Services</i>	
5	Restricted Receipts	12,566,297
6	<i>Labor Relations Board</i>	
7	General Revenues	647,572
8	<i>Governor's Workforce Board</i>	
9	General Revenues	6,050,000
10	Provided that \$600,000 of these funds shall be used for enhanced training for direct care	
11	and support services staff to improve resident quality of care and address the changing health care	
12	needs of nursing facility residents due to higher acuity and increased cognitive impairments	
13	pursuant to § 23-17.5-36.	
14	Restricted Receipts	18,984,326
15	Provided that at least \$150,000 of these funds shall be used to provide hospitality industry	
16	workforce training grants including, but not limited to, certified food and alcohol safety training	
17	programs offered in multiple languages.	
18	Total - Governor's Workforce Board	25,034,326
19	Grand Total - Labor and Training	693,131,740
20	Department of Revenue	
21	<i>Director of Revenue</i>	
22	General Revenues	2,929,554
23	<i>Office of Revenue Analysis</i>	
24	General Revenues	1,203,684
25	<i>Lottery Division</i>	
26	Other Funds	433,759,131
27	<i>Municipal Finance</i>	
28	General Revenues	2,068,751
29	<i>Taxation</i>	
30	General Revenues	39,387,176
31	Restricted Receipts	3,293,102
32	Other Funds	
33	Motor Fuel Tax Evasion	175,000
34	Total - Taxation	42,855,278

1	<i>Registry of Motor Vehicles</i>	
2	General Revenues	36,068,291
3	Federal Funds	300,000
4	Restricted Receipts	5,629,330
5	Total - Registry of Motor Vehicles	41,997,621
6	<i>State Aid</i>	
7	General Revenues	
8	Distressed Communities Relief Fund	14,884,458
9	Payment in Lieu of Tax Exempt Properties	49,049,142
10	Motor Vehicle Excise Tax Payments	239,550,236
11	Property Revaluation Program	826,038
12	Tangible Tax Exemption Program	25,908,469
13	Restricted Receipts	1,125,000
14	Total - State Aid	331,343,343
15	<i>Collections</i>	
16	General Revenues	1,134,318
17	Grand Total - Revenue	857,291,680
18	Legislature	
19	General Revenues	61,280,709
20	Restricted Receipts	2,785,548
21	Grand Total - Legislature	64,066,257
22	Lieutenant Governor	
23	General Revenues	1,574,369
24	Secretary of State	
25	<i>Administration</i>	
26	General Revenues	6,097,668
27	Provided that \$100,000 be allocated to support the Rhode Island Council for the	
28	Humanities for grant making to civic and cultural organizations, and \$50,000 to support Rhode	
29	Island's participation in the We the People Civics Challenge.	
30	<i>Corporations</i>	
31	General Revenues	2,794,958
32	<i>State Archives</i>	
33	General Revenues	475,184
34	Restricted Receipts	393,474

1	Total - State Archives	868,658
2	<i>Elections and Civics</i>	
3	General Revenues	3,117,860
4	Federal Funds	2,000,000
5	Total - Elections and Civics	5,117,860
6	<i>State Library</i>	
7	General Revenues	680,710
8	Provided that \$125,000 be allocated to support the Rhode Island Historical Society and	
9	\$18,000 be allocated to support the Newport Historical Society, pursuant to §§ 29-2-1 and 29-2-2,	
10	and \$25,000 be allocated to support the Rhode Island Black Heritage Society.	
11	<i>Office of Public Information</i>	
12	General Revenues	674,705
13	Receipted Receipts	25,000
14	Total - Office of Public Information	699,705
15	Grand Total - Secretary of State	16,259,559
16	General Treasurer	
17	<i>Treasury</i>	
18	General Revenues	3,465,294
19	Federal Funds	365,991
20	Other Funds	
21	Temporary Disability Insurance Fund	252,905
22	Tuition Savings Program - Administration	377,716
23	Total - Treasury	4,461,906
24	<i>State Retirement System</i>	
25	Restricted Receipts	
26	Admin Expenses - State Retirement System	13,397,239
27	Retirement - Treasury Investment Operations	3,108,665
28	Defined Contribution - Administration	263,124
29	Total - State Retirement System	16,769,028
30	<i>Unclaimed Property</i>	
31	Restricted Receipts	3,437,867
32	<i>Crime Victim Compensation</i>	
33	General Revenues	952,526
34	Federal Funds	467,993

1	Restricted Receipts	228,827
2	Total - Crime Victim Compensation	1,649,346
3	Grand Total - General Treasurer	26,318,147
4	Board of Elections	
5	General Revenues	9,147,157
6	Rhode Island Ethics Commission	
7	General Revenues	2,556,898
8	Office of Governor	
9	General Revenues	
10	General Revenues	9,480,312
11	Contingency Fund	150,000
12	Grand Total - Office of Governor	9,630,312
13	Commission for Human Rights	
14	General Revenues	2,358,433
15	Federal Funds	443,446
16	Grand Total - Commission for Human Rights	2,801,879
17	Public Utilities Commission	
18	Federal Funds	759,025
19	Restricted Receipts	15,258,327
20	Grand Total - Public Utilities Commission	16,017,352
21	Executive Office of Health and Human Services	
22	<i>Central Management</i>	
23	General Revenues	94,942,371
24	Of this amount, \$900,000 is to provide mobile response and stabilization services for	
25	uninsured and underinsured child and youth and cover services and costs not otherwise reimbursed;	
26	and \$600,000 is for Planned Parenthood.	
27	Federal Funds	254,983,208
28	Restricted Receipts	7,277,708
29	Total - Central Management	357,203,287
30	<i>Medical Assistance</i>	
31	General Revenues	
32	Managed Care	479,954,645
33	Hospitals	147,921,080
34	Nursing Facilities	200,251,776

1	Home and Community Based Services	128,212,807
2	Other Services	128,214,236
3	Pharmacy	98,981,507
4	Rhody Health	271,026,029
5	Federal Funds	
6	Managed Care	680,237,625
7	Hospitals	293,608,369
8	Nursing Facilities	273,484,597
9	Home and Community Based Services	175,128,285
10	Other Services	734,939,712
11	Pharmacy	418,493
12	Rhody Health	386,619,266
13	Other Programs	45,400,000
14	Restricted Receipts	7,350,000
15	Total - Medical Assistance	4,051,748,427
16	Grand Total – Executive Office of Health and Human Services	4,408,951,714
17	Children, Youth and Families	
18	<i>Central Management</i>	
19	General Revenues	20,380,243
20	Federal Funds	13,745,250
21	Total - Central Management	34,125,493
22	<i>Children's Behavioral Health Services</i>	
23	General Revenues	9,152,509
24	Federal Funds	8,693,793
25	Total - Children's Behavioral Health Services	17,846,302
26	<i>Youth Development Services</i>	
27	General Revenues	27,165,270
28	Federal Funds	142,202
29	Other Funds	
30	Rhode Island Capital Plan Funds	
31	Training School Asset Protection	250,000
32	Psychiatric Residential Treatment Facility Modifications	22,500,000
33	Total - Youth Development Services	50,057,472
34	<i>Child Welfare</i>	

1	General Revenues	211,367,235
2	Federal Funds	90,620,047
3	Restricted Receipts	1,670,684
4	Total - Child Welfare	303,657,966
5	<i>Higher Education Incentive Grants</i>	
6	General Revenues	200,000
7	Provided that these funds and any unexpended or unencumbered previous years' funding	
8	are to be used exclusively to fund awards to eligible youth.	
9	Grand Total - Children, Youth and Families	405,887,233
10	Health	
11	<i>Central Management</i>	
12	General Revenues	
13	General Revenues	2,175,312
14	Of this amount, \$50,000 is to support the Gloria Gemma Breast Cancer Resource	
15	Foundation and the organization's new survivorship and well-being center in Lincoln, RI.	
16	Psychiatry Resource Network	750,278
17	Federal Funds	4,545,892
18	Restricted Receipts	20,674,069
19	Total - Central Management	28,145,551
20	<i>Community Health and Equity</i>	
21	General Revenues	2,075,952
22	Federal Funds	88,026,519
23	Restricted Receipts	63,187,377
24	Total - Community Health and Equity	153,289,848
25	<i>Environmental Health</i>	
26	General Revenues	7,058,661
27	Federal Funds	14,034,394
28	Restricted Receipts	1,011,757
29	Total - Environmental Health	22,104,812
30	<i>Health Laboratories</i>	
31	General Revenues	10,704,871
32	Federal Funds	2,627,831
33	Other Funds	
34	Rhode Island Capital Plan Funds	

1	Health Laboratories & Medical Examiner Equipment	400,000
2	Total - Health Laboratories	13,732,702
3	<i>State Medical Examiners</i>	
4	General Revenues	4,559,163
5	Federal Funds	67,325
6	Total – State Medical Examiners	4,626,488
7	<i>Healthcare Quality and Safety</i>	
8	General Revenues	10,298,205
9	Federal Funds	7,529,889
10	Restricted Receipts	1,067,007
11	Total – Healthcare Quality and Safety	18,895,101
12	<i>Policy, Information and Communications</i>	
13	General Revenues	2,819,000
14	Provided that \$200,000 of this amount and its corresponding federal match is used for loan	
15	repayment assistance specifically for primary care physicians and pediatricians through the Health	
16	Professional Loan Repayment Program authorized by § 23-14.1.	
17	Federal Funds	5,606,211
18	Restricted Receipts	839,044
19	Total - Policy, Information and Communications	9,264,255
20	<i>Emergency Preparedness and Infectious Disease</i>	
21	General Revenues	2,110,829
22	Federal Funds	17,782,327
23	Total – Emergency Preparedness and Infectious Disease	19,893,156
24	<i>COVID-19</i>	
25	Federal Funds	7,519,108
26	Grand Total - Health	277,471,021
27	Human Services	
28	<i>Central Management</i>	
29	General Revenues	7,784,531
30	Of this amount, \$400,000 is to support the domestic violence prevention fund to provide	
31	direct services through the Coalition Against Domestic Violence, \$25,000 for the Center for	
32	Southeast Asians, \$450,000 to support Project Reach activities provided by the RI Alliance of Boys	
33	and Girls Clubs, \$300,000 is for outreach and supportive services through Day One, \$1,950,000 is	
34	for food collection and distribution through the Rhode Island Community Food Bank of which	

1 \$250,000 will be utilized to provide sub awards to other community food organizations, \$500,000
2 for services provided to the homeless at Crossroads Rhode Island, \$600,000 for the Community
3 Action Fund, \$250,000 is for the Institute for the Study and Practice of Nonviolence’s Reduction
4 Strategy, \$200,000 to provide operational support to the United Way’s 211 system, \$150,000 is to
5 support services provided to the immigrant and refugee population through Higher Ground
6 International, \$50,000 is for services provided to refugees through the Refugee Dream Center,
7 \$150,000 for the Substance Use and Mental Health Leadership Council of RI, \$25,000 for services
8 provided by Oasis International, and \$25,000 for services provided by New Bridges for Haitian
9 Success

10	Federal Funds	8,020,512
11	Of this amount, \$3.0 million is to sustain Early Head Start and Head Start programs.	
12	Restricted Receipts	470,000
13	Total - Central Management	16,275,043
14	<i>Child Support Enforcement</i>	
15	General Revenues	4,586,917
16	Federal Funds	9,060,380
17	Restricted Receipts	4,107,870
18	Total - Child Support Enforcement	17,755,167
19	<i>Individual and Family Support</i>	
20	General Revenues	45,895,483
21	Federal Funds	118,670,234
22	Restricted Receipts	100,000
23	Other Funds	
24	Rhode Island Capital Plan Funds	
25	Blind Vending Facilities	165,000
26	Total - Individual and Family Support	164,830,717
27	<i>Office of Veterans Services</i>	
28	General Revenues	37,094,041
29	Of this amount, \$200,000 is to provide support services through veterans’ organizations,	
30	\$50,000 is to support Operation Stand Down, and \$100,000 is to support the Veterans Services	
31	Officers (VSO) program through the Veterans of Foreign Wars.	
32	Federal Funds	15,980,199
33	Restricted Receipts	1,410,115
34	Other Funds	

1	Rhode Island Capital Plan Funds	
2	Veterans Home Asset Protection	977,240
3	Veterans Memorial Cemetery Asset Protection	260,000
4	Total - Office of Veterans Services	55,721,595
5	<i>Health Care Eligibility</i>	
6	General Revenues	12,476,503
7	Federal Funds	18,943,937
8	Total - Health Care Eligibility	31,420,440
9	<i>Supplemental Security Income Program</i>	
10	General Revenues	16,569,000
11	<i>Rhode Island Works</i>	
12	General Revenues	9,784,221
13	Federal Funds	109,507,861
14	Total - Rhode Island Works	119,292,082
15	<i>Other Programs</i>	
16	General Revenues	2,452,648
17	Federal Funds	338,010,465
18	Restricted Receipts	8,000
19	Total - Other Programs	340,471,113
20	<i>Office of Healthy Aging</i>	
21	General Revenues	15,147,684
22	Of this amount, \$325,000 is to provide elder services, including respite, through the	
23	Diocese of Providence; \$40,000 is for ombudsman services provided by the Alliance for Long	
24	Term Care in accordance with chapter 66.7 of title 42; and \$1,800,000 is for Senior Services	
25	Support and \$730,000 is for elderly nutrition, of which \$680,000 is for Meals on Wheels.	
26	Federal Funds	17,698,161
27	Restricted Receipt	266,979
28	Other Funds	
29	Intermodal Surface Transportation Fund	4,651,722
30	The Office shall reimburse the Rhode Island public transit authority for the elderly/disabled	
31	transportation program expenses no later than fifteen (15) days of the authority's submission of a	
32	request for payment.	
33	Total - Office of Healthy Aging	37,764,546
34	Grand Total - Human Services	800,099,703

1	Behavioral Healthcare, Developmental Disabilities and Hospitals	
2	<i>Central Management</i>	
3	General Revenues	10,757,305
4	Federal Funds	1,858,106
5	Restricted Receipts	1,836,349
6	Other Funds	
7	Rhode Island Capital Plan Funds	
8	Group Home Maintenance	5,000,000
9	Total - Central Management	19,451,760
10	<i>Services for the Developmentally Disabled</i>	
11	General Revenues	232,730,377
12	Federal Funds	307,121,997
13	Restricted Receipts	1,300,866
14	Other Funds	
15	Rhode Island Capital Plan Funds	
16	DD Residential Support	100,000
17	Total - Services for the Developmentally Disabled	541,253,240
18	<i>Behavioral Healthcare Services</i>	
19	General Revenues	6,415,175
20	Federal Funds	
21	Federal Funds	26,980,137
22	Provided that \$250,000 from Social Services Block Grant funds is awarded to The	
23	Providence Center to coordinate with Oasis Wellness and Recovery Center for its support and	
24	services program offered to individuals with behavioral health issues.	
25	Restricted Receipts	4,180,094
26	Provided that \$500,000 from the opioid stewardship fund is distributed equally to the seven	
27	regional substance abuse prevention task forces to fund priorities determined by each task force.	
28	Total - Behavioral Healthcare Services	37,575,406
29	<i>Hospital and Community Rehabilitative Services</i>	
30	General Revenues	49,312,542
31	Federal Funds	67,868,247
32	Restricted Receipts	4,817,874
33	Other Funds	
34	Rhode Island Capital Plan Funds	

1	Hospital Equipment	300,000
2	Total - Hospital and Community Rehabilitative Services	122,298,663
3	<i>State of RI Psychiatric Hospital</i>	
4	General Revenues	34,884,686
5	Restricted Receipts	144,000
6	Other Funds	
7	Rhode Island Capital Plan Funds	
8	RISPH Equipment	100,000
9	Total - State of RI Psychiatric Hospital	35,128,686
10	Grand Total - Behavioral Healthcare,	
11	Developmental Disabilities and Hospitals	755,707,755
12	Office of the Child Advocate	
13	General Revenues	2,405,487
14	Commission on the Deaf and Hard of Hearing	
15	General Revenues	835,904
16	Restricted Receipts	118,177
17	Grand Total - Comm. On Deaf and Hard-of-Hearing	954,081
18	Governor's Commission on Disabilities	
19	General Revenues	
20	General Revenues	907,021
21	Livable Home Modification Grant Program	515,278
22	Provided that this will be used for home modification and accessibility enhancements to	
23	construct, retrofit, and/or renovate residences to allow individuals to remain in community settings.	
24	This will be in consultation with the executive office of health and human services. All unexpended	
25	or unencumbered balances, at the end of the fiscal year, shall be reappropriated to the ensuing fiscal	
26	year, and made immediately available for the same purpose.	
27	Federal Funds	340,092
28	Restricted Receipts	67,190
29	Grand Total - Governor's Commission on Disabilities	1,829,581
30	Office of the Mental Health Advocate	
31	General Revenues	1,111,709
32	Elementary and Secondary Education	
33	<i>Administration of the Comprehensive Education Strategy</i>	
34	General Revenues	36,620,345

1 Provided that \$90,000 be allocated to support the hospital school at Hasbro Children’s
 2 Hospital pursuant to § 16-7-20; \$395,000 be allocated to support child opportunity zones through
 3 agreements with the department of elementary and secondary education to strengthen education,
 4 health and social services for students and their families as a strategy to accelerate student
 5 achievement; \$450,000 and 3.0 full-time equivalent positions be allocated to support a special
 6 education function to facilitate individualized education program (IEP) and 504 services; and
 7 further provided that \$130,000 be allocated to City Year for the Whole School Whole Child
 8 Program, which provides individualized support to at-risk students.

9 Provided further that \$2,000,000 shall be allocated for the Learn365RI program, of which
 10 \$100,000 shall be allocated to the Rhode Island Afterschool Network; \$100,000 shall be allocated
 11 to Teach for America Ignite; and \$100,000 shall be allocated to Onward We Learn.

12 Provided further that \$684,000 shall be allocated to the Paul V. Sherlock Center on
 13 Disabilities to support the Rhode Island Vision Education and Services Program.

14	Federal Funds	
15	Federal Funds	258,048,406
16	Restricted Receipts	
17	Restricted Receipts	1,839,203
18	HRIC Adult Education Grants	3,500,000
19	Other Funds	
20	Rhode Island Capital Plan Funds	
21	Norwell Academy Facility Feasibility Study	150,000
22	Total - Admin. of the Comprehensive Ed. Strategy	300,157,954
23	<i>Davies Career and Technical School</i>	
24	General Revenues	21,082,757
25	Federal Funds	954,525
26	Restricted Receipts	4,932,231
27	Other Funds	
28	Rhode Island Capital Plan Funds	
29	Davies School HVAC	100,000
30	Davies School Asset Protection	750,000
31	Davies School Wing Renovation	23,500,000
32	Total - Davies Career and Technical School	51,319,513
33	<i>RI School for the Deaf</i>	
34	General Revenues	9,039,339

1	Federal Funds	225,365
2	Restricted Receipts	1,597,000
3	Other Funds	
4	Rhode Island Capital Plan Funds	
5	School for the Deaf Asset Protection	968,691
6	Total - RI School for the Deaf	11,830,395
7	<i>Metropolitan Career and Technical School</i>	
8	General Revenues	14,669,329
9	Other Funds	
10	Rhode Island Capital Plan Funds	
11	MET School Asset Protection	250,000
12	Total - Metropolitan Career and Technical School	14,919,329
13	<i>Education Aid</i>	
14	General Revenues	1,292,587,560
15	Provided that the criteria for the allocation of early childhood funds shall prioritize pre-	
16	kindergarten seats and classrooms for four-year-olds whose family income is at or below one	
17	hundred eighty-five percent (185%) of federal poverty guidelines and who reside in communities	
18	with higher concentrations of low performing schools.	
19	Restricted Receipts	49,781,920
20	Total - Education Aid	1,342,369,480
21	<i>Central Falls School District</i>	
22	General Revenues	53,683,500
23	<i>School Construction Aid</i>	
24	General Revenues	
25	School Housing Aid	102,869,291
26	<i>Teachers' Retirement</i>	
27	General Revenues	130,236,201
28	Grand Total - Elementary and Secondary Education	2,007,385,663
29	Public Higher Education	
30	<i>Office of Postsecondary Commissioner</i>	
31	General Revenues	36,172,492
32	Provided that \$455,000 shall be allocated to Onward We Learn pursuant to § 16-70-5,	
33	\$75,000 shall be allocated to Best Buddies Rhode Island to support its programs for children with	
34	developmental and intellectual disabilities. It is also provided that \$8,061,950 shall be allocated to	

1 the Rhode Island promise scholarship program; \$151,410 shall be used to support Rhode Island's
 2 membership in the New England Board of Higher Education; \$7,062,826 shall be allocated to the
 3 Rhode Island hope scholarship program; and \$100,000 shall be allocated to the Rhode Island
 4 School for Progressive Education to support access to higher education opportunities for teachers
 5 of color.

6 Federal Funds

7 Federal Funds 5,377,602

8 Restricted Receipts

9 Restricted Receipts 8,358,299

10 Tuition Savings Program - Scholarships and Grants 3,460,000

11 Other Funds

12 Nursing Education Center - Operating 3,494,558

13 Rhode Island Capital Plan Funds

14 WEC Expansion - Annex Site 160,000

15 Total - Office of Postsecondary Commissioner 57,022,951

16 *University of Rhode Island*

17 General Revenues

18 General Revenues 119,473,120

19 Provided that in order to leverage federal funding and support economic development,
 20 \$700,000 shall be allocated to the small business development center, \$125,000 shall be allocated
 21 to the Institute for Labor Studies & Research, \$50,000 shall be allocated to Special Olympics Rhode
 22 Island to support its mission of providing athletic opportunities for individuals with intellectual and
 23 developmental disabilities.

24 Debt Service 32,853,856

25 RI State Forensics Laboratory 2,436,958

26 Other Funds

27 University and College Funds 860,035,628

28 Debt - Dining Services 744,557

29 Debt - Education and General 7,824,231

30 Debt - Health Services 6,148

31 Debt - Housing Loan Funds 14,186,125

32 Debt - Memorial Union 291,069

33 Debt - Ryan Center 2,363,789

34 Debt - Parking Authority 1,408,483

1	URI Restricted Debt Service - Energy Conservation	369,780
2	URI Debt Service - Energy Conservation	1,349,620
3	Rhode Island Capital Plan Funds	
4	Asset Protection	15,236,863
5	Mechanical, Electric, and Plumbing Improvements	6,217,170
6	Fire Protection Academic Buildings	1,323,475
7	Bay Campus	16,853,278
8	Athletics Complex	21,361,818
9	Provided that total Rhode Island capital plan funds provide no more than 80.0 percent of	
10	the total project.	
11	Stormwater Management	1,437,519
12	PFAS Removal Water Treatment Plant	11,661,319
13	Campus Accessibility	1,700,000
14	Campus Access Control	1,575,000
15	Building Envelope Improvements	3,000,000
16	Total - University of Rhode Island	1,123,709,806
17	Notwithstanding the provisions of § 35-3-15, all unexpended or unencumbered balances as	
18	of June 30, 2027 relating to the university of Rhode Island are hereby reappropriated to fiscal year	
19	2028.	
20	<i>Rhode Island College</i>	
21	General Revenues	
22	General Revenues	72,723,265
23	Debt Service	9,159,563
24	Rhode Island Vision Education and Services Program	1,800,000
25	Other Funds	
26	University and College Funds	135,027,602
27	Debt - Education and General	715,825
28	Debt - Student Union	212,025
29	Debt - Energy Conservation	785,625
30	Rhode Island Capital Plan Funds	
31	Asset Protection	6,500,000
32	Infrastructure Modernization	5,675,000
33	Total - Rhode Island College	232,598,905
34	Notwithstanding the provisions of § 35-3-15, all unexpended or unencumbered balances as	

1	URI Sponsored Research	335,818
2	Rhode Island Capital Plan Funds	
3	Asset Protection	50,000
4	Grand Total - RI Atomic Energy Commission	1,726,858
5	RI Historical Preservation and Heritage Commission	
6	General Revenues	2,097,428
7	Provided that \$30,000 support the operational costs of the Fort Adams Trust's restoration	
8	activities and that \$25,000 shall be allocated to Rhode Island Slave History Medallions.	
9	Federal Funds	893,987
10	Restricted Receipts	511,827
11	Other Funds	
12	RIDOT Project Review	148,449
13	Grand Total - RI Historical Preservation and Heritage Comm.	3,651,691
14	Attorney General	
15	<i>Criminal</i>	
16	General Revenues	24,153,594
17	Federal Funds	3,089,426
18	Restricted Receipts	1,821,874
19	Total - Criminal	29,064,894
20	<i>Civil</i>	
21	General Revenues	6,672,679
22	Federal Funds	132,429
23	Restricted Receipts	4,939,129
24	Total - Civil	11,744,237
25	<i>Bureau of Criminal Identification</i>	
26	General Revenues	2,563,440
27	Restricted Receipts	1,344,780
28	Total - Bureau of Criminal Identification	3,908,220
29	<i>General</i>	
30	General Revenues	5,979,584
31	Other Funds	
32	Rhode Island Capital Plan Funds	
33	Building Renovations and Repairs	1,150,000
34	Total - General	7,129,584

1	Grand Total - Attorney General	51,846,935
2	Corrections	
3	<i>Central Management</i>	
4	General Revenues	27,233,892
5	<i>Parole Board</i>	
6	General Revenues	1,668,186
7	<i>Custody and Security</i>	
8	General Revenues	187,294,597
9	Federal Funds	2,267,867
10	Other Funds	
11	Rhode Island Capital Plan Funds	
12	Intake Service Center HVAC	5,476,281
13	Total - Custody and Security	195,038,745
14	<i>Institutional Support</i>	
15	General Revenues	39,460,059
16	Other Funds	
17	Rhode Island Capital Plan Funds	
18	Asset Protection	6,200,000
19	Total - Institutional Support	45,660,059
20	<i>Institutional Based Rehab/Population Management</i>	
21	General Revenues	15,076,622
22	Provided that \$1,050,000 be allocated to Crossroads Rhode Island for sex offender	
23	discharge planning.	
24	The director of the department of corrections shall provide to the speaker of the house and	
25	president of the senate at least every ninety (90) days beginning September 1, 2022, a report on	
26	efforts to modernize the correctional industries program. The report shall, at minimum, provide	
27	data on the past ninety (90) days regarding program participation; changes made in programming	
28	to more closely align with industry needs; new or terminated partnerships with employers,	
29	nonprofits, and advocacy groups; current program expenses and revenues; and the employment	
30	status of all persons on the day of discharge from department care who participated in the	
31	correctional industries program.	
32	Federal Funds	449,585
33	Restricted Receipts	1,250,000
34	Total - Institutional Based Rehab/Population Mgt.	16,776,207

1	<i>Healthcare Services</i>	
2	General Revenues	40,978,629
3	<i>Community Corrections</i>	
4	General Revenues	23,317,069
5	Restricted Receipts	3,091
6	Total - Community Corrections	23,320,160
7	Grand Total - Corrections	350,675,878
8	Judiciary	
9	<i>Supreme Court</i>	
10	General Revenues	
11	General Revenues	40,098,334
12	Provided however, that no more than \$1,393,545 in combined total shall be offset to the	
13	public defender's office, the attorney general's office, the department of corrections, the department	
14	of children, youth and families, and the department of public safety for square-footage occupancy	
15	costs in public courthouses and further provided that \$500,000 be allocated to the Rhode Island	
16	Coalition Against Domestic Violence for the domestic abuse court advocacy project pursuant to §	
17	12-29-7 and that \$90,000 be allocated to Rhode Island Legal Services, Inc. to provide housing and	
18	eviction defense to indigent individuals.	
19	Defense of Indigents	7,875,432
20	Federal Funds	133,368
21	Restricted Receipts	4,296,657
22	Other Funds	
23	Rhode Island Capital Plan Funds	
24	Judicial Complexes - HVAC	500,000
25	Judicial Complexes Asset Protection	1,500,000
26	Judicial Complexes Fan Coil Unit Replacements	750,000
27	Garrahy Courthouse Restoration	1,125,000
28	Total - Supreme Court	56,278,791
29	<i>Judicial Tenure and Discipline</i>	
30	General Revenues	190,901
31	<i>Superior Court</i>	
32	General Revenues	31,068,969
33	Restricted Receipts	325,000
34	Total - Superior Court	31,393,969

1	<i>Family Court</i>	
2	General Revenues	29,964,439
3	Federal Funds	5,061,224
4	Total - Family Court	35,025,663
5	<i>District Court</i>	
6	General Revenues	18,246,180
7	Federal Funds	223,404
8	Restricted Receipts	60,000
9	Total - District Court	18,529,584
10	<i>Traffic Tribunal</i>	
11	General Revenues	12,022,509
12	<i>Workers' Compensation Court</i>	
13	Restricted Receipts	12,073,439
14	Grand Total - Judiciary	165,514,856
15	Military Staff	
16	General Revenues	3,634,593
17	Federal Funds	45,498,537
18	Restricted Receipts	
19	RI Military Family Relief Fund	55,000
20	RING Counterdrug Program	11,000
21	Other Funds	
22	Rhode Island Capital Plan Funds	
23	Aviation Readiness Center	7,603,990
24	Asset Protection	1,592,912
25	Grand Total - Military Staff	58,396,032
26	Public Safety	
27	<i>Central Management</i>	
28	General Revenues	2,498,706
29	Provided that \$400,000 shall be allocated to support the Family Service of Rhode Island's	
30	GO Team program of on-scene support to children who are victims of violence and other traumas.	
31	Federal Funds	
32	Federal Funds	9,707,021
33	Federal Funds – State Fiscal Recovery Fund	
34	Support for Survivors of Domestic Violence	64,786

1	Restricted Receipts	849,625
2	Total - Central Management	13,120,138
3	<i>E-911 Emergency Telephone System</i>	
4	Restricted Receipts	10,527,015
5	<i>Security Services</i>	
6	General Revenues	34,657,887
7	<i>Municipal Police Training Academy</i>	
8	General Revenues	343,234
9	Provided that of this amount \$75,000 shall be for administrative, information technology,	
10	and operating expenses incurred by the Rhode Island Police Officers Commission on Standards	
11	and Training (POST).	
12	Federal Funds	191,992
13	Restricted Receipts	75,000
14	Total - Municipal Police Training Academy	610,226
15	<i>State Police</i>	
16	General Revenues	99,217,318
17	Federal Funds	6,159,398
18	Restricted Receipts	3,336,961
19	Other Funds	
20	Airport Corporation Assistance	150,283
21	Road Construction Reimbursement	4,355,100
22	Weight and Measurement Reimbursement	647,705
23	Rhode Island Capital Plan Funds	
24	DPS Asset Protection	1,345,000
25	Training Academy Upgrades	670,000
26	Total - State Police	115,881,765
27	Grand Total - Public Safety	174,797,031
28	Office of Public Defender	
29	General Revenues	18,765,889
30	Federal Funds	85,035
31	Grand Total - Office of Public Defender	18,850,924
32	Emergency Management Agency	
33	General Revenues	8,375,436
34	Federal Funds	51,235,300

1	Restricted Receipts	417,066
2	Other Funds	
3	Rhode Island Capital Plan Funds	
4	RI Statewide Communications Infrastructure	330,000
5	Mobile Command Post	3,218,908
6	Grand Total - Emergency Management Agency	63,576,710
7	Environmental Management	
8	<i>Office of the Director</i>	
9	General Revenues	10,509,829
10	Of this general revenue amount, \$180,000 is appropriated to the conservation districts and	
11	\$100,000 is appropriated to the Wildlife Rehabilitators Association of Rhode Island for a	
12	veterinarian at the Wildlife Clinic of Rhode Island.	
13	Federal Funds	376,495
14	Restricted Receipts	7,343,683
15	Total - Office of the Director	18,230,007
16	<i>Natural Resources</i>	
17	General Revenues	32,814,994
18	Provided that of this general revenue amount, \$150,000 is to be used for marine mammal	
19	response activities in conjunction with matching federal funds.	
20	Federal Funds	37,410,677
21	Restricted Receipts	6,962,400
22	Other Funds	
23	DOT Recreational Projects	789,122
24	Blackstone Bike Path Design	1,000,000
25	Rhode Island Capital Plan Funds	
26	Dam Repair	5,593,450
27	Fort Adams Rehabilitation	500,000
28	Port of Galilee	10,693,637
29	Newport Pier Upgrades	500,000
30	Recreation Facilities Asset Protection	750,000
31	Recreational Facilities Improvements	4,586,260
32	Natural Resources Office and Visitor's Center	1,586,709
33	Fish & Wildlife Maintenance Facilities	200,000
34	Marine Infrastructure/Pier Development	500,000

1	Total - Natural Resources	103,887,249
2	<i>Environmental Protection</i>	
3	General Revenues	17,290,819
4	Federal Funds	13,416,965
5	Restricted Receipts	12,981,563
6	Other Funds	
7	Transportation MOU	61,877
8	Total - Environmental Protection	43,751,224
9	Grand Total - Environmental Management	165,868,480
10	Coastal Resources Management Council	
11	General Revenues	4,324,771
12	Federal Funds	3,151,314
13	Restricted Receipts	335,811
14	Other Funds	
15	Rhode Island Capital Plan Funds	
16	Confined Aquatic Dredged Material Disposal Cells	11,380,000
17	Grand Total - Coastal Resources Mgmt. Council	19,191,896
18	Transportation	
19	<i>Central Management</i>	
20	Federal Funds	13,891,263
21	Other Funds	
22	Gasoline Tax	8,591,864
23	Total - Central Management	22,483,127
24	<i>Management and Budget</i>	
25	Other Funds	
26	Gasoline Tax	5,768,852
27	<i>Infrastructure Engineering</i>	
28	Federal Funds	
29	Federal Funds	765,215,089
30	Federal Funds – State Fiscal Recovery Fund	
31	Washington Bridge Project	74,583
32	Restricted Receipts	4,459,559
33	Other Funds	
34	Gasoline Tax	78,204,432

1 Provided that of this amount, \$10,000,000 is appropriated to the Municipal Roads Grant
 2 Program known as RhodeRestore to provide funding to municipalities for the construction and
 3 maintenance of roads, sidewalks, and bridges. Provided that twenty-five percent (25%) of the funds
 4 shall be distributed equally to each city and town, and seventy-five percent (75%) shall be allocated
 5 proportionally based on each municipality’s share of municipally maintained road miles, as
 6 determined by the most recent data available from the Rhode Island department of transportation.
 7 Provided further that each municipality is required to provide a sixty-seven percent (67%) match.
 8 Provided further that, at the discretion of the department, a portion of these funds may be used for
 9 state sidewalk projects identified by the municipality and prioritized in collaboration with the
 10 department, subject to a matching requirement to be established by the department.

11 Provided further that of this amount, sufficient funds from the Rhode Island public transit
 12 authority’s share of gasoline tax proceeds shall be allocated to the state paratransit program,
 13 including the expansion pilot program known as ride anywhere to ensure statewide paratransit
 14 services are maintained.

15	Land Sale Revenue	6,113,850
16	Tolling Revenue	20,000,000
17	Rhode Island Capital Plan Funds	
18	Highway Improvement Program	46,250,000
19	RIPTA - Kingston Station Mobility Hub	840,000
20	RIPTA - Pawtucket Bus Hub	63,428
21	RIPTA - Bus Purchases	3,500,000
22	Bike Path Asset Protection	400,000
23	RIPTA - Land and Buildings	1,590,125
24	Total - Infrastructure Engineering	926,711,066

25 *Infrastructure Maintenance*

26 Other Funds

27	Gasoline Tax	44,201,784
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28 The department of transportation will establish a municipal roadway database, which will
 29 include information concerning the name, condition, length, roadway infrastructure, and pedestrian
 30 features of each municipal roadway, updated annually by municipalities. The database will serve
 31 as a comprehensive and transparent list of municipal roadway conditions.

32	Rhode Island Highway Maintenance Account	128,239,518
33	Rhode Island Capital Plan Funds	
34	Maintenance Capital Equipment Replacement	1,800,000

1	Maintenance Facilities Improvements	500,000
2	Welcome Center	150,000
3	Salt Storage Facilities	1,150,000
4	Train Station Asset Protection	3,750,000
5	Total - Infrastructure Maintenance	179,791,302
6	Grand Total - Transportation	1,134,754,347
7	Statewide Totals	
8	General Revenues	5,954,722,537
9	Federal Funds	5,506,004,485
10	Restricted Receipts	459,831,598
11	Other Funds	2,938,464,040
12	Statewide Grand Total	14,859,022,660

13 SECTION 2. Each line appearing in section 1 of this article shall constitute an
14 appropriation.

15 SECTION 3. Upon the transfer of any function of a department or agency to another
16 department or agency, the governor is hereby authorized by means of executive order to transfer or
17 reallocate, in whole or in part, the appropriations and the full-time equivalent limits affected
18 thereby; provided, however, in accordance with § 42-6-5, when the duties or administrative
19 functions of government are designated by law to be performed within a particular department or
20 agency, no transfer of duties or functions and no re-allocation, in whole or part, or appropriations
21 and full-time equivalent positions to any other department or agency shall be authorized.

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

30 SECTION 5. The general assembly authorizes the state controller to establish the internal
31 service accounts shown below, and no other, to finance and account for the operations of state
32 agencies that provide services to other agencies, institutions and other governmental units on a cost
33 reimbursed basis. The purpose of these accounts is to ensure that certain activities are managed in
34 a businesslike manner; promote efficient use of services by making agencies pay the full costs

1 associated with providing the services; and allocate the costs of central administrative services
 2 across all fund types, so that federal and other non-general fund programs share in the costs of
 3 general government support. The controller is authorized to reimburse these accounts for the cost
 4 of work or services performed for any other department or agency subject to the following
 5 expenditure limitations:

6 Account	Expenditure Limit
7 Accounts and Control Internal Service Fund	17,696,064
8 State Assessed Fringe Benefit Internal Service Fund	37,347,585
9 Administration Central Utilities Internal Service Fund	30,366,642
10 State Central Mail Internal Service Fund	9,226,608
11 State Telecommunications Internal Service Fund	3,489,512
12 State Automotive Fleet Internal Service Fund	21,689,836
13 Surplus Property Internal Service Fund	44,789
14 Health Insurance Internal Service Fund	377,363,571
15 Other Post-Employment Benefits Fund	41,748,856
16 Capitol Police Internal Service Fund	1,894,861
17 Corrections Central Distribution Center Internal Service Fund	8,819,385
18 Correctional Industries Internal Service Fund	8,587,104
19 Secretary of State Record Center Internal Service Fund	1,167,703
20 Human Resources Internal Service Fund	14,804,445
21 DCAMM Facilities Internal Service Fund	41,508,177
22 Information Technology Internal Service Fund	64,137,258

23 SECTION 6. The director of the department of administration shall exercise his powers
 24 under chapter 11 of title 42 to centralize state fleet operations under the department as it relates to
 25 light and medium duty vehicle management, in accordance with best practices.

26 SECTION 7. Legislative Intent - The general assembly may provide a written "statement
 27 of legislative intent" signed by the chairperson of the house finance committee and by the
 28 chairperson of the senate finance committee to show the intended purpose of the appropriations
 29 contained in section 1 of this article. The statement of legislative intent shall be kept on file in the
 30 house finance committee and in the senate finance committee.

31 At least twenty (20) days prior to the issuance of a grant or the release of funds, which
 32 grant or funds are listed on the legislative letter of intent, all department, agency, and corporation
 33 directors shall notify in writing the chairperson of the house finance committee and the chairperson
 34 of the senate finance committee of the approximate date when the funds are to be released or

1 granted.

2 SECTION 8. Appropriation of Temporary Disability Insurance Funds -- There is hereby
3 appropriated pursuant to §§ 28-39-5 and 28-39-8 all funds required to be disbursed for the benefit
4 payments from the temporary disability insurance fund and temporary disability insurance reserve
5 fund for the fiscal year ending June 30, 2027.

6 SECTION 9. Appropriation of Employment Security Funds -- There is hereby appropriated
7 pursuant to § 28-42-19 all funds required to be disbursed for benefit payments from the employment
8 security fund for the fiscal year ending June 30, 2027.

9 SECTION 10. Appropriation of Lottery Division Funds -- There is hereby appropriated to
10 the lottery division any funds required to be disbursed by the lottery division for the purposes of
11 paying commissions or transfers to the prize fund for the fiscal year ending June 30, 2027.

12 SECTION 11. Appropriation of CollegeBoundSaver Funds - There is hereby appropriated
13 to the office of the general treasurer designated funds received under the collegeboundsaver
14 program for transfer to the division of higher education assistance within the office of the
15 postsecondary commissioner to support student financial aid for the fiscal year ending June 30,
16 2027.

17 SECTION 12. Departments and agencies listed below may not exceed the number of full-
18 time equivalent (FTE) positions shown below in any pay period. Full-time equivalent positions do
19 not include limited period positions or, seasonal or intermittent positions whose scheduled period
20 of employment does not exceed twenty-six consecutive weeks or whose scheduled hours do not
21 exceed nine hundred and twenty-five (925) hours, excluding overtime, in a one-year period. Nor
22 do they include individuals engaged in training, the completion of which is a prerequisite of
23 employment. Provided, however, that the governor or designee, speaker of the house of
24 representatives or designee, and the president of the senate or designee may authorize an adjustment
25 to any limitation. Prior to the authorization, the state budget officer shall make a detailed written
26 recommendation to the governor, the speaker of the house, and the president of the senate. A copy
27 of the recommendation and authorization to adjust shall be transmitted to the chairman of the house
28 finance committee, senate finance committee, the house fiscal advisor, and the senate fiscal advisor.

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

32 **FY 2027 FTE POSITION AUTHORIZATION**

33 Departments and Agencies	Full-Time Equivalent
34 Administration	682.6

1 Provided that no more than 467.1 of the total authorization would be limited to positions
2 that support internal service fund programs.

3	Office of Energy Resources	21.0
4	Business Regulation	157.0
5	Rhode Island Cannabis Control Commission	28.0
6	Executive Office of Commerce	5.0
7	Housing	38.0
8	Labor and Training	461.7
9	Revenue	605.5
10	Legislature	298.5
11	Office of the Lieutenant Governor	8.0
12	Office of the Secretary of State	62.0
13	Office of the General Treasurer	93.0
14	Board of Elections	13.0
15	Rhode Island Ethics Commission	12.0
16	Office of the Governor	45.0
17	Commission for Human Rights	15.0
18	Public Utilities Commission	57.0
19	Executive Office of Health and Human Services	252.0
20	Children, Youth and Families	719.5
21	Health	572.6
22	Human Services	804.0
23	Office of Veterans Services	291.0
24	Office of Healthy Aging	33.0
25	Behavioral Healthcare, Developmental Disabilities and Hospitals	1,223.4

26 Provided that 18.0 of the total authorization would be limited to independent facilitators
27 positions to comply with the Consent Decree Addendum.

28	Office of the Child Advocate	13.0
29	Commission on the Deaf and Hard of Hearing	4.0
30	Governor's Commission on Disabilities	5.0
31	Office of the Mental Health Advocate	6.0
32	Elementary and Secondary Education	157.1

33 Provided that 3.0 of the total authorization would be available only for positions that are
34 supported by the healthy environments advance learning grant at the school building authority.

1	School for the Deaf	61.0
2	Davies Career and Technical School	125.0
3	Office of Postsecondary Commissioner	48.0
4	Provided that 1.0 of the total authorization would be available only for positions that are	
5	supported by third-party funds, 12.0 would be available only for positions at the state's higher	
6	education centers located in Woonsocket and Westerly, 10.0 would be available only for positions	
7	at the nursing education center, and 9.0 would be available for the longitudinal data systems	
8	program.	
9	Rhode Island College	949.2
10	Provided that 76.0 of the total authorization would be available only for positions that are	
11	supported by third-party funds.	
12	Community College of Rhode Island	849.1
13	Provided that 89.0 of the total authorization would be available only for positions that are	
14	supported by third-party funds.	
15	Rhode Island State Council on the Arts	10.0
16	RI Atomic Energy Commission	8.6
17	Historical Preservation and Heritage Commission	15.6
18	Office of the Attorney General	268.1
19	Corrections	1,461.0
20	Judicial	749.3
21	Military Staff	93.0
22	Emergency Management Agency	38.0
23	Public Safety	638.0
24	Office of the Public Defender	105.0
25	Environmental Management	440.0
26	Coastal Resources Management Council	32.0
27	Transportation	757.0
28	Total	13,330.8

29 Effective retroactively to July 1, 2025, the University of Rhode Island shall be exempt from
30 any limitations imposed on full-time equivalent (FTE) positions.

31 No agency or department may employ contracted employee services where contract
32 employees would work under state employee supervisors without determination of need by the
33 director of administration acting upon positive recommendations by the budget officer and the
34 personnel administrator and fifteen (15) days after a public hearing.

1 Nor may any agency or department contract for services replacing work done by state
 2 employees at that time without determination of need by the director of administration acting upon
 3 the positive recommendations of the state budget officer and the personnel administrator and thirty
 4 (30) days after a public hearing.

5 SECTION 13. The amounts reflected in this article include the appropriation of Rhode
 6 Island capital plan funds for fiscal year 2027 and supersede appropriations provided for FY 2027
 7 within Pub. L. 2025, ch. 278, art. 1, § 13.

8 The following amounts are hereby appropriated out of any money in the State’s Rhode
 9 Island capital plan fund not otherwise appropriated to be expended during the fiscal years ending
 10 June 30, 2028, June 30, 2029, June 30, 2030, and June 30, 2031. These amounts supersede
 11 appropriations provided within Pub. L. 2025, ch. 278, art. 1, § 13.

12 For the purposes and functions hereinafter mentioned, the state controller is hereby
 13 authorized and directed to draw the controller's orders upon the general treasurer for the payment
 14 of such sums and such portions thereof as may be required by the controller upon receipt of properly
 15 authenticated vouchers.

16		FY Ending	FY Ending	FY Ending	FY Ending
17	Project	06/30/2028	06/30/2029	06/30/2030	06/30/2031
18	DOA – 560 Jefferson Blvd Asset Protection	50,000	50,000	50,000	50,000
19	DOA – Arrigan Center	100,000	100,000	100,000	100,000
20	DOA – Big River Management Area	742,000	792,000	787,000	787,000
21	DOA – Cannon Building	4,225,000	4,225,000	1,750,000	1,200,000
22	DOA – Civic Center	1,075,000	1,500,000	1,475,000	1,500,000
23	DOA – Communities Facilities Asset Protection	125,000	125,000	125,000	125,000
24	DOA – Cranston Street Armory	100,000	100,000	100,000	100,000
25	DOA - DoIT Enterprise Operations Center	2,200,000	200,000	200,000	200,000
26	DOA – Environmental Compliance	225,000	225,000	225,000	225,000
27	DOA - Medical Examiner's Office	50,000	50,000	50,000	50,000
28	DOA – Old State House	100,000	100,000	100,000	100,000
29	DOA - Pastore Campus Infrastructure	20,000,000	20,000,000	20,000,000	20,000,000
30	DOA – Pastore Hospital Buildings				
31	Asset Protection	8,250,000	500,000	500,000	500,000
32	DOA - Pastore Center Non-Hospital Buildings				
33	Asset Protection	5,250,000	5,250,000	5,250,000	8,950,000
34	DOA - Replacement of Fueling Tanks	430,000	620,000	100,000	100,000

1	DOA - RI Convention Center Authority	2,500,000	2,000,000	2,000,000	2,500,000
2	DOA – Shepard Building Upgrades	5,325,000	3,135,000	2,250,000	2,250,000
3	DOA – Security Measures State Buildings	850,000	650,000	650,000	650,000
4	DOA - State House Renovations	36,159,000	35,029,000	8,309,000	4,309,000
5	DOA – State Office Building	300,000	50,000	50,000	50,000
6	DOA – State Office Reorganization &				
7	Relocation	750,000	750,000	750,000	750,000
8	DOA – Veterans Auditorium	150,000	150,000	150,000	200,000
9	DOA – Washington County Government Center	200,000	200,000	200,000	200,000
10	DOA - William Powers Building	3,850,000	1,700,000	200,000	200,000
11	DOA - Zambarano Buildings and Campus	500,000	500,000	500,000	500,000
12	DOA – Zambarano LTAC Hospital	24,427,656	24,155,740	26,065,740	21,804,439
13	Housing – Asset Protection	200,000	340,000	190,000	190,000
14	OER – Energy Efficiency	1,000,000	1,000,000	1,000,000	1,000,000
15	DBR – OFSM Evidence Room	0	0	0	2,500,000
16	EOC – I-195 Redevelopment Commission	400,000	0	0	0
17	SOS – Rhode Island Archives and History				
18	Center	4,500,000	0	0	0
19	DCYF – Training School Asset Protection	250,000	250,000	250,000	250,000
20	DOH – Health Laboratories & Medical				
21	Examiner Equipment	400,000	400,000	400,000	400,000
22	DHS – Blind Vending Facilities	165,000	165,000	165,000	165,000
23	DHS – Veterans Memorial Cemetery				
24	Asset Protection	480,000	510,000	1,150,000	1,450,000
25	DHS – Veterans Home Asset Protection	700,000	800,000	1,025,000	1,025,000
26	BHDDH – DD Residential Support	100,000	100,000	100,000	100,000
27	BHDDH – Group Home Maintenance	5,500,000	6,000,000	6,500,000	7,000,000
28	BHDDH – Hospital Equipment Asset Protection	300,000	300,000	300,000	300,000
29	BHDDH – RISPH Equipment	100,000	100,000	100,000	100,000
30	ELSEC – Davies School Asset Protection	750,000	750,000	750,000	750,000
31	ELSEC – Davies School HVAC	100,000	100,000	100,000	100,000
32	ELSEC - Davies School Wing Renovation	16,574,194	0	0	0
33	ELSEC – School for the Deaf Asset Protection	418,200	1,120,178	725,500	225,000
34	ELSEC – MET School Asset Protection	275,000	275,000	275,000	275,000

1	URI - Asset Protection	15,528,074	15,885,220	16,250,580	16,738,097
2	URI – Academic Building Improvements	7,150,00	818,723	0	0
3	URI - Athletics Complex	982,053	0	0	0
4	URI – Building Envelope Improvements	3,000,000	3,000,000	3,000,000	3,000,000
5	URI – Campus Accessibility	1,000,000	1,000,000	1,000,000	1,000,000
6	RIC - Asset Protection	6,632,000	6,850,000	6,850,000	7,055,500
7	RIC - Infrastructure Modernization	5,925,000	5,925,000	6,061,275	6,243,113
8	CCRI - Asset Protection	2,780,000	2,870,000	2,936,010	3,024,090
9	CCRI - Accessibility Improvements	720,000	590,000	230,000	200,000
10	CCRI – Data, Cabling, and Power Infrastructure	4,500,000	3,700,000	3,365,980	0
11	CCRI – Flanagan Campus Renovations	2,500,000	584,000	0	0
12	CCRI – Renovation and Modernization Phase I	7,000,000	2,785,000	0	0
13	CCRI – Renovation and Modernization				
14	Phase II	4,090,000	2,470,000	700,000	3,250,000
15	AEC – Asset Protection	50,00	50,000	50,000	55,000
16	OAG – Renovation and Asset Protection	900,000	150,000	150,000	150,000
17	DOC – Asset Protection	4,100,000	4,100,000	4,100,000	4,100,000
18	Judiciary – Judicial Complexes Asset Protection	1,500,000	1,500,000	1,550,000	1,550,000
19	Judiciary – Judicial Complexes HVAC	500,000	500,000	500,000	500,000
20	Judiciary – Judicial Complexes Fan Coil				
21	Replacements	850,000	500,000	500,000	500,000
22	Judiciary – Licht Limestone Cleaning & Pointing	1,300,000	1,339,000	0	0
23	Judiciary – Licht Window and Masonry Repairs	1,500,000	1,545,000	0	0
24	Military Staff – Asset Protection	1,120,000	2,220,831	3,253,820	3,548,675
25	DPS – Asset Protection	1,250,000	725,000	725,000	725,000
26	DPS – Training Academy Upgrades	690,000	975,000	600,000	150,000
27	RIEMA – RISCO Tower	550,000	0	550,000	0
28	RIEMA – RISCO Infrastructure Upgrade	15,000	0	0	0
29	DEM – Dam Repair	7,456,500	5,619,739	1,826,341	1,015,000
30	DEM – Facilities Asset Protection	765,000	765,000	780,000	100,000
31	DEM – Fish and Wildlife Facilities	200,000	200,000	100,000	100,000
32	DEM – Fort Adams Rehabilitation	500,000	500,000	0	0
33	DEM – Natural Resources Offices and				
34	Visitor's Center	600,000	100,000	100,000	100,000

1	DEM – Marine Infrastructure/Pier Development	500,000	500,000	500,000	0
2	DEM – Port of Galilee	5,375,000	6,600,000	8,800,000	5,146,499
3	DEM – Recreational Facilities Improvements	3,500,000	3,500,000	3,500,000	3,000,000
4	DOT - Highway Improvement Program	22,200,000	22,200,000	22,200,000	22,200,000
5	DOT – Bike Path Asset Protection	400,000	400,000	400,000	400,000
6	DOT – Maintenance Facility Improvements	1,375,000	500,000	500,000	800,000
7	DOT - Maintenance Capital Equipment				
8	Replacement	1,800,000	1,800,000	1,800,000	1,800,000
9	DOT - Salt Storage Facilities	1,500,000	1,500,000	1,500,000	1,500,000
10	DOT – Train Station Asset Protection	2,600,000	1,000,000	0	0
11	DOT – Welcome Center	150,000	150,000	150,000	0
12	DOT – RIPTA – Bus Purchases	3,500,000	3,500,000	3,500,000	3,500,000
13	DOT – RIPTA - Land and Buildings	1,310,125	560,000	500,000	500,000

14 SECTION 14. Reappropriation of Funding for Rhode Island capital plan fund projects.
15 Any unexpended and unencumbered funds from Rhode Island capital plan fund project
16 appropriations shall be reappropriated in the ensuing fiscal year and made available for the same
17 purpose. However, any such reappropriations are subject to final approval by the general assembly
18 as part of the supplemental appropriations act. Any unexpended funds of less than five hundred
19 dollars (\$500) shall be reappropriated at the discretion of the state budget officer.

20 SECTION 15. For the Fiscal Year ending June 30, 2027, the Rhode Island housing and
21 mortgage finance corporation shall provide from its resources such sums as appropriate in support
22 of the Neighborhood Opportunities Program. The corporation shall provide a report detailing the
23 amount of funding provided to this program, as well as information on the number of units of
24 housing provided as a result to the director of administration, the secretary of housing, the chair of
25 the house finance committee, the chair of the senate finance committee, and the state budget officer.

26 SECTION 16. Appropriation of Economic Activity Taxes in accordance with the city of
27 Pawtucket downtown redevelopment statute -- There is hereby appropriated for the fiscal year
28 ending June 30, 2027, all state economic activity taxes to be collected pursuant to § 45-33.4-4, as
29 amended (including, but not limited to, the amount of tax revenues certified by the commerce
30 corporation in accordance with § 45-33.4-1(13)), for the purposes of paying debt service on bonds,
31 funding debt service reserves; paying costs of infrastructure improvements in and around the
32 ballpark district, arts district, and the growth center district; funding future debt service on bonds;
33 and funding a redevelopment revolving fund established in accordance with § 45-33-1.

34 SECTION 17. The appropriations from federal funds contained in section 1 shall not be

1 construed to mean any federal funds or assistance appropriated, authorized, allocated or
2 apportioned to the State of Rhode Island from the state fiscal recovery fund and capital projects
3 fund enacted pursuant to the American Rescue Plan Act of 2021, P.L. 117-2 for fiscal year 2027
4 except for those instances specifically designated.

5 The State fiscal recovery fund and capital projects fund appropriations herein shall be made
6 in support of the following projects:

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

8 **Department of Administration (DOA)**

9 DOA- Pandemic Recovery Office. These funds shall be allocated to finance the pandemic
10 recovery office established within the department of administration.

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

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

16 **Department of Transportation (DOT)**

17 DOT - Washington Bridge Project. These funds shall support the non-federal share or
18 matching requirement on federal funds for priority transportation projects, including but not limited
19 to the Washington Bridge project.

20 **Federal Funds - Capital Projects Fund**

21 **Department of Administration (DOA)**

22 DOA - CPF Administration. These funds shall be allocated to the department of
23 administration to oversee the implementation of the capital projects fund award from the American
24 Rescue Plan Act.

25 SECTION 18. Reappropriation of Funding for State Fiscal Recovery Fund and Capital
26 Projects Fund. Notwithstanding any provision of general law, any unexpended and unencumbered
27 federal funds from the state fiscal recovery fund and capital projects fund shall be reappropriated
28 in the ensuing fiscal year and made available for the same purposes. However, any such
29 reappropriations are subject to final approval by the general assembly as part of the supplemental
30 appropriations act.

31 SECTION 19. The pandemic recovery office shall monitor the progress and performance
32 of all programs financed by the state fiscal recovery fund and the capital projects fund. On or before
33 October 31, 2023 through April 30, 2025, the office shall provide a report to the speaker of the
34 house and senate president, with copies to the chairpersons of the house and senate finance

1 committees, on a quarterly basis and biannually thereafter until and including October 31, 2026,
2 identifying programs that are at risk of significant underspending or noncompliance with federal or
3 state requirements. The report, at a minimum must include an assessment of how programs that are
4 at risk can be remedied. In the event that any state fiscal recovery fund program underspends its
5 appropriation or receives program income as defined by U.S. Treasury and would put the state at
6 risk of forfeiture of federal funds, the governor may propose to reclassify unspent funds or program
7 income from the at-risk program to other eligible uses as determined by U.S. Treasury. This
8 proposal shall be referred to the general assembly. For a state fiscal recovery fund program, if the
9 amount of the underspend or receipt of program income is less than or equal to one million dollars
10 (\$1,000,000) and less than or equal to twenty percent (20%) of its total appropriation, the
11 governor's proposed reclassification shall take effect immediately. For a state fiscal recovery fund
12 program, if the amount of the underspend or receipt of program income is greater than one million
13 dollars (\$1,000,000) or greater than twenty percent (20%) of its total appropriation, the governor's
14 proposed reclassification shall go into effect thirty (30) days after its referral to the general
15 assembly by the governor, unless rejected by formal action of the house and senate acting
16 concurrently within that time.

17 SECTION 20. This article shall take effect as of July 1, 2026, except as otherwise provided
18 herein.

1 Eleanor Slater non-Medicaid third-party payor account
2 Hospital Medicare Part D Receipts
3 RICLAS Group Home Operations
4 Group Home Facility Improvement Fund
5 Commission on the Deaf and Hard of Hearing
6 Emergency and public communication access account
7 Department of Environmental Management
8 National heritage revolving fund
9 Environmental response fund II
10 Underground storage tanks registration fees
11 De Coppet Estate Fund
12 Rhode Island Historical Preservation and Heritage Commission
13 Historic preservation revolving loan fund
14 Historic Preservation loan fund — Interest revenue
15 Department of Public Safety
16 E-911 Uniform Emergency Telephone System
17 Forfeited property — Retained
18 Forfeitures — Federal
19 Forfeited property — Gambling
20 Donation — Polygraph and Law Enforcement Training
21 Rhode Island State Firefighter’s League Training Account
22 Fire Academy Training Fees Account
23 Attorney General
24 Forfeiture of property
25 Federal forfeitures
26 Attorney General multi-state account
27 Forfeited property — Gambling
28 Department of Administration
29 Health Insurance Market Integrity Fund
30 RI Health Benefits Exchange
31 Information Technology restricted receipt account
32 Restore and replacement — Insurance coverage
33 Convention Center Authority rental payments
34 Investment Receipts — TANS

1 OPEB System Restricted Receipt Account
2 Grants Management Administration
3 Office of Energy Resources
4 OER Reconciliation Funding
5 RGGI Executive Climate Change Coordinating Council Projects
6 Electric Vehicle Charging Stations Operating and Maintenance Account
7 Clean Transportation Programs
8 Department of Housing
9 Housing Resources and Homelessness Restricted Receipt Account
10 Housing Production Fund
11 Low-Income Housing Tax Credit Fund
12 Department of Revenue
13 Car Rental Tax/Surcharge-Warwick Share
14 DMV Modernization Project
15 Jobs Tax Credit Redemption Fund
16 Legislature
17 Audit of federal assisted programs
18 Department of Children, Youth and Families
19 Children's Trust Accounts — SSI
20 Military Staff
21 RI Military Family Relief Fund
22 RI National Guard Counterdrug Program
23 Treasury
24 Admin. Expenses — State Retirement System
25 Retirement — Treasury Investment Options
26 Defined Contribution — Administration - RR
27 Violent Crimes Compensation — Refunds
28 Treasury Research Fellowship
29 Business Regulation
30 Banking Division Reimbursement Account
31 Office of the Health Insurance Commissioner Reimbursement Account
32 Securities Division Reimbursement Account
33 Commercial Licensing and Racing and Athletics Division Reimbursement Account
34 Insurance Division Reimbursement Account

1 Historic Preservation Tax Credit Account

2 Rhode Island Cannabis Control Commission

3 Marijuana Trust Fund

4 Social Equity Assistance Fund

5 Judiciary

6 Arbitration Fund Restricted Receipt Account

7 Third-Party Grants

8 RI Judiciary Technology Surcharge Account

9 Department of Elementary and Secondary Education

10 Statewide Student Transportation Services Account

11 School for the Deaf Fee-for-Service Account

12 School for the Deaf — School Breakfast and Lunch Program

13 Davies Career and Technical School Local Education Aid Account

14 Davies — National School Breakfast & Lunch Program

15 School Construction Services

16 Office of the Postsecondary Commissioner

17 Tuition Savings Program Fund

18 Higher Education and Industry Center

19 IGT STEM Scholarships

20 Department of Labor and Training

21 Job Development Fund

22 Contractor Training Restricted Receipt Account

23 Workers’ Compensation Administrative Account

24 [Rhode Island Uninsured Protection Fund](#)

25 Rhode Island Council on the Arts

26 Governors’ Portrait Donation Fund

27 Statewide records management system account

28 SECTION 2. Section 39-18.1-5 of the General Laws in Chapter 39-18.1 entitled

29 "Transportation Investment and Debt Reduction Act of 2011" is hereby amended to read as follows:

30 [**39-18.1-5. Allocation of funds.**](#)

31 (a) The monies in the highway maintenance fund to be directed to the department of

32 transportation pursuant to § 39-18.1-4(b)(1) — (b)(3) shall be allocated through the transportation

33 improvement program process to provide the state match for federal transportation funds, in place

34 of borrowing, as approved by the state planning council. The expenditure of moneys in the highway

1 maintenance fund shall only be authorized for projects that appear in the state's transportation
2 improvement program.

3 (b) Provided, however, that beginning with fiscal year 2015 and annually thereafter, the
4 department of transportation will allocate necessary funding to programs that are designed to
5 eliminate structural deficiencies of the state's bridge, road, and maintenance systems and
6 infrastructure.

7 (c) Provided, that beginning July 1, 2015, through June 30, 2025, five percent (5%) of
8 available proceeds in the Rhode Island highway maintenance account shall be allocated annually
9 to the Rhode Island public transit authority for operating expenditures.

10 (d) Provided, that beginning July 1, 2025, ten percent (10%) of available proceeds in the
11 Rhode Island highway maintenance account shall be allocated annually to the Rhode Island public
12 transit authority for operating expenditures.

13 (e) Provided, further, that from July 1, 2017, ~~and annually thereafter~~ through June 30, 2026,
14 in addition to the amount above, the Rhode Island public transit authority shall receive an amount
15 of not less than five million dollars (\$5,000,000) each fiscal year, except for the period July 1, 2019,
16 through June 30, 2022, during which such amount or a portion thereof may come from federal
17 coronavirus relief funds. Provided, further, that beginning July 1, 2026, and annually thereafter, in
18 addition to the amount above, the Rhode Island public transit authority shall receive an amount of
19 not less than fourteen million three hundred thousand dollars (\$14,300,000) each fiscal year.

20 SECTION 3. This article shall take effect upon passage, except Section 1 which shall take
21 effect retroactively as of July 1, 2025.

1 adjournment.

2 If any bill presented to the governor shall address appropriation of money, the governor
3 may:

4 (a) Approve or disapprove the entire bill in like manner as the passage of other bills set
5 forth in this section; or

6 (b) Reduce or eliminate any sum or sums of money appropriated in the bill while approving
7 other portions of the bill, in which case the portions of the bill approved by the governor shall
8 become law, and each reduced or eliminated sum of money shall also become law unless the general
9 assembly reconsiders and separately and individually passes the original sum according to the rules
10 and limitations prescribed in this section for the passage of other bills over the governor's veto;
11 and/or

12 (c) Disapprove one or more items or parts of items of the bill (other than sum or sums of
13 money described in the immediately preceding paragraph (b) of this section), in which case the
14 portions of the bill approved by the governor shall become law, and each item or part of an item
15 disapproved by the governor shall not become law unless the general assembly reconsiders and
16 separately and individually passes the original version of the item or part of an item according to
17 the rules and limitations prescribed in this section for the passage of other bills over the governor's
18 veto, provided:

19 (1) That in approving the bill in part, the governor may not create:

20 (i) a new word by rejecting individual letters in the words; or

21 (ii) a new sentence by combining parts of two or more sentences; and

22 (2) Further, that to the extent an item or part of an item disapproved by the governor
23 constitutes a condition, including but not limited to directing or restricting the use, of an
24 appropriation, the sum corresponding to the specific item of appropriation to which the disapproved
25 condition applies shall not be reduced but shall remain as part of the appropriated funds.

26 RESOLVED, that this proposition of amendment shall be submitted to qualified electors
27 for their approval or rejection at the next statewide general election. The voting places in the several
28 cities and towns shall be kept open during the hours required by law for voting therein for general
29 officers of the state; and be it further

30 RESOLVED, that the secretary of state shall cause this proposition of amendment to be
31 published in the newspapers of the state prior to the date of the meetings of qualified electors; and
32 this proposition of amendment shall be inserted in notices to be issued prior to the meetings of
33 qualified electors for the purpose of warning the town, ward, or district meetings, and this
34 proposition of amendment shall be read by the town, ward, or district meetings to be held as

1 aforesaid; and be it further

2 RESOLVED, that the town, ward, and district meetings to be held as aforesaid shall be
3 warned, and the list of voters shall be canvassed and made up, and the town, ward, and district
4 meetings shall be conducted in the same manner as now provided by law for the town, ward, and
5 district meetings for the election of general officers of the state; and be it further

6 RESOLVED, that upon approval by the qualified electors, this proposition of amendment
7 shall take effect and amend Section 14 of Article IX of the Constitution of the state on January 1,
8 2027.

9 SECTION 2. Section 23-24.12-3 of the General Laws in Chapter 23-24.12 entitled “Proper
10 Management of Unused Paint” is hereby amended to read as follows:

11 **23-24.12-3. Establishment of paint stewardship program.**

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

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

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

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

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

34 (3) Set forth the process by which an independent auditor will be selected and identify the

1 criteria used by the representative organization in selecting independent auditor;

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

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

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

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

9 (8) Include the targeted annual collection rate;

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

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

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

17 (1) Approve the plan as submitted;

18 (2) Approve the plan with conditions; or

19 (3) Deny the plan.

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

22 (f) On or before March 1, 2014, the representative organization shall propose a uniform
23 paint stewardship assessment for all architectural paint sold in this state. Such proposed paint
24 stewardship assessment shall be reviewed by an independent auditor to assure that such assessment
25 is consistent with the budget of the paint stewardship program described in this section and such
26 independent auditor shall recommend an amount for such paint stewardship assessment to the
27 department. The department shall be responsible for the approval of such paint stewardship
28 assessment based upon the independent auditor's recommendation. If the paint stewardship
29 assessment previously approved by the department pursuant to this section is proposed to be
30 changed, the representative organization shall submit the new, adjusted uniform paint stewardship
31 assessment to an independent auditor for review. After such review has been completed, the
32 representative organization shall submit the results of said auditor's review and a proposal to amend
33 the paint stewardship assessment to the department for review. The department shall review and
34 approve, in writing, the adjusted paint stewardship assessment before the new assessment can be

1 implemented. Any proposed changes to the paint stewardship assessment shall be submitted to the
2 department no later than sixty (60) days prior to the date the representative organization anticipates
3 the adjusted assessment to take effect.

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

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

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

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

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

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

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

34 (m) On or before October 15, 2015, and annually thereafter, the representative organization

1 shall submit a report to the director of the department of environmental management that details
2 the paint stewardship program. Said report shall include a copy of the independent audit detailed
3 in subdivision (4) below. Such annual report shall include, but not be limited to:

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

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

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

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

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

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

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

17 (n) The representative organization shall submit to the department an updated plan for
18 review and approval every five years, with the first such updated plan due no later than December
19 31, 2026. ~~update the plan, as needed, when there are changes proposed to the current program.~~ A
20 new plan or amendment will also be required to be submitted to the department for approval when:

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

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

23 (3) There is a revision of the product stewardship organization's goals. ~~or~~

24 ~~(4) Every four (4) years, if requested, in writing, by the department the representative~~
25 ~~organization shall notify the department annually, in writing, if there are no changes proposed to~~
26 ~~the program and the representative organization intends to continue implementation of the program~~
27 ~~as previously approved by the department.~~

28 SECTION 3. Effective July 1, 2026, sections 37-24-3 and 37-24-5 of the General Laws in
29 Chapter 37-24 entitled "The Green Buildings Act" are hereby amended to read as follows:

30 **37-24-3. Definitions.**

31 For purposes of this chapter, the following definitions shall apply:

32 (1) "Construction" means the process of building, altering, repairing, improving, or
33 demolishing forty percent (40%) or more of any public structures, public buildings, public real
34 property or other public improvements of any kind to any public structures, public buildings or

1 public real property.

2 (2) “Department” means the ~~department of administration~~ the office of the state building
3 code commissioner.

4 (3) “Equivalent standard” means a high-performance green building standard, other than
5 LEED, LEED for Neighborhood Development, and SITES, that provides an independent, third-
6 party verification and certification of a rating system or measurement tool, that, when used, leads
7 to outcomes equivalent to, LEED, LEED for Neighborhood Development, and SITES outcomes,
8 in terms of green building, green infrastructure, and green site performance; current accepted
9 equivalent standards include green globes, Northeast collaborative high-performance schools
10 protocol; or other equivalent high-performance green building, green infrastructure, and green site
11 standards accepted by the department.

12 (4) “LEED” also, “LEED for Neighborhood Development, and SITES certified standard”
13 means the current version of the U.S. Green Building Council Leadership in Energy and
14 Environmental Design (LEED) green building rating standard referred to as LEED, LEED for
15 Neighborhood Development, and SITES certified. SITES means the U.S. Green Building Council’s
16 SITES — The Sustainable SITES Initiative.

17 (5) “Public agency” means every state or municipal office, board, commission, committee,
18 bureau, department, or public institution of education, or any political subdivision thereof.

19 (6) “Public facility” means any public institution, public facility, public equipment, or any
20 physical asset owned, including its public real-property site, leased or controlled in whole or in part
21 by this state, a public agency, a municipality or a political subdivision, that is for public or
22 government use.

23 (7) “Public major facility project” means:

24 (i) A public facility building construction project larger than ten thousand (10,000) gross
25 square feet of occupied or conditioned space, and its public real-property site; or

26 (ii) A public facility building renovation project larger than ten thousand (10,000) gross
27 square feet of occupied or conditioned space, and its public real-property site.

28 **37-24-5. Administration and reports — Green buildings advisory committee.**

29 (a) The department shall promulgate such regulations as are necessary to enforce this
30 section ~~by January 1, 2023.~~ Effective July 1, 2026, the office of the state building code
31 commissioner will assume responsibility for promulgating the rules and regulations regarding the
32 green buildings advisory committee. The rules and regulations promulgated under title 220, chapter
33 70, subchapter 00, part 1 of the Rhode Island code of regulations will remain in full force and effect
34 and shall be enforced by the department of administration until such a time as the rules and

1 [regulations are properly transferred to and promulgated by the office of the state building code](#)
2 [commissioner title within the Rhode Island code of regulations.](#)

3 Those regulations shall include how the department will determine whether a project
4 qualifies for an exception from the LEED, LEED for Neighborhood Development, and SITES
5 certified or equivalent high-performance green building standard, and the green building standards
6 that may be imposed on projects that are granted exceptions.

7 (b) The department shall monitor and document ongoing operating savings that result from
8 major facility projects designed, constructed, and certified as meeting the LEED, LEED for
9 Neighborhood Development, and SITES certified standard annually publish a public report of
10 findings and recommended changes in policy. The report shall also include a description of projects
11 that were granted exceptions from the LEED, LEED for Neighborhood Development, and SITES
12 certified standard, the reasons for exception, and the lesser green building standards imposed.

13 (c) — (f) [Deleted by P.L. 2022, ch. 204, § 1 and P.L. 2022, ch. 205, § 1.]

14 (g) A green buildings advisory committee shall be created composed of nineteen (19)
15 members. The advisory committee shall have eleven (11) public members and eight (8) public
16 agency members. Five (5) of the public members shall be appointed by the governor; three (3) of
17 the public members shall be appointed by the president of the senate; and, three (3) of the public
18 members shall be appointed by the speaker of the house of representatives.

19 (1) The eleven (11) public members of the advisory committee shall be composed of nine
20 (9) representatives one from each of the following fields: architecture, engineering, landscape
21 architecture, energy, labor through the Rhode Island AFL-CIO, general construction contracting,
22 building product and building materials industries who are involved in, and have recognized
23 knowledge and accomplishment in their respective professions, of high-performance green
24 building standards, relating to the standards set forth in § 37-24-4; in addition to two (2) public
25 members, one representing an urban municipality from Providence, Cranston, Warwick,
26 Pawtucket, Woonsocket, or Newport, and one public member representing the other thirty-two (32)
27 municipalities in the state in order to ensure geographic diversity.

28 (2) The advisory committee shall have eight (8) public agency members representing
29 personnel from affected public agencies, and cities and towns, that oversee public works projects
30 and workforce development, who shall be appointed by the directors or chief executive officers of
31 the respective public agencies which shall include the department of administration; the department
32 of environmental management; the department of education; the department of transportation; the
33 department of labor and training; the office of the state building code commissioner; the Rhode
34 Island infrastructure bank, and the Rhode Island League of Cities and Towns.

1 (3) The chairperson of the green buildings advisory committee shall be a public member
2 chosen by the green buildings advisory committee.

3 (4) Of the initial eleven (11) public members, six (6) shall serve three-year (3) terms and
4 five (5) shall have two-year (2) terms. Each appointing authority shall appoint two (2) public
5 members to three-year (3) terms with the remainder of the public member appointments serving
6 two-year terms. Thereafter, all public members shall be appointed to three-year (3) terms.

7 (h) The green buildings advisory committee shall:

8 (1) Make recommendations regarding an ongoing evaluation process of the green buildings
9 act to help the department and the executive climate change coordinating council implement this
10 chapter;

11 (2) Identify the needs, actions, and funding required to implement the requirements set
12 forth in this chapter, in achieving high-performance green building projects for our public
13 buildings, public structures, and our public real properties;

14 (3) Establish clear, measurable targets for implementing the standards, defined in this
15 chapter, for all public major facility projects including timeline, workforce needs, anticipated costs
16 and other measures identified by the green buildings advisory committee and required by chapter
17 6.2 of title 42 (“2021 act on climate”); and

18 (4) Identify ways to monitor and document ongoing operating savings and greenhouse gas
19 emission reductions that result from public major facility projects designed, constructed and
20 certified as meeting the LEED, LEED for Neighborhood Development, SITES certified standard,
21 Green Globes, Northeast Collaborative for High-Performance Schools Protocol, Version 1.1 or
22 above and annually publish a report to the general assembly and the executive climate change
23 coordinating council of findings and recommended changes in policy.

24 (i) All requests for proposals, requests for information, requests for bids, requests for
25 design/build, requests for construction managers, and any requests relating to obtaining the
26 professional services, pricing, and construction for major facility projects by a public agency for a
27 public facility, shall include the notice of the statutory requirements of this chapter (“the green
28 buildings act”).

29 (j) The green buildings advisory committee shall have no responsibility for, and shall not
30 develop requests for proposals, requests for information, requests for bids, requests for
31 design/build, requests for construction managers, and any requests relating to obtaining the
32 professional services, pricing, and construction for major facility projects by a public agency for a
33 public facility; and the green buildings advisory committee shall have no responsibility for, and
34 shall not select any vendors for any requests for proposals, requests for information, requests for

1 bids, requests for design/build, requests for construction managers, and any requests relating to
2 obtaining the professional services, pricing, and construction for major facility projects by a public
3 agency for a public facility. Nothing shall prohibit public members of the green buildings advisory
4 committee from responding to, and being involved with, any submittals of requests for proposals,
5 requests for information, requests for bids, requests for design/build, requests for construction
6 managers, and any requests relating to obtaining the professional services, pricing, and construction
7 for major facility projects by a public agency for a public facility.

8 (k) The department of administration shall commission a report to analyze the costs and/or
9 benefits of LEED certification compared to equivalent standards. This includes, but is not limited
10 to, the impact of obtaining formal LEED certification on project budget and timeline.

11 SECTION 4. Chapter 42-12 of the General Laws entitled "Department of Human Services"
12 is hereby amended by adding thereto the following section:

13 **42-12-1.6. Transfer of functions to the office of energy resources.**

14 (a) There is hereby transferred from the department of human services to the office of
15 energy resources the administration, management, all functions and resources associated with:

16 (1) The weatherization assistance program which offers weatherization grants and heating
17 system upgrades using funds from the federal department of energy and the federal low-income
18 home energy assistance program, and any state funded or privately funded weatherization
19 assistance program of a similar nature assigned to it;

20 (b) The department is authorized to offer advisory assistance to the office of energy
21 resources in order to maintain continuity to eligible households.

22 SECTION 5. Section 42-12-1.5 of the General Laws in Chapter 42-12 entitled "Department
23 of Human Services" is hereby amended to read as follows:

24 **42-12-1.5. Transfer of functions from the office of energy resources.**

25 (a) There is hereby transferred from the office of energy resources to the department of
26 human services the administration, management, all functions and resources associated with:

27 (1) The federal low-income home energy assistance program (LIHEAP), which provides
28 heating 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 ~~(2) The weatherization assistance program, which offers home weatherization grants and~~
31 ~~heating system upgrades to LIHEAP eligible households; and,~~

32 ~~(3)~~ (2) The emergency fuel program, which provides oil deliveries to families experiencing
33 a heating emergency.

34 (b) The department is authorized to request advisory assistance from the office of energy

1 resources in order to maintain continuity of assistance provided to LIHEAP eligible households
2 pursuant to § 39-2-1(d).

3 SECTION 6. Chapter 42-17.1 of the General Laws entitled “Department of Environmental
4 Management” is hereby amended by adding thereto the following section:

5 **42-17.1-47. Big River Reservoir — Administration.**

6 The Rhode Island department of environmental management, established pursuant to
7 chapter 17.1 of this title, shall administer those lands acquired for the Big River Reservoir as
8 established under section 23 of chapter 133 of the Public Laws of 1964. The director of the
9 department of environmental management and the director’s authorized agents, employees, and
10 designees shall manage the land and natural resources of the Big River Reservoir. The lands of the
11 Big River Reservoir are subject to enforcement authority of the department of environmental
12 management, as provided for in chapter 17.1 of this title, and as provided for in title 20 of the
13 General Laws. Nothing contained herein shall be construed to affect any of the powers granted to
14 the water resources board (agency) with regard to fresh water resource management pursuant to
15 chapters 15 and 15.1 of title 46.

16 Effective July 1, 2026, the department of environmental management will assume
17 responsibility for all land use planning and for promulgating the rules and regulations regarding the
18 administration of the Big River Reservoir consistent with the requirements of R.I. Gen. Laws § 37-
19 20-1. The rules and regulations promulgated under 490-RICR-00-00-5 of the Rhode Island code of
20 regulations will remain in full force and effect until such a time as the rules and regulations are
21 properly transferred to and promulgated by the department of environmental management's title
22 within the Rhode Island code of regulations.

23 SECTION 7. Section 42-17.1-2 of the General Laws in Chapter 42-17.1 entitled
24 “Department of Environmental Management” is hereby amended to read as follows:

25 **42-17.1-2. Powers and duties.**

26 The director of environmental management shall have the following powers and duties:

27 (1) To supervise and control the protection, development, planning, and utilization of the
28 natural resources of the state, such resources, including, but not limited to: water, plants, trees, soil,
29 clay, sand, gravel, rocks and other minerals, air, mammals, birds, reptiles, amphibians, fish,
30 shellfish, and other forms of aquatic, insect, and animal life;

31 (2) To exercise all functions, powers, and duties heretofore vested in the department of
32 agriculture and conservation, and in each of the divisions of the department, such as the promotion
33 of agriculture and animal husbandry in their several branches, including the inspection and
34 suppression of contagious diseases among animals; the regulation of the marketing of farm

1 products; the inspection of orchards and nurseries; the protection of trees and shrubs from injurious
2 insects and diseases; protection from forest fires; the inspection of apiaries and the suppression of
3 contagious diseases among bees; the prevention of the sale of adulterated or misbranded
4 agricultural seeds; promotion and encouragement of the work of farm bureaus, in cooperation with
5 the University of Rhode Island, farmers' institutes, and the various organizations established for
6 the purpose of developing an interest in agriculture; together with such other agencies and activities
7 as the governor and the general assembly may, from time to time, place under the control of the
8 department; and as heretofore vested by such of the following chapters and sections of the general
9 laws as are presently applicable to the department of environmental management and that were
10 previously applicable to the department of natural resources and the department of agriculture and
11 conservation or to any of its divisions: chapters 1 through 22, inclusive, as amended, in title 2
12 entitled "Agriculture and Forestry"; chapters 1 through 17, inclusive, as amended, in title 4 entitled
13 "Animals and Animal Husbandry"; chapters 1 through 19, inclusive, as amended, in title 20 entitled
14 "Fish and Wildlife"; chapters 1 through 32, inclusive, as amended, in title 21 entitled "Food and
15 Drugs"; chapter 7 of title 23, as amended, entitled "Mosquito Abatement"; and by any other general
16 or public law relating to the department of agriculture and conservation or to any of its divisions or
17 bureaus;

18 (3) To exercise all the functions, powers, and duties heretofore vested in the division of
19 parks and recreation of the department of public works by chapters 1, 2, and 5 in title 32 entitled
20 "Parks and Recreational Areas"; by chapter 22.5 of title 23, as amended, entitled "Drowning
21 Prevention and Lifesaving"; and by any other general or public law relating to the division of parks
22 and recreation;

23 (4) To exercise all the functions, powers, and duties heretofore vested in the division of
24 harbors and rivers of the department of public works, or in the department itself by such as were
25 previously applicable to the division or the department, of chapters 1 through 22 and sections
26 thereof, as amended, in title 46 entitled "Waters and Navigation"; and by any other general or public
27 law relating to the division of harbors and rivers;

28 (5) To exercise all the functions, powers, and duties heretofore vested in the department of
29 health by chapters 25, 18.9, and 19.5 of title 23, as amended, entitled "Health and Safety"; and by
30 chapters 12 and 16 of title 46, as amended, entitled "Waters and Navigation"; by chapters 3, 4, 5,
31 6, 7, 9, 11, 13, 18, and 19 of title 4, as amended, entitled "Animals and Animal Husbandry"; and
32 those functions, powers, and duties specifically vested in the director of environmental
33 management by the provisions of § 21-2-22, as amended, entitled "Inspection of Animals and
34 Milk"; together with other powers and duties of the director of the department of health as are

1 incidental to, or necessary for, the performance of the functions transferred by this section;

2 (6) To cooperate with the Rhode Island commerce corporation in its planning and
3 promotional functions, particularly in regard to those resources relating to agriculture, fisheries,
4 and recreation;

5 (7) To cooperate with, advise, and guide conservation commissions of cities and towns
6 created under chapter 35 of title 45 entitled "Conservation Commissions", as enacted by chapter
7 203 of the Public Laws, 1960;

8 (8) To assign or reassign, with the approval of the governor, any functions, duties, or
9 powers established by this chapter to any agency within the department, except as hereinafter
10 limited;

11 (9) To cooperate with the water resources board and to provide to the board facilities,
12 administrative support, staff services, and other services as the board shall reasonably require for
13 its operation and, in cooperation with the board and the statewide planning program, to formulate
14 and maintain a long-range guide plan and implementing program for development of major water-
15 sources transmission systems needed to furnish water to regional and local distribution systems;

16 (10) To cooperate with the solid waste management corporation and to provide to the
17 corporation such facilities, administrative support, staff services, and other services within the
18 department as the corporation shall reasonably require for its operation;

19 (11) To provide for the maintenance of waterways and boating facilities, consistent with
20 chapter 6.1 of title 46, by: (i) Establishing minimum standards for upland beneficial use and
21 disposal of dredged material; (ii) Promulgating and enforcing rules for water quality, groundwater
22 protection, and fish and wildlife protection pursuant to § 42-17.1-24; (iii) Planning for the upland
23 beneficial use and/or disposal of dredged material in areas not under the jurisdiction of the council
24 pursuant to § 46-23-6(2); (iv) Cooperating with the coastal resources management council in the
25 development and implementation of comprehensive programs for dredging as provided for in §§
26 46-23-6(1)(ii)(H) and 46-23-18.3; and (v) Monitoring dredge material management and disposal
27 sites in accordance with the protocols established pursuant to § 46-6.1-5(a)(3) and the
28 comprehensive program provided for in § 46-23-6(1)(ii)(H); no powers or duties granted herein
29 shall be construed to abrogate the powers or duties granted to the coastal resources management
30 council under chapter 23 of title 46, as amended;

31 (12) To establish minimum standards, subject to the approval of the environmental
32 standards board, relating to the location, design, construction, and maintenance of all sewage
33 disposal systems;

34 (13) To enforce, by such means as provided by law, the standards for the quality of air, and

1 water, and the design, construction, and operation of all sewage disposal systems; any order or
2 notice issued by the director relating to the location, design, construction, or maintenance of a
3 sewage disposal system shall be eligible for recordation under chapter 13 of title 34. The director
4 shall forward the order or notice to the city or town wherein the subject property is located and the
5 order or notice shall be recorded in the general index by the appropriate municipal official in the
6 land evidence records in the city or town wherein the subject property is located. Any subsequent
7 transferee of that property shall be responsible for complying with the requirements of the order or
8 notice. Upon satisfactory completion of the requirements of the order or notice, the director shall
9 provide written notice of the same, which notice shall be similarly eligible for recordation. The
10 original written notice shall be forwarded to the city or town wherein the subject property is located
11 and the notice of satisfactory completion shall be recorded in the general index by the appropriate
12 municipal official in the land evidence records in the city or town wherein the subject property is
13 located. A copy of the written notice shall be forwarded to the owner of the subject property within
14 five (5) days of a request for it, and, in any event, shall be forwarded to the owner of the subject
15 property within thirty (30) days after correction;

16 (14) To establish minimum standards for the establishment and maintenance of salutary
17 environmental conditions, including standards and methods for the assessment and the
18 consideration of the cumulative effects on the environment of regulatory actions and decisions,
19 which standards for consideration of cumulative effects shall provide for: (i) Evaluation of potential
20 cumulative effects that could adversely affect public health and/or impair ecological functioning;
21 (ii) Analysis of other matters relative to cumulative effects as the department may deem appropriate
22 in fulfilling its duties, functions, and powers; which standards and methods shall only be applicable
23 to ISDS systems in the town of Jamestown in areas that are dependent for water supply on private
24 and public wells, unless broader use is approved by the general assembly. The department shall
25 report to the general assembly not later than March 15, 2008, with regard to the development and
26 application of the standards and methods in Jamestown;

27 (15) To establish and enforce minimum standards for permissible types of septage,
28 industrial-waste disposal sites, and waste-oil disposal sites;

29 (16) To establish minimum standards, subject to the approval of the environmental
30 standards board, for permissible types of refuse disposal facilities; the design, construction,
31 operation, and maintenance of disposal facilities; and the location of various types of facilities;

32 (17) To exercise all functions, powers, and duties necessary for the administration of
33 chapter 19.1 of title 23 entitled "Rhode Island Hazardous Waste Management Act";

34 (18) To designate, in writing, any person in any department of the state government or any

1 official of a district, county, city, town, or other governmental unit, with that official's consent, to
2 enforce any rule, regulation, or order promulgated and adopted by the director under any provision
3 of law; provided, however, that enforcement of powers of the coastal resources management
4 council shall be assigned only to employees of the department of environmental management,
5 except by mutual agreement or as otherwise provided in chapter 23 of title 46;

6 (19) To issue and enforce the rules, regulations, and orders as may be necessary to carry
7 out the duties assigned to the director and the department by any provision of law; and to conduct
8 investigations and hearings and to issue, suspend, and revoke licenses as may be necessary to
9 enforce those rules, regulations, and orders. Any license suspended under the rules, regulations,
10 and/or orders shall be terminated and revoked if the conditions that led to the suspension are not
11 corrected to the satisfaction of the director within two (2) years; provided that written notice is
12 given by certified mail, return receipt requested, no less than sixty (60) days prior to the date of
13 termination.

14 Notwithstanding the provisions of § 42-35-9 to the contrary, no informal disposition of a
15 contested licensing matter shall occur where resolution substantially deviates from the original
16 application unless all interested parties shall be notified of the proposed resolution and provided
17 with opportunity to comment upon the resolution pursuant to applicable law and any rules and
18 regulations established by the director;

19 (20) To enter, examine, or survey, at any reasonable time, places as the director deems
20 necessary to carry out the director's responsibilities under any provision of law subject to the
21 following provisions:

22 (i) For criminal investigations, the director shall, pursuant to chapter 5 of title 12, seek a
23 search warrant from an official of a court authorized to issue warrants, unless a search without a
24 warrant is otherwise allowed or provided by law;

25 (ii)(A) All administrative inspections shall be conducted pursuant to administrative
26 guidelines promulgated by the department in accordance with chapter 35 of this title;

27 (B) A warrant shall not be required for administrative inspections if conducted under the
28 following circumstances, in accordance with the applicable constitutional standards:

29 (I) For closely regulated industries;

30 (II) In situations involving open fields or conditions that are in plain view;

31 (III) In emergency situations;

32 (IV) In situations presenting an imminent threat to the environment or public health, safety,
33 or welfare;

34 (V) If the owner, operator, or agent in charge of the facility, property, site, or location

1 consents; or

2 (VI) In other situations in which a warrant is not constitutionally required.

3 (C) Whenever it shall be constitutionally or otherwise required by law, or whenever the
4 director in the director's discretion deems it advisable, an administrative search warrant, or its
5 functional equivalent, may be obtained by the director from a neutral magistrate for the purpose of
6 conducting an administrative inspection. The warrant shall be issued in accordance with the
7 applicable constitutional standards for the issuance of administrative search warrants. The
8 administrative standard of probable cause, not the criminal standard of probable cause, shall apply
9 to applications for administrative search warrants;

10 (I) The need for, or reliance upon, an administrative warrant shall not be construed as
11 requiring the department to forfeit the element of surprise in its inspection efforts;

12 (II) An administrative warrant issued pursuant to this subsection must be executed and
13 returned within ten (10) days of its issuance date unless, upon a showing of need for additional
14 time, the court orders otherwise;

15 (III) An administrative warrant may authorize the review and copying of documents that
16 are relevant to the purpose of the inspection. If documents must be seized for the purpose of
17 copying, and the warrant authorizes the seizure, the person executing the warrant shall prepare an
18 inventory of the documents taken. The time, place, and manner regarding the making of the
19 inventory shall be set forth in the terms of the warrant itself, as dictated by the court. A copy of the
20 inventory shall be delivered to the person from whose possession or facility the documents were
21 taken. The seized documents shall be copied as soon as feasible under circumstances preserving
22 their authenticity, then returned to the person from whose possession or facility the documents were
23 taken;

24 (IV) An administrative warrant may authorize the taking of samples of air, water, or soil
25 or of materials generated, stored, or treated at the facility, property, site, or location. Upon request,
26 the department shall make split samples available to the person whose facility, property, site, or
27 location is being inspected;

28 (V) Service of an administrative warrant may be required only to the extent provided for
29 in the terms of the warrant itself, by the issuing court.

30 (D) Penalties. Any willful and unjustified refusal of right of entry and inspection to
31 department personnel pursuant to an administrative warrant shall constitute a contempt of court and
32 shall subject the refusing party to sanctions, which in the court's discretion may result in up to six
33 (6) months' imprisonment and/or a monetary fine of up to ten thousand dollars (\$10,000) per
34 refusal;

1 (21) To give notice of an alleged violation of law to the person responsible therefor
2 whenever the director determines that there are reasonable grounds to believe that there is a
3 violation of any provision of law within the director's jurisdiction or of any rule or regulation
4 adopted pursuant to authority granted to the director. Nothing in this chapter shall limit the authority
5 of the attorney general to prosecute offenders as required by law;

6 (i) The notice shall provide for a time within which the alleged violation shall be remedied,
7 and shall inform the person to whom it is directed that a written request for a hearing on the alleged
8 violation may be filed with the director within twenty (20) days after service of the notice. The
9 notice will be deemed properly served upon a person if a copy thereof is served the person
10 personally; or sent by registered or certified mail to the person's last known address; or if the person
11 is served with notice by any other method of service now or hereafter authorized in a civil action
12 under the laws of this state. If no written request for a hearing is made to the director within twenty
13 (20) days of the service of notice, the notice shall automatically become a compliance order;

14 (ii)(A) Whenever the director determines that there exists a violation of any law, rule, or
15 regulation within the director's jurisdiction that requires immediate action to protect the
16 environment, the director may, without prior notice of violation or hearing, issue an immediate-
17 compliance order stating the existence of the violation and the action the director deems necessary.
18 The compliance order shall become effective immediately upon service or within such time as is
19 specified by the director in such order. No request for a hearing on an immediate-compliance order
20 may be made;

21 (B) Any immediate-compliance order issued under this section without notice and prior
22 hearing shall be effective for no longer than forty-five (45) days; provided, however, that for good
23 cause shown, the order may be extended one additional period not exceeding forty-five (45) days;

24 (iii) The director may, at the director's discretion and for the purposes of timely and
25 effective resolution and return to compliance, cite a person for alleged noncompliance through the
26 issuance of an expedited citation in accordance with § 42-17.6-3(c);

27 (iv) If a person upon whom a notice of violation has been served under the provisions of
28 this section or if a person aggrieved by any such notice of violation requests a hearing before the
29 director within twenty (20) days of the service of notice of violation, the director shall set a time
30 and place for the hearing, and shall give the person requesting that hearing at least five (5) days'
31 written notice thereof. After the hearing, the director may make findings of fact and shall sustain,
32 modify, or withdraw the notice of violation. If the director sustains or modifies the notice, that
33 decision shall be deemed a compliance order and shall be served upon the person responsible in
34 any manner provided for the service of the notice in this section;

1 (v) The compliance order shall state a time within which the violation shall be remedied,
2 and the original time specified in the notice of violation shall be extended to the time set in the
3 order;

4 (vi) Whenever a compliance order has become effective, whether automatically where no
5 hearing has been requested, where an immediate-compliance order has been issued, or upon
6 decision following a hearing, the director may institute injunction proceedings in the superior court
7 of the state for enforcement of the compliance order and for appropriate temporary relief, and in
8 that proceeding, the correctness of a compliance order shall be presumed and the person attacking
9 the order shall bear the burden of proving error in the compliance order, except that the director
10 shall bear the burden of proving in the proceeding the correctness of an immediate-compliance
11 order. The remedy provided for in this section shall be cumulative and not exclusive and shall be
12 in addition to remedies relating to the removal or abatement of nuisances or any other remedies
13 provided by law;

14 (vii) Any party aggrieved by a final judgment of the superior court may, within thirty (30)
15 days from the date of entry of such judgment, petition the supreme court for a writ of certiorari to
16 review any questions of law. The petition shall set forth the errors claimed. Upon the filing of the
17 petition with the clerk of the supreme court, the supreme court may, if it sees fit, issue its writ of
18 certiorari;

19 (22) To impose administrative penalties in accordance with the provisions of chapter 17.6
20 of this title and to direct that such penalties be paid into the account established by subsection (26);

21 (23) The following definitions shall apply in the interpretation of the provisions of this
22 chapter:

23 (i) Director: The term "director" shall mean the director of environmental management of
24 the state of Rhode Island or the director's duly authorized agent;

25 (ii) Person: The term "person" shall include any individual, group of individuals, firm,
26 corporation, association, partnership, or private or public entity, including a district, county, city,
27 town, or other governmental unit or agent thereof, and in the case of a corporation, any individual
28 having active and general supervision of the properties of the corporation;

29 (iii) Service:

30 (A) Service upon a corporation under this section shall be deemed to include service upon
31 both the corporation and upon the person having active and general supervision of the properties
32 of the corporation;

33 (B) For purposes of calculating the time within which a claim for a hearing is made
34 pursuant to subsection (21)(i), service shall be deemed to be the date of receipt of such notice or

1 three (3) days from the date of mailing of the notice, whichever shall first occur;

2 (24)(i) To conduct surveys of the present private and public camping and other recreational
3 areas available and to determine the need for and location of other camping and recreational areas
4 as may be deemed necessary and in the public interest of the state of Rhode Island and to report
5 back its findings on an annual basis to the general assembly on or before March 1 of every year;

6 (ii) Additionally, the director of the department of environmental management shall take
7 additional steps, including, but not limited to, matters related to funding as may be necessary to
8 establish such other additional recreational facilities and areas as are deemed to be in the public
9 interest;

10 (25)(i) To apply for and accept grants and bequests of funds, with the approval of the
11 director of administration, from other states, interstate agencies, and independent authorities, and
12 private firms, individuals, and foundations, for the purpose of carrying out the director's lawful
13 responsibilities. The funds shall be deposited with the general treasurer in a restricted receipt
14 account created in the natural resources program for funds made available for that program's
15 purposes or in a restricted receipt account created in the environmental protection program for
16 funds made available for that program's purposes. All expenditures from the accounts shall be
17 subject to appropriation by the general assembly, and shall be expended in accordance with the
18 provisions of the grant or bequest. In the event that a donation or bequest is unspecified, or in the
19 event that the trust account balance shows a surplus after the project as provided for in the grant or
20 bequest has been completed, the director may utilize the appropriated unspecified or appropriated
21 surplus funds for enhanced management of the department's forest and outdoor public recreation
22 areas, or other projects or programs that promote the accessibility of recreational opportunities for
23 Rhode Island residents and visitors;

24 (ii) The director shall submit to the house fiscal advisor and the senate fiscal advisor, by
25 October 1 of each year, a detailed report on the amount of funds received and the uses made of such
26 funds;

27 (26) To establish fee schedules by regulation, with the approval of the governor, for the
28 processing of applications and the performing of related activities in connection with the
29 department's responsibilities pursuant to subsection (12); chapter 19.1 of title 23, as it relates to
30 inspections performed by the department to determine compliance with chapter 19.1 and rules and
31 regulations promulgated in accordance therewith; chapter 18.9 of title 23, as it relates to inspections
32 performed by the department to determine compliance with chapter 18.9 and the rules and
33 regulations promulgated in accordance therewith; chapters 19.5 and 23 of title 23; chapter 12 of
34 title 46, insofar as it relates to water-quality certifications and related reviews performed pursuant

1 to provisions of the federal Clean Water Act, 33 U.S.C. § 1251 et seq.; the regulation and
2 administration of underground storage tanks and all other programs administered under chapter 12
3 of title 46 and § 2-1-18 et seq., and chapter 13.1 of title 46 and chapter 13.2 of title 46, insofar as
4 they relate to any reviews and related activities performed under the provisions of the Groundwater
5 Protection Act; chapter 24.9 of title 23 as it relates to the regulation and administration of mercury-
6 added products; and chapter 17.7 of this title, insofar as it relates to administrative appeals of all
7 enforcement, permitting, and licensing matters to the administrative adjudication division for
8 environmental matters. Two (2) fee ranges shall be required: for “Appeal of enforcement actions,”
9 a range of fifty dollars (\$50) to one hundred dollars (\$100), and for “Appeal of application
10 decisions,” a range of five hundred dollars (\$500) to ten thousand dollars (\$10,000). The monies
11 from the administrative adjudication fees will be deposited as general revenues and the amounts
12 appropriated shall be used for the costs associated with operating the administrative adjudication
13 division.

14 There is hereby established an account within the general fund to be called the water and
15 air protection program. The account shall consist of sums appropriated for water and air pollution
16 control and waste-monitoring programs and the state controller is hereby authorized and directed
17 to draw his or her orders upon the general treasurer for the payment of the sums, or portions thereof,
18 as may be required, from time to time, upon receipt by him or her of properly authenticated
19 vouchers. All amounts collected under the authority of this subsection (26) for the sewage-disposal-
20 system program and freshwater wetlands program will be deposited as general revenues and the
21 amounts appropriated shall be used for the purposes of administering and operating the programs.
22 The director shall submit to the house fiscal advisor and the senate fiscal advisor by January 15 of
23 each year a detailed report on the amount of funds obtained from fines and fees and the uses made
24 of the funds;

25 (27) To establish and maintain a list or inventory of areas within the state worthy of special
26 designation as “scenic” to include, but not be limited to, certain state roads or highways, scenic
27 vistas, and scenic areas, and to make the list available to the public;

28 (28) To establish and maintain an inventory of all interests in land held by public and
29 private land trust and to exercise all powers vested herein to ensure the preservation of all identified
30 lands;

31 (i) The director may promulgate and enforce rules and regulations to provide for the orderly
32 and consistent protection, management, continuity of ownership and purpose, and centralized
33 records-keeping for lands, water, and open spaces owned in fee or controlled in full or in part
34 through other interests, rights, or devices such as conservation easements or restrictions, by private

1 and public land trusts in Rhode Island. The director may charge a reasonable fee for filing of each
2 document submitted by a land trust;

3 (ii) The term “public land trust” means any public instrumentality created by a Rhode
4 Island municipality for the purposes stated herein and financed by means of public funds collected
5 and appropriated by the municipality. The term “private land trust” means any group of five (5) or
6 more private citizens of Rhode Island who shall incorporate under the laws of Rhode Island as a
7 nonbusiness corporation for the purposes stated herein, or a national organization such as the nature
8 conservancy. The main purpose of either a public or a private land trust shall be the protection,
9 acquisition, or control of land, water, wildlife, wildlife habitat, plants, and/or other natural features,
10 areas, or open space for the purpose of managing or maintaining, or causing to be managed or
11 maintained by others, the land, water, and other natural amenities in any undeveloped and relatively
12 natural state in perpetuity. A private land trust must be granted exemption from federal income tax
13 under Internal Revenue Code 501(c)(3) [26 U.S.C. § 501(c)(3)] within two (2) years of its
14 incorporation in Rhode Island or it may not continue to function as a land trust in Rhode Island. A
15 private land trust may not be incorporated for the exclusive purpose of acquiring or accepting
16 property or rights in property from a single individual, family, corporation, business, partnership,
17 or other entity. Membership in any private land trust must be open to any individual subscribing to
18 the purposes of the land trust and agreeing to abide by its rules and regulations including payment
19 of reasonable dues;

20 (iii)(A) Private land trusts will, in their articles of association or their bylaws, as
21 appropriate, provide for the transfer to an organization, created for the same or similar purposes, of
22 the assets, lands and land rights, and interests held by the land trust in the event of termination or
23 dissolution of the land trust;

24 (B) All land trusts, public and private, will record in the public records, of the appropriate
25 towns and cities in Rhode Island, all deeds, conservation easements, or restrictions or other interests
26 and rights acquired in land and will also file copies of all such documents and current copies of
27 their articles of association, their bylaws, and their annual reports with the secretary of state and
28 with the director of the Rhode Island department of environmental management. The director is
29 hereby directed to establish and maintain permanently a system for keeping records of all private
30 and public land trust land holdings in Rhode Island;

31 (29) The director will contact in writing, not less often than once every two (2) years, each
32 public or private land trust to ascertain: that all lands held by the land trust are recorded with the
33 director; the current status and condition of each land holding; that any funds or other assets of the
34 land trust held as endowment for specific lands have been properly audited at least once within the

1 two-year (2) period; the name of the successor organization named in the public or private land
2 trust's bylaws or articles of association; and any other information the director deems essential to
3 the proper and continuous protection and management of land and interests or rights in land held
4 by the land trust. In the event that the director determines that a public or private land trust holding
5 land or interest in land appears to have become inactive, the director shall initiate proceedings to
6 effect the termination of the land trust and the transfer of its lands, assets, land rights, and land
7 interests to the successor organization named in the defaulting trust's bylaws or articles of
8 association or to another organization created for the same or similar purposes. Should such a
9 transfer not be possible, then the land trust, assets, and interest and rights in land will be held in
10 trust by the state of Rhode Island and managed by the director for the purposes stated at the time
11 of original acquisition by the trust. Any trust assets or interests other than land or rights in land
12 accruing to the state under such circumstances will be held and managed as a separate fund for the
13 benefit of the designated trust lands;

14 (30) Consistent with federal standards, issue and enforce such rules, regulations, and orders
15 as may be necessary to establish requirements for maintaining evidence of financial responsibility
16 for taking corrective action and compensating third parties for bodily injury and property damage
17 caused by sudden and non-sudden accidental releases arising from operating underground storage
18 tanks;

19 (31) To enforce, by such means as provided by law, the standards for the quality of air, and
20 water, and the location, design, construction, and operation of all underground storage facilities
21 used for storing petroleum products or hazardous materials; any order or notice issued by the
22 director relating to the location, design, construction, operation, or maintenance of an underground
23 storage facility used for storing petroleum products or hazardous materials shall be eligible for
24 recordation under chapter 13 of title 34. The director shall forward the order or notice to the city or
25 town wherein the subject facility is located, and the order or notice shall be recorded in the general
26 index by the appropriate municipal officer in the land evidence records in the city or town wherein
27 the subject facility is located. Any subsequent transferee of that facility shall be responsible for
28 complying with the requirements of the order or notice. Upon satisfactory completion of the
29 requirements of the order or notice, the director shall provide written notice of the same, which
30 notice shall be eligible for recordation. The original, written notice shall be forwarded to the city
31 or town wherein the subject facility is located, and the notice of satisfactory completion shall be
32 recorded in the general index by the appropriate municipal official in the land evidence records in
33 the city or town wherein the subject facility is located. A copy of the written notice shall be
34 forwarded to the owner of the subject facility within five (5) days of a request for it, and, in any

1 event, shall be forwarded to the owner of the subject facility within thirty (30) days after correction;

2 (32) To manage and disburse any and all funds collected pursuant to § 46-12.9-4, in
3 accordance with § 46-12.9-5, and other provisions of the Rhode Island Underground Storage Tank
4 Financial Responsibility Act, as amended;

5 (33) To support, facilitate, and assist the Rhode Island Natural History Survey, as
6 appropriate and/or as necessary, in order to accomplish the important public purposes of the survey
7 in gathering and maintaining data on Rhode Island natural history; making public presentations and
8 reports on natural history topics; ranking species and natural communities; monitoring rare species
9 and communities; consulting on open-space acquisitions and management plans; reviewing
10 proposed federal and state actions and regulations with regard to their potential impact on natural
11 communities; and seeking outside funding for wildlife management, land management, and
12 research;

13 (34) To promote the effective stewardship of lakes, ponds, rivers, and streams including,
14 but not limited to, collaboration with watershed organizations and associations of lakefront property
15 owners on planning and management actions that will prevent and mitigate water quality
16 degradation, reduce the loss of native habitat due to infestation of non-native species, abate
17 nuisance conditions that result from excessive growth of algal or non-native plant species as well
18 as promote healthy freshwater riverine ecosystems;

19 (35) In implementing the programs established pursuant to this chapter, to identify critical
20 areas for improving service to customers doing business with the department, and to develop and
21 implement strategies to improve performance and effectiveness in those areas. Key aspects of a
22 customer-service program shall include, but not necessarily be limited to, the following
23 components:

24 (i) Maintenance of an organizational unit within the department with the express purpose
25 of providing technical assistance to customers and helping customers comply with environmental
26 regulations and requirements;

27 (ii) Maintenance of an employee training program to promote customer service across the
28 department;

29 (iii) Implementation of a continuous business process evaluation and improvement effort,
30 including process reviews to encourage development of quality proposals; ensure timely and
31 predictable reviews; and result in effective decisions and consistent follow up and implementation
32 throughout the department; and publish an annual report on such efforts;

33 (iv) Creation of a centralized location for the acceptance of permit applications and other
34 submissions to the department;

1 (v) Maintenance of a process to promote, organize, and facilitate meetings prior to the
2 submission of applications or other proposals in order to inform the applicant on options and
3 opportunities to minimize environmental impact; improve the potential for sustainable
4 environmental compliance; and support an effective and efficient review and decision-making
5 process on permit applications related to the proposed project;

6 (vi) Development of single permits under multiple authorities otherwise provided in state
7 law to support comprehensive and coordinated reviews of proposed projects. The director may
8 address and resolve conflicting or redundant process requirements in order to achieve an effective
9 and efficient review process that meets environmental objectives; and

10 (vii) Exploration of the use of performance-based regulations coupled with adequate
11 inspection and oversight, as an alternative to requiring applications or submissions for approval
12 prior to initiation of projects;

13 (36) To formulate and promulgate regulations requiring any dock or pier longer than
14 twenty feet (20') and located on a freshwater lake or pond to be equipped with reflective materials,
15 on all sides facing the water, of an appropriate width and luminosity such that it can be seen by
16 operators of watercraft;

17 (37) To temporarily waive any control or prohibition respecting the use of a fuel or fuel
18 additive required or regulated by the department if the director finds that:

19 (i) Extreme or unusual fuel or fuel additive supply circumstances exist in the state or the
20 New England region that prevent the distribution of an adequate supply of the fuel or fuel additive
21 to consumers;

22 (ii) Extreme or unusual fuel or fuel additive supply circumstances are the result of a natural
23 disaster, an act of God, a pipeline or refinery equipment failure, or another event that could not
24 reasonably have been foreseen; and

25 (iii) It is in the public interest to grant the waiver.

26 Any temporary waiver shall be made in writing and shall be effective for twenty (20)
27 calendar days; provided, that the director may renew the temporary waiver, in writing, if it is
28 deemed necessary; and

29 (38)(i) To designate by rule certain waters of the state as shellfish or marine life project
30 management areas for the purpose of enhancing the cultivation and growth of marine species,
31 managing the harvest of marine species, facilitating the conduct by the department of experiments
32 in planting, cultivating, propagating, managing, and developing any and all kinds of marine life,
33 and any other related purpose.

34 (ii) Any such designation shall be by reference to fixed landmarks and include an explicit

1 description of the area to be designated.

2 (iii) Once so designated, the director may adopt rules and regulations addressing
3 restrictions on the quantities, types, or sizes of marine species that may be taken in any individual
4 management area, the times during which marine species may be taken, the manner or manners in
5 that marine species may be taken, the closure of such area to the taking of marine species, or any
6 other specific restrictions as may be deemed necessary. Such rules shall be exempt from the
7 requirements of §§ 42-35-2.7, 42-35-2.8, and 42-35-2.9.

8 (iv) The director, upon the designation of a management area, may place any stakes,
9 bounds, buoys, or markers with the words “Rhode Island department of environmental
10 management” plainly marked on them, as will approximate the management area. Failure to place
11 or maintain the stakes, bounds, buoys, or markers shall not be admissible in any judicial or
12 administrative proceeding.

13 (v) Nothing in this section shall prevent the director from implementing emergency rules
14 pursuant to § 42-35-2.10.

15 [\(39\) To enter into agreements with such departments, divisions, agencies, or boards of the](#)
16 [state to regulate, manage, or perform related functions on any lands or waters acquired under the](#)
17 [provisions of the Big River — Wood River Reservoir Site Acquisition Act \(P.L. of 1964, chapter](#)
18 [133\).](#)

19 SECTION 8. Sections 42-64.20-5 and 42-64.20-10 of the General Laws in Chapter 42-
20 64.20 entitled “Rebuild Rhode Island Tax Credit Act” are hereby amended to read as follows:

21 **42-64.20-5. Tax credits.**

22 (a) An applicant meeting the requirements of this chapter may be allowed a credit as set
23 forth hereinafter against taxes imposed upon such person under applicable provisions of title 44 of
24 the general laws for a qualified development project.

25 (b) To be eligible as a qualified development project entitled to tax credits, an applicant’s
26 chief executive officer or equivalent officer shall demonstrate to the commerce corporation, at the
27 time of application, that:

28 (1) The applicant has committed a capital investment or owner equity of not less than
29 twenty percent (20%) of the total project cost;

30 (2) There is a project financing gap in which after taking into account all available private
31 and public funding sources, the project is not likely to be accomplished by private enterprise
32 without the tax credits described in this chapter; and

33 (3) The project fulfills the state’s policy and planning objectives and priorities in that:

34 (i) The applicant will, at the discretion of the commerce corporation, obtain a tax

1 stabilization agreement from the municipality in which the real estate project is located on such
2 terms as the commerce corporation deems acceptable;

3 (ii) It (A) Is a commercial development consisting of at least 25,000 square feet occupied
4 by at least one business employing at least 25 full-time employees after construction or such
5 additional full-time employees as the commerce corporation may determine; (B) Is a multi-family
6 residential development in a new, adaptive reuse, certified historic structure, or recognized
7 historical structure consisting of at least 20,000 square feet and having at least 20 residential units
8 in a hope community; or (C) Is a mixed-use development in a new, adaptive reuse, certified historic
9 structure, or recognized historical structure consisting of at least 25,000 square feet occupied by at
10 least one business, subject to further definition through rules and regulations promulgated by the
11 commerce corporation; and

12 (iii) Involves a total project cost of not less than \$5,000,000, except for a qualified
13 development project located in a hope community or redevelopment area designated under § 45-
14 32-4 in which event the commerce corporation shall have the discretion to modify the minimum
15 project cost requirement.

16 (4) Until July 1, 2025, pursuant to P.L. 2022 ch. 271 and P.L. 2022 ch. 272, for construction
17 projects in excess of ten million dollars (\$10,000,000), all construction workers shall be paid in
18 accordance with the wages and benefits required pursuant to chapter 13 of title 37 with all
19 contractors and subcontractors required to file certified payrolls on a monthly basis for all work
20 completed in the preceding month on a uniform form prescribed by the director of labor and
21 training. Failure to follow the requirements pursuant to chapter 13 of title 37 shall constitute a
22 material violation and a material breach of the agreement with the state. The commerce corporation,
23 in consultation with the director of labor and training and the tax administrator, shall promulgate
24 such rules and regulations as are necessary to implement the enforcement of this subsection. The
25 provisions of this subsection shall expire and sunset on July 1, 2025.

26 (5) Notwithstanding any general or special law or rule or regulation to the contrary, for
27 construction projects that have executed a tax credit agreement on or after July 1, 2025, and
28 involving a budget of direct hard construction costs (as defined in § 44-33.6-2) in excess of twenty-
29 five million dollars (\$25,000,000), all construction workers shall be paid in accordance with the
30 wages and benefits required pursuant to chapter 13 of title 37 with all contractors and
31 subcontractors required to file certified payrolls on a monthly basis for all work completed in the
32 preceding month on a uniform form prescribed by the director of labor and training. Failure to
33 follow the requirements pursuant to chapter 13 of title 37 shall constitute a material violation and
34 a material breach of the agreement with the state. The commerce corporation, in consultation with

1 the director of labor and training and the tax administrator, shall promulgate such rules and
2 regulations as are necessary to implement the enforcement of this subsection.

3 (c) The commerce corporation shall develop separate, streamlined application processes
4 for the issuance of rebuild RI tax credits for each of the following:

- 5 (1) Qualified development projects that involve certified historic structures;
- 6 (2) Qualified development projects that involve recognized historical structures;
- 7 (3) Qualified development projects that involve at least one manufacturer; and
- 8 (4) Qualified development projects that include affordable housing or workforce housing.

9 (d) Applications made for a historic structure or recognized historic structure tax credit
10 under chapter 33.6 of title 44 shall be considered for tax credits under this chapter. The division of
11 taxation, at the expense of the commerce corporation, shall provide communications from the
12 commerce corporation to those who have applied for and are in the queue awaiting the offer of tax
13 credits pursuant to chapter 33.6 of title 44 regarding their potential eligibility for the rebuild RI tax
14 credit program.

15 (e) Applicants (1) Who have received the notice referenced in subsection (d) above and
16 who may be eligible for a tax credit pursuant to chapter 33.6 of title 44; (2) Whose application
17 involves a certified historic structure or recognized historical structure; or (3) Whose project is
18 occupied by at least one manufacturer shall be exempt from the requirements of subsections
19 (b)(3)(ii) and (b)(3)(iii). The following procedure shall apply to such applicants:

20 (i) The division of taxation shall remain responsible for determining the eligibility of an
21 applicant for tax credits awarded under chapter 33.6 of title 44;

22 (ii) The commerce corporation shall retain sole authority for determining the eligibility of
23 an applicant for tax credits awarded under this chapter;

24 (iii) The commerce corporation shall not award in excess of fifteen percent (15%) of the
25 annual amount authorized in any fiscal year to applicants seeking tax credits pursuant to this
26 subsection (e); and

27 (iv) No tax credits shall be awarded under this chapter unless the commerce corporation
28 receives confirmation from the department of labor and training that there has been compliance
29 with the prevailing wage requirements set forth in subsection (b) of this section.

30 (f) Maximum project credit.

31 (1) For qualified development projects, the maximum tax credit allowed under this chapter
32 shall be the lesser of (i) Thirty percent (30%) of the total project cost; or (ii) The amount needed to
33 close a project financing gap (after taking into account all other private and public funding sources
34 available to the project), as determined by the commerce corporation.

1 (2) The credit allowed pursuant to this chapter, inclusive of any sales and use tax
2 exemptions allowed pursuant to this chapter, shall not exceed fifteen million dollars (\$15,000,000)
3 for any qualified development project under this chapter; except as provided in subsection (f)(3) of
4 this section; provided however, any qualified development project that exceeds the project cap upon
5 passage of this act shall be deemed not to exceed the cap, shall not be reduced, nor shall it be further
6 increased. No building or qualified development project to be completed in phases or in multiple
7 projects shall exceed the maximum project credit of fifteen million dollars (\$15,000,000) for all
8 phases or projects involved in the rehabilitation of the building. Provided, however, that for
9 purposes of this subsection and no more than once in a given fiscal year, the commerce corporation
10 may consider the development of land and buildings by a developer on the “I-195 land” as defined
11 in § 42-64.24-3(6) as a separate, qualified development project from a qualified development
12 project by a tenant or owner of a commercial condominium or similar legal interest including
13 leasehold improvement, fit out, and capital investment. Such qualified development project by a
14 tenant or owner of a commercial condominium or similar legal interest on the I-195 land may be
15 exempted from subsection (f)(1)(i) of this section.

16 (3) The credit allowed pursuant to this chapter, inclusive of any sales and use tax
17 exemptions allowed pursuant to this chapter, shall not exceed twenty-five million dollars
18 (\$25,000,000) for the project for which the I-195 redevelopment district was authorized to enter
19 into a purchase and sale agreement for parcels 42 and P4 on December 19, 2018, provided that
20 project is approved for credits pursuant to this chapter by the commerce corporation.

21 (4) For qualified development projects involving the development of housing and mixed
22 use projects involving housing which are restricted to require at least twenty percent (20%) of the
23 housing units being affordable housing or workforce housing development for residents making no
24 more than between eighty percent (80%) and one hundred twenty percent (120%) of the area
25 median income (AMI) shall be allowed sales and use tax exemptions of up to thirty percent (30%)
26 of the maximum project credit in addition to the maximum project credit of fifteen million dollars
27 (\$15,000,000) pursuant to this chapter. Any sales and use tax exemptions allowed in addition to the
28 maximum project credit shall be for purchases made by June 30, 2028.

29 (g) Credits available under this chapter shall not exceed twenty percent (20%) of the project
30 cost, provided, however, that the applicant shall be eligible for additional tax credits of not more
31 than ten percent (10%) of the project cost, if the qualified development project meets any of the
32 following criteria or other additional criteria determined by the commerce corporation from time
33 to time in response to evolving economic or market conditions:

34 (1) The project includes adaptive reuse or development of a recognized historical structure;

- 1 (2) The project is undertaken by or for a targeted industry;
- 2 (3) The project is located in a transit-oriented development area;
- 3 (4) The project includes residential development of which at least twenty percent (20%) of
4 the residential units are designated as affordable housing or workforce housing;
- 5 (5) The project includes the adaptive reuse of property subject to the requirements of the
6 industrial property remediation and reuse act, § 23-19.14-1 et seq.; or
- 7 (6) The project includes commercial facilities constructed in accordance with the minimum
8 environmental and sustainability standards, as certified by the commerce corporation pursuant to
9 Leadership in Energy and Environmental Design or other equivalent standards.
- 10 (h) Maximum aggregate credits. The aggregate sum authorized pursuant to this chapter,
11 inclusive of any sales and use tax exemptions allowed pursuant to this chapter, shall not exceed
12 ~~two hundred twenty five seventy million dollars (\$225,000,000)~~ two hundred fifty million dollars
13 (\$250,000,000), excluding any tax credits allowed pursuant to subsection (f)(3) of this section.
- 14 (i) Tax credits shall not be allowed under this chapter prior to the taxable year in which the
15 project is placed in service.
- 16 (j) The amount of a tax credit allowed under this chapter shall be allowable to the taxpayer
17 in up to five, annual increments; no more than thirty percent (30%) and no less than fifteen percent
18 (15%) of the total credits allowed to a taxpayer under this chapter may be allowable for any taxable
19 year.
- 20 (k) If the portion of the tax credit allowed under this chapter exceeds the taxpayer's total
21 tax liability for the year in which the relevant portion of the credit is allowed, the amount that
22 exceeds the taxpayer's tax liability may be carried forward for credit against the taxes imposed for
23 the succeeding four (4) years, or until the full credit is used, whichever occurs first. Credits allowed
24 to a partnership, a limited liability company taxed as a partnership, or multiple owners of property
25 shall be passed through to the persons designated as partners, members, or owners respectively pro
26 rata or pursuant to an executed agreement among persons designated as partners, members, or
27 owners documenting an alternate distribution method without regard to their sharing of other tax
28 or economic attributes of such entity.
- 29 (l) The commerce corporation, in consultation with the division of taxation, shall establish,
30 by regulation, the process for the assignment, transfer, or conveyance of tax credits.
- 31 (m) For purposes of this chapter, any assignment or sales proceeds received by the taxpayer
32 for its assignment or sale of the tax credits allowed pursuant to this section shall be exempt from
33 taxation under title 44. If a tax credit is subsequently revoked or adjusted, the seller's tax calculation
34 for the year of revocation or adjustment shall be increased by the total amount of the sales proceeds,

1 without proration, as a modification under chapter 30 of title 44. In the event that the seller is not a
2 natural person, the seller's tax calculation under chapter 11, 13, 14, or 17 of title 44, as applicable,
3 for the year of revocation, or adjustment, shall be increased by including the total amount of the
4 sales proceeds without proration.

5 (n) The tax credit allowed under this chapter may be used as a credit against corporate
6 income taxes imposed under chapter 11, 13, 14, or 17 of title 44, or may be used as a credit against
7 personal income taxes imposed under chapter 30 of title 44 for owners of pass-through entities such
8 as a partnership, a limited liability company taxed as a partnership, or multiple owners of property.

9 (o) In the case of a corporation, this credit is only allowed against the tax of a corporation
10 included in a consolidated return that qualifies for the credit and not against the tax of other
11 corporations that may join in the filing of a consolidated tax return.

12 (p) Upon request of a taxpayer and subject to annual appropriation, the state shall redeem
13 this credit, in whole or in part, for ninety percent (90%) of the value of the tax credit. The division
14 of taxation, in consultation with the commerce corporation, shall establish by regulation a
15 redemption process for tax credits.

16 (q) Projects eligible to receive a tax credit under this chapter may, at the discretion of the
17 commerce corporation, be exempt from sales and use taxes imposed on the purchase of the
18 following classes of personal property only to the extent utilized directly and exclusively in the
19 project: (1) Furniture, fixtures, and equipment, except automobiles, trucks, or other motor vehicles;
20 or (2) Other materials, including construction materials and supplies, that are depreciable and have
21 a useful life of one year or more and are essential to the project.

22 (r) The commerce corporation shall promulgate rules and regulations for the administration
23 and certification of additional tax credit under subsection (g), including criteria for the eligibility,
24 evaluation, prioritization, and approval of projects that qualify for such additional tax credit.

25 (s) The commerce corporation shall not have any obligation to make any award or grant
26 any benefits under this chapter.

27 **42-64.20-10. Sunset.**

28 No credits shall be authorized to be reserved pursuant to this chapter after ~~December 31,~~
29 ~~2026~~December 31, 2027.

30 SECTION 9. Section 42-64.21-9 of the General Laws in Chapter 42-64.21 entitled "Rhode
31 Island Tax Increment Financing" is hereby amended to read as follows:

32 **42-64.21-9. Sunset.**

33 The commerce corporation shall enter into no agreement under this chapter after ~~December~~
34 ~~31, 2026~~December 31, 2027.

1 SECTION 10. Section 42-64.22-15 of the General Laws in Chapter 42-64.22 entitled “Tax
2 Stabilization Incentive” is hereby amended to read as follows:

3 **42-64.22-15. Sunset.**

4 The commerce corporation shall enter into no agreement under this chapter after ~~December~~
5 ~~31, 2026~~December 31, 2027.

6 SECTION 11. Section 42-64.23-8 of the General Laws in Chapter 42-64.23 entitled “First
7 Wave Closing Fund Act” is hereby amended to read as follows:

8 **42-64.23-8. Sunset.**

9 No financing shall be authorized to be reserved pursuant to this chapter after ~~December 31,~~
10 ~~2026~~December 31, 2027.

11 SECTION 12. Section 42-64.24-8 of the General Laws in Chapter 42-64.24 entitled “I-195
12 Redevelopment Project Fund Act” is hereby amended as follows:

13 **42-64.24-8. Sunset.**

14 No funding, credits, or incentives shall be authorized or authorized to be reserved pursuant
15 to this chapter after ~~December 31, 2026~~December 31, 2027.

16 SECTION 13. Section 42-64.26-12 of the General Laws in Chapter 42-64.26 entitled “Stay
17 Invested in RI Wavemaker Fellowship” is hereby amended to read as follows:

18 **42-64.26-12. Sunset.**

19 No incentives or credits shall be authorized pursuant to this chapter after ~~December 31,~~
20 ~~2026~~December 31, 2027.

21 SECTION 14. Section 42-64.27-6 of the General Laws in Chapter 42-64.27 entitled “Main
22 Street Rhode Island Streetscape Improvement Fund” is hereby amended as follows:

23 **42-64.27-6. Sunset.**

24 No incentives shall be authorized pursuant to this chapter after ~~December 31,~~
25 ~~2026~~December 31, 2027.

26 SECTION 15. Section 42-64.28-10 of the General Laws in Chapter 42-64.28 entitled
27 “Innovation Initiative” is hereby amended as follows:

28 **42-64.28-10. Sunset.**

29 No vouchers, grants, or incentives shall be authorized pursuant to this chapter after
30 ~~December 31, 2026~~December 31, 2027.

31 SECTION 16. Chapter 42-140 of the General Laws entitled "Rhode Island Energy
32 Resources Act" is hereby amended by adding thereto the following section:

33 **42-140-13. Energy Benchmarking and Performance Standards Program**

34 **(a) Definitions. For the purposes of this section:**

1 (1) “Department” shall mean all state departments whose directors are enumerated in R.I.
2 Gen. Laws § 42-6-3 and shall additionally include the executive office of health and human
3 services, the executive office of commerce, and the executive office of housing.

4 (2) “Public buildings” for the purpose of this section shall mean all municipal and school
5 buildings owned by a municipality that are at least 25,000 gross square feet.

6 (3) “State-owned, state-occupied facilities” shall mean buildings owned by the state that
7 primarily contain offices or other administrative work space for state employees and are at least
8 25,000 gross square feet.

9 (b) State Facilities Energy Usage Reporting

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

13 (2) Beginning March 31, 2029, and recurring annually thereafter, departments, coordinated
14 and supported by the office of energy resources, shall report to the office energy use data by source
15 for state-owned, state-occupied facilities for the preceding calendar year. No later than 180 days
16 from the March 31 reporting deadline each year, the office shall compile, publish and post on its
17 website each facility’s energy use data by fuel and total emissions.

18 (c) State Facilities Benchmarking and Performance Standards Program

19 (1) Utilizing the data due March 31, 2029, in subsection (b)(2), the office of energy
20 resources shall, with consultation from departments, develop and publish performance standards
21 for state-owned, state-occupied facilities by March 31, 2030 and may update the performance
22 standards and any revision to the standards thereafter. The performance standards published must
23 include:

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

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

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

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

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

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

1 with subsection (2)(i) of R.I. Gen. Laws § 42-6.2-2; and

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

3 (3) The departments shall meet the performance standards set in accordance with
4 subsection (c)(2). No later than 90 days after each specified compliance date established in
5 accordance with subsection (c)(1), the office of energy resources shall publish a performance
6 standards compliance report demonstrating the status of each state-owned, state-occupied facility
7 subject to a performance standard and post on its website. In the event that a state-owned, state-
8 occupied facility fails to meet a performance standard, the office of energy resources shall provide
9 a corrective action plan with which the state-owned, state-occupied facility shall comply within 90
10 days of the compliance deadline.

11 (4) Subsections (c)(1), (c)(2), and (c)(3) shall not apply to state-owned, state-occupied
12 facilities which the office and department of administration determine are not suitable candidates
13 for achieving greenhouse gas emission reductions due to economic infeasibility or unique
14 operational or physical limitations. Any such determinations shall be published in addition to the
15 standards required in subsection (c)(2) and posted on the office's website.

16 (d) Voluntary Energy Benchmarking Program for Public Buildings

17 (i) The office of energy resources shall provide technical and financial assistance to
18 municipalities for a voluntary public buildings energy benchmarking program of public buildings
19 on municipal properties in which buildings are greater than twenty-five thousand (25,000) square
20 feet.

21 (ii) The office of energy resources shall maintain a website that tracks its implementation
22 of the voluntary public buildings energy benchmarking program. The office shall submit to the
23 Governor and General Assembly by May 1, 2028, and annually thereafter a progress report on the
24 voluntary public buildings energy benchmarking program.

25 SECTION 17. Section 42-140-3 of the General Laws in Chapter 42-140 entitled "Rhode
26 Island Energy Resources Act" is hereby amended to read as follows:

27 **42-140-3. Purposes.**

28 The purposes of the office shall be to:

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

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

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

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

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

11 (6) Develop, recommend, and, as appropriate, implement integrated and/or comprehensive
12 strategies, including at regional and federal levels, to secure Rhode Island's interest in energy
13 resources, their supply and efficient use, and as necessary to interact with persons, private sector,
14 nonprofit, regional, federal entities and departments and agencies of other states to effectuate this
15 purpose;

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

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

21 (9) Coordinate the energy efficiency, least-cost procurement, and systems reliability plans
22 and programs with the energy efficiency and resources management council;

23 (10) Participate in, monitor implementation of, and provide technical assistance for the
24 low-income home energy assistance program enhancement plan established pursuant to § 39-1-
25 27.12;

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

28 ~~(12)~~ (11) Coordinate opportunities with and enter into contracts and/or agreements with
29 the commerce corporation associated with the energy efficiency, least-cost procurement, system
30 reliability, and renewable energy fund programs;

31 ~~(13)~~ (12) Provide support and information to the division of planning and the state planning
32 council in the development of a ten-year (10) Rhode Island Energy Guide Plan, which shall be
33 reviewed and amended if necessary every five (5) years;

34 (13) Administer the federal Weatherization Assistance Program and any state or privately

1 [funded weatherization program:](#)

2 (14) Advise and provide technical assistance to state and federally funded energy programs
3 to support:

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

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

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

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

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

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

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

19 (17) Advise the governor and the general assembly with regard to energy resources and all
20 matters relevant to achieving the purposes of the office.

21 [\(18\) Administer and implement all state energy bond referendums that are approved.](#)

22 SECTION 18. Section 44-48.3-14 of the General Laws in Chapter 44-48.3 entitled “Rhode
23 Island Qualified Jobs Incentive Act of 2015” is hereby amended as follows:

24 [44-48.3-14. Sunset.](#)

25 No credits shall be authorized to be reserved pursuant to this chapter after ~~December 31,~~
26 ~~2026~~[December 31, 2027.](#)

27 SECTION 19. Chapter 46-15.1 of the General Laws entitled “Water Supply Facilities” is
28 hereby amended by adding thereto the following section:

29 [46-15.1-23. Transfer of powers and functions from the water resources board for big
30 river reservoir administration.](#)

31 [The administration of lands acquired for the Big River Reservoir, as established under
32 section 23 of chapter 133 of the Public Laws of 1964, are hereby transferred to the department of
33 environmental management. However, all other general authority granted to the water resource
34 board in chapters 15 and 15.1 of title 46 is hereby retained by the water resource board.](#)

1 SECTION 20. Section 46-15.1-5 of the General Laws in Chapter 46-15.1 entitled “Water
2 Supply Facilities” is hereby amended to read as follows:

3 **46-15.1-5. Powers.**

4 (a) The board shall carry out its functions and shall have the following powers:

5 (1) To adopt a seal and to alter the seal from time to time;

6 (2) To sue and be sued;

7 (3) To purchase, hold, and dispose of real and personal property, or interests therein, and
8 to lease the property as lessee or lessor;

9 (4) To make or cause to be made such surveys and borings as it may deem necessary;

10 (5) To engage engineering, legal, accounting, and other professional services;

11 (6) To make contracts;

12 (7) To employ personnel and fix their rates of compensation;

13 (8) To borrow money and issue its bonds and notes as hereinafter provided;

14 (9) To apply and contract for and to expend assistance from the United States or other
15 sources, whether in the form of a grant or loan or otherwise;

16 (10) To adopt and amend bylaws for the regulation of its affairs and the conduct of its
17 business;

18 (11) To invest or deposit funds in demand deposits, savings deposits, and time deposits in
19 any bank or trust company which is a member of the Federal Deposit Insurance Corporation or in
20 any obligations issued or guaranteed by the United States or any agency or instrumentality thereof,
21 or as provided in § 35-10-11;

22 (12) To establish, operate, and maintain or lease to others, or contract with others for the
23 use of, such water supply facilities as may be reasonably required for the fulfillment of its purposes;

24 (13) To purchase and sell water;

25 (14) To exercise such other powers as may be necessary or incidental to the exercise of the
26 foregoing powers or to the accomplishment of the purposes of the board;

27 (15) To acquire, within the limitation of funds therefor, the sites, appurtenant marginal
28 lands, dams, waters, water rights, rights of way, easements, and other property in interests in
29 property for reservoirs, groundwater wells, well sites, and for such pipe lines, aqueducts, pumping
30 stations, filtration plants, and auxiliary structures as may be necessary or desirable for the treatment
31 and distribution of water from those reservoirs, groundwater wells, and well sites. Lands acquired
32 under the provisions of this section shall be acquired with the approval of the governor by purchase,
33 gift, devise, or otherwise on such terms and conditions as the board shall determine, or by the
34 exercise of eminent domain, in accordance with the provisions of chapter 6 of title 37, as amended,

1 insofar as those provisions are consistent with the provisions hereof;

2 (16) To construct or purchase water reservoirs, wells and well sites, processing facilities,
3 transmission or distribution systems, and other facilities, including existing facilities of municipal
4 water agencies or departments, special water districts, or private water companies, necessary to
5 accomplish the purposes of this chapter and to implement its plans and program;

6 (17) To acquire the assets, assume the liabilities, or to effect the merger into itself of any
7 corporation or other organization, including public or private water supply systems incorporated or
8 organized under the laws of this state, which corporation or organization has as its principal
9 business the establishment of water supply facilities or provision of related services, all upon such
10 terms and for such consideration as the board shall deem to be appropriate;

11 (18) To lease, sell, or otherwise convey any reservoir sites or other water supply or
12 distribution facilities acquired, constructed, or purchased by the board to any municipal water
13 agency or department or special water district or private water company, upon such terms as the
14 board shall deem appropriate;

15 (19) To provide for cooperative development, conservation, and use of water resources by
16 the state, municipal agencies or departments, special water districts or privately owned water
17 systems, the board may:

18 (i) Authorize publicly or privately owned water supply agencies to build structures or
19 install equipment on land owned or leased by the board.

20 (ii) Enter into contracts with publicly or privately owned water supply agencies for
21 operation of any facilities owned or leased by the board or operate any such facility by itself.

22 (20) To enter into contracts to supply raw or processed water to publicly or privately owned
23 water supply agencies, which shall be approved as to substance by the director of administration
24 and as to form by the attorney general;

25 (21) To review all plans and proposals for construction or installation of facilities for water
26 supply in accordance with the applicable sections of chapter 15 of this title;

27 (22) To make loans to publicly owned water supply agencies for acquisition, construction,
28 and renovation of water supply facilities from funds which may be appropriated for this purpose
29 by the general assembly, from bonds issued for this purpose, or from other funds which may
30 become available to the board for this purpose;

31 (23) To borrow money temporarily from the water development fund, for the purposes of
32 this chapter, and to implement its plans and programs relating to reservoir development, exclusive
33 of the acquisition of sites for the development of surface reservoirs, in anticipation of revenue or
34 federal aid; [and](#)

1 ~~(24) To enter into contracts and/or agreements with such departments, divisions, agencies,~~
2 ~~or boards of the state as are directed by the governor to regulate, manage, or perform related~~
3 ~~functions on any lands or waters acquired under the provisions of the Big River—Wood River~~
4 ~~Reservoir Site Acquisition Act (P.L. of 1964, chapter 133); and~~

5 (25~~24~~) To compensate the departments, divisions, agencies, or boards from the water
6 development fund in an amount equal to the cost of providing the functions or services as are
7 directed to be performed by the governor. The compensation shall be mandatory and shall be
8 provided according to procedures established by the department of administration.

9 (b) The board as a body politic and corporate and public instrumentality created pursuant
10 to this chapter is subject to § 46-15.1-5(1) — (25). The board as the state agency pursuant to chapter
11 15 of this title is subject to § 46-15.1-5(15) — (25).

12 SECTION 21. Section 46-15.1-19.1 of the General Laws in Chapter 46-15.1 entitled
13 "Water Supply Facilities" is hereby repealed:

14 ~~**46-15.1-19.1. Big River Reservoir—Administration.**~~

15 ~~The Rhode Island water resources board, established pursuant to this chapter and chapter~~
16 ~~15 of this title, shall be the only designated agency which will administer those lands acquired for~~
17 ~~the Big River Reservoir as established under section 23 of chapter 133 of the Public Laws of 1964.~~
18 ~~The director of the department of environmental management and the director's authorized agents,~~
19 ~~employees, and designees shall, together with the water resources board in accordance with the Big~~
20 ~~River management area land use plan for the lands, protect the natural resources of the Big River~~
21 ~~Reservoir lands. The lands of the Big River Reservoir are subject to enforcement authority of the~~
22 ~~department of environmental management, as provided for in chapter 17.1 of title 42, and as~~
23 ~~provided for in title 20 of the General Laws.~~

24 SECTION 22. Sections 46-31.1-1, 46-31.1-2 and 46-31.1-3 of the General Laws in Chapter
25 46-31.1 entitled "The Rhode Island Bays, Rivers and Watersheds Fund" are hereby amended to
26 read as follows:

27 **46-31.1-1. Legislative findings.**

28 The general assembly hereby finds and declares as follows:

29 (1) The bays, rivers, and associated watersheds of Rhode Island are unique and unparalleled
30 natural resources that provide significant cultural, ecological, and economic benefit to the state.

31 (2) Pursuant to the provisions of R.I. Const., art. 1, § 17, it is the duty of the general
32 assembly to provide for the conservation of the air, land, water, plant, animal, mineral, and other
33 natural resources of the state; and to adopt all means necessary and proper by law to protect the
34 natural environment of the people of the state by providing adequate resource planning for the

1 control and regulation of the use of the natural resources of the state; and for the preservation,
2 regeneration, and restoration of the natural environment of the state.

3 (3) It is in the best interest of the state and its citizens to preserve, protect, and restore our
4 bays, rivers, [lakes](#), and associated watersheds.

5 (4) Sixty percent (60%) of the watershed of Narragansett Bay is within Massachusetts,
6 almost all of the watershed of Mount Hope Bay is within Massachusetts, and five percent (5%) of
7 the watershed of Little Narragansett Bay is within Connecticut; further, a cluster of water-related
8 economic interests spans the three (3) states.

9 (5) There is a need to foster effective management, preservation, restoration, and
10 monitoring of the bays, rivers, [lakes](#), and watersheds; and the promotion of sustainable economic
11 development of businesses that rely directly or indirectly on the bays, rivers, and watersheds.

12 **46-31.1-2. Definitions.**

13 As used in this chapter, unless the context clearly indicates otherwise:

14 (1) “Bays” means the estuaries including Narragansett Bay, Mount Hope Bay, Greenwich
15 Bay, Little Narragansett Bay, the coastal ponds, the Sakonnet River, and Rhode Island territorial
16 waters that extend seaward three geographical miles from the shoreline including the area around
17 Block Island.

18 (2) “Coordination” means to harmonize in a common action or effort and/or to function in
19 a complementary manner.

20 (3) [“Lake” or “pond” means a place, natural or manmade, located wholly or partly within](#)
21 [the State of Rhode Island, where open standing or slowly moving water is present for at least six](#)
22 [\(6\) months of the year. For the purposes of this chapter, “lake” or “pond” shall exclude commercial](#)
23 [or industrial waterbodies created for the purpose of providing cooling water, concrete or poly-lined](#)
24 [waterbodies, and construction dewatering basins.](#)

25 (34) “River” means a flowing body of water or estuary or a section, portion, or tributary
26 thereof, including, but not limited to, streams, creeks, brooks, ponds, and small lakes.

27 (45) “Water cluster” means an economically interconnected grouping of businesses,
28 institutions, and people relying directly or indirectly on the bays, rivers, and watersheds including,
29 but not limited to, the following sectors:

- 30 (i) Recreation, tourism, and public events;
- 31 (ii) Fisheries and aquaculture;
- 32 (iii) Boat and ship building;
- 33 (iv) Boating-related businesses;
- 34 (v) Transportation;

- 1 (vi) Military;
2 (vii) Research; and
3 (viii) Technology development and education.

4 (56) "Watershed" means a land area which because of its topography, soil type, and
5 drainage patterns acts as a collector of raw waters which regorge or replenish rivers and existing or
6 planned public water supplies.

7 **46-31.1-3. Bays, Rivers and Watersheds Fund.**

8 (a) There is hereby established a restricted receipt account within the Department of
9 Environmental Management to be called the Bays, Rivers and Watersheds Fund;

10 (b) The fund shall consist of any funds which the state may from time to time appropriate,
11 as well as money received as gifts, grants, bequests, donations or other funds from any public or
12 private sources, as well as all fees collected pursuant to § 46-23-1(f)(2) for the leasing of submerged
13 lands for transatlantic cables, and all fees collected pursuant to chapter 12.11 of this title for the
14 disposal of septage;

15 (c) All funds, monies, and fees collected pursuant to this section shall be deposited in the
16 Bays, Rivers and Watersheds Fund, and shall be utilized by the Department of Environmental
17 Management consistent with the purposes of § 46-23.2-1 entitled, "The Comprehensive Watershed
18 and Marine Monitoring Act of 2004," ~~§ 46-12~~ [chapter 12 of title 46 entitled, "Water Pollution,"](#)
19 [chapter 33 of title 46 entitled, "Freshwater Lake Management Program,"](#) and chapter 6.2 of title 42
20 entitled "~~Resilient Rhode Island Act of 2014 Climate Change Coordination Council~~[2021 Act on](#)
21 [Climate.](#)" All expenditures from the fund shall be subject to appropriation by the general assembly.

22 SECTION 23. Sections 46-33-1 and 46-33-2 of the General Laws in Chapter 46-33 entitled
23 "Freshwater Lake Management Program" are hereby amended to read as follows:

24 **46-33-1. Definitions.**

25 As used in this chapter, unless the context indicates otherwise:

26 (1) "Aquatic invasive species" means those invasive or non-native species that inhabit
27 water resources including lakes, ponds, rivers and streams.

28 (2) "Coordination" means to harmonize in a common action or effort and/or to function in
29 a complementary manner.

30 (3) "Department" means the Rhode Island department of environmental management.

31 (4) "Invasive species" means an alien species whose introduction does or is likely to cause
32 economic or environmental harm, or harm to human health.

33 (5) "Lake" or "pond" means a place, natural or manmade, located wholly or partly within
34 the State of Rhode Island, where open standing or slowly moving water shall be present for at least

1 six (6) months of the year.

2 (6) "Lake association" means an association, club or other organization, formed and
3 registered in Rhode Island, which has responsibility for stewardship and management of a
4 freshwater lake or pond.

5 (7) "Non-native species" means a species of plant, animal, or microbe that is:

6 (i) Introduced to a country or region where it is not native;

7 (ii) Is reproducing and spreading without human cultivation; and

8 (iii) Is causing harm to native species or the areas in which they live.

9 ~~(8) "Rhode Island lake management fund" means the fund established by § 46-33-3.~~

10 **46-33-2. Rhode Island lake management program – Established.**

11 (a) The department shall develop and implement a lake management program. The program
12 shall include the following elements:

13 (1) Field surveys and mapping to document the presence of aquatic invasive species in
14 freshwaters;

15 (2) Development and provision of guidance and technical assistance to lake associations,
16 watershed organizations and municipalities interested in undertaking lake management actions;

17 (3) Coordination of the implementation of lake management actions, where appropriate;

18 (4) Oversight of lake management policy and program development;

19 (5) Distribution of financial assistance for lake management, including control of aquatic
20 invasive plants, as resources allow, including such sums as appropriated by the general assembly
21 from the Bays, Rivers and Watersheds Fund established by § 46-31.1-3; and

22 (6) Other activities consistent with the powers and duties assigned to the department in §
23 42-17.1-2(34).

24 (b) Upon receipt of funding, the department shall establish procedures and rules for the
25 distribution of lake management grants consistent with the following provisions:

26 (1) Entities eligible to apply for assistance shall include lake associations, watershed
27 associations, municipal governments and other nonprofit, non-governmental
28 environmental and conservation organizations.

29 (2) Projects involving lakes and ponds located wholly within a privately owned property
30 and that lack public access to the waterbody are not eligible for assistance.

31 (3) Projects involving lakes and ponds that lack public access, excepting those excluded in
32 subsection (b)(2) of this section, may be eligible to apply for financial assistance provided the
33 department determines that active management is necessary to protect publicly accessible
34 freshwater resources.

1 (4) Projects shall be solicited through a publicly advertised process.

2 (5) Projects shall require a matching contribution of funds.

3 (6) Eligible projects are determined by the department to be technically sound and
4 appropriate to [control or](#) mitigate an existing aquatic invasive species management, water quality
5 or aquatic habitat concern.

6 (7) Funding is used to design and implement specific lake management actions.

7 SECTION 24. This article shall take effect upon passage, except section 1, which, upon
8 approval of the voters, shall be effective on January 1, 2027; and section 3, which shall take effect
9 on July 1, 2026.

1 **ARTICLE 4**

2 **RELATING TO DEBT MANAGEMENT ACT JOINT RESOLUTIONS**

3 SECTION 1. This article shall serve as the joint resolutions of approval required pursuant
4 to Rhode Island Law § 35-18-1, *et seq.* for the financing and/or the guarantee of the below described
5 projects.

6 SECTION 2. *Rhode Island College – Residential Life Renovations – Auxiliary Enterprise*

7 WHEREAS, the Council on Postsecondary Education and Rhode Island College
8 (“College”) are proposing a project which involves the renovation of five (5) residence halls on the
9 College campus; and

10 WHEREAS, the College is committed to providing adequate and suitable housing for its
11 students that will attract undergraduate resident students to the College; and

12 WHEREAS, the renovations will address improvements to critical infrastructure for
13 continued occupancy of the five (5) residency halls, and the aesthetic improvements to be made
14 will enhance the on-campus experience for the resident students; and

15 WHEREAS, the College engaged a qualified architectural firm, which completed an
16 analysis on the condition of these residence halls.

17 WHEREAS, the project consists of the renovation and replacement of building envelopes,
18 elevators, mechanical systems, fire alarms, sprinklers, and other improvements needed to improve
19 the residential sector of the campus, which project is included in the College Capital Improvement
20 Plan; and

21 WHEREAS, the Rhode Island Public Corporation Debt Management Act requires the
22 General Assembly to provide its consent to the issuance or incurring by the State of Rhode Island
23 and other public agencies of certain obligations including financing guarantees or other agreements;
24 and

25 WHEREAS, the costs associated with this auxiliary enterprise project will be financed
26 through Rhode Island Health and Education Building Corporation (RIHEBC) revenue bonds, with
27 an expected term of twenty (20) years; and

28 WHEREAS, the total project cost associated with the completion of this project and
29 proposed financing method is twenty million six hundred thousand dollars (\$20,600,000), including
30 capitalized interest, if any, and associated costs of financing. Debt service payments would be
31 supported by revenues derived from the College’s Residential Life auxiliary student fees, and total
32 debt service on the bonds is not expected to exceed one million eight hundred twenty-five thousand
33 dollars (\$1,825,000) annually and thirty-six million five hundred thousand dollars (\$36,500,000)
34 in the aggregate based on an average interest rate of six percent (6%) and a twenty (20) year term;

1 now, therefore be it

2 RESOLVED, that this General Assembly hereby approves financing in an amount not to
3 exceed totals debt service payments of thirty-six million five hundred thousand dollars
4 (\$36,500,000) for the residential life renovations project on the College campus; and be it further

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

6 SECTION 3. *University of Rhode Island – Repaving and Hardscape Improvements*

7 WHEREAS, the University of Rhode Island Board of Trustees and the University of Rhode
8 Island (“University”) are proposing a project which involves the re-pavement and reconstruction
9 of major parking facilities, internal roadways and walkways, and associated infrastructure on the
10 University’s Kingston, Narragansett Bay, and W. Alton Jones campuses; and

11 WHEREAS, the project and its proposed funding have been duly reviewed and approved
12 by the University of Rhode Island Board of Trustees as part of the FY 2027–2031 Capital
13 Improvement Plan; and

14 WHEREAS, the University has made progress in the improvement of its extensive
15 inventory of paved surfaces on its campuses, the scope of repaving and reconstruction of major
16 parking facilities, internal roadways and walkways, and associated infrastructure is substantial and
17 ongoing; and

18 WHEREAS, a recent comprehensive campus plan recommends the redevelopment of
19 campus roadways, allowing safe travel for pedestrians, cyclists, vehicles, and other modes of travel;
20 and

21 WHEREAS, the design and execution of this comprehensive plan will improve the
22 campus’s environmental impact; and

23 WHEREAS, these timely project commitments serve the objectives of both the University
24 and the local community; and

25 WHEREAS, the Rhode Island Public Corporation Debt Management Act requires the
26 General Assembly to provide its consent to the issuance or incurring by the State of Rhode Island
27 and other public agencies of certain obligations, including financing guarantees or other
28 agreements; and

29 WHEREAS, the design and paving work will be financed through Rhode Island Health
30 and Education Building Corporation revenue bonds, with an expected term of twenty (20) years in
31 the amount of twenty million dollars (\$20,000,000); and

32 WHEREAS, the project cost associated with completion of the project and the proposed
33 financing method is twenty million dollars (\$20,000,000), including the cost of issuance. Debt
34 Service payments would be supported by both the University’s unrestricted general revenues and

1 enterprise funding from the University’s parking services operation. Total debt service on the bonds
2 is not expected to exceed one million seven hundred forty-three thousand seven hundred fifty
3 dollars (\$1,743,750) annually and thirty-four million eight hundred seventy-five thousand dollars
4 (\$34,875,000) in the aggregate based on an average interest rate of six percent (6%); now, therefore,
5 be it

6 RESOLVED, that this General Assembly hereby approves financing in an amount not to
7 exceed total debt service payments of thirty-four million eight hundred seventy-five thousand
8 dollars (\$34,875,000) for the repaving and hardscape improvements projects at the University of
9 Rhode Island; and be it further

10 RESOLVED, that this Joint Resolution shall take effect upon passage.

11 SECTION 4. *University of Rhode Island – Automotive and Administrative Services*

12 WHEREAS, the University of Rhode Island Board of Trustees and the University of Rhode
13 Island (“University”) are proposing a project which provides proper working space for
14 “Automotive and Administrative Mail and Printing Services” in the University’s service sector;
15 and

16 WHEREAS, the University has made progress in the improvement of its service center to
17 align with the improvements made to the academic, research, and student life facilities; and

18 WHEREAS, the project and its proposed funding have been duly reviewed and approved
19 by the University of Rhode Island Board of Trustees as part of the FY 2027–2031 Capital
20 Improvement Plan; and

21 WHEREAS, the design and execution of this project will improve the delivery of the
22 associated services to the campus; and

23 WHEREAS, the individual projects may be delivered in a phased approach; and

24 WHEREAS, these timely project commitments serve the objectives of the University; and

25 WHEREAS, the Rhode Island Public Corporation Debt Management Act requires the
26 General Assembly to provide its consent to the issuance or incurring by the State of Rhode Island
27 and other public agencies of certain obligations, including financing guarantees or other
28 agreements; and

29 WHEREAS, the design and paving work will be financed through Rhode Island Health
30 and Education Building Corporation revenue bonds, with an expected term of twenty (20) years in
31 the amount of fourteen million four hundred thousand dollars (\$14,400,000); and

32 WHEREAS, the project cost associated with completion of the project and the proposed
33 financing method is fourteen million four hundred thousand dollars (\$14,400,000), including the
34 cost of issuance. Debt Service payments would be supported by the University’s unrestricted

1 general revenues. Total debt service on the bonds is not expected to exceed one million two hundred
2 fifty-seven thousand five hundred dollars (\$1,257,500) annually and twenty-five million one
3 hundred fifty thousand dollars (\$25,150,000) in the aggregate based on an average interest rate of
4 six percent (6%); now, therefore, be it

5 RESOLVED, that this General Assembly hereby approves financing in an amount not to
6 exceed total debt service payments of twenty-five million one hundred fifty thousand dollars
7 (\$25,150,000) for the Automotive and Administrative Services project at the University; and be it
8 further

9 RESOLVED, that this Joint Resolution shall take effect upon passage.

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

1 taxable period specified in the application and only if all amnesty conditions are satisfied by the
2 taxpayer.

3 (c) The provisions of this section shall include a taxable period for which a bill or notice
4 of deficiency determination has been sent to the taxpayer.

5 (d) Amnesty shall not be granted to taxpayers who are under any criminal investigation or
6 are a party to any civil or criminal proceeding pending in any court for fraud in relation to any state
7 tax imposed by the law of the state and collected by the tax administrator.

8 **44-6.6-4. Interest under tax amnesty.**

9 Notwithstanding any provision of law to the contrary, interest on any taxes paid for periods
10 covered under the amnesty provisions of this chapter shall be computed at the rate imposed under
11 § 44-1-7, reduced by twenty-five percent (25%).

12 **44-6.6-5. Implementation.**

13 Notwithstanding any provision of law to the contrary, the tax administrator may do all
14 things necessary in order to provide for the timely implementation of this chapter, including, but
15 not limited to, procurement of printing and other services and expenditure of appropriated funds.

16 **44-6.6-6. Disposition of monies.**

17 All monies collected pursuant to any tax imposed by the state of Rhode Island under the
18 provisions of this chapter shall be accounted for separately and paid into the general fund.

19 **44-6.6-7. Analysis of amnesty program by tax administrator.**

20 The tax administrator shall provide an analysis of the amnesty program to be posted on its
21 website by April 30, 2027. The analysis shall include revenues received by tax source,
22 distinguishing between the tax collected and interest collected for each source. In addition, the
23 analysis shall further identify the amounts that are new revenues from those already included in the
24 general revenue receivable taxes, defined under generally accepted accounting principles and the
25 state's audited financial statements.

26 **44-6.6-8. Rules and regulations.**

27 The tax administrator may promulgate such rules and regulations as are necessary to
28 implement the provisions of this chapter.

29 SECTION 2. Sections 44-11-2.3 and 44-11-11 of the General Laws in Chapter 44-11
30 entitled "Business Corporation Tax" are hereby amended to read as follows:

31 **44-11-2.3. Pass-through entities — Election to pay state income tax at the entity level.**

32 (a) Definitions. As used in this section:

33 (1) "Election" means the annual election to be made by the pass-through entity by filing
34 the prescribed tax form and remitting the appropriate tax.

1 (2) “Net income” means the net ordinary income, net rental real estate income, other net
2 rental income, guaranteed payments, and other business income less specially allocated
3 depreciation and deductions allowed pursuant to § 179 of the United States Revenue Code (26
4 U.S.C. § 179), all of which would be reported on federal tax form schedules C and E. Net income
5 for purposes of this section does not include specially allocated investment income or any other
6 types of deductions.

7 (3) “Owner” means an individual who is a shareholder of an S Corporation; a partner in a
8 general partnership, a limited partnership, or a limited liability partnership; a member of a limited
9 liability company, a beneficiary of a trust; or a sole proprietor.

10 (4) “Pass-through entity” means a corporation that for the applicable tax year is treated as
11 an S Corporation under I.R.C. 1362(a) (26 U.S.C. § 1362(a)), or a general partnership, limited
12 partnership, limited liability partnership, trust, limited liability company or unincorporated sole
13 proprietorship that for the applicable tax year is not taxed as a corporation for federal tax purposes
14 under the state’s regulations.

15 (5) “State tax credit” means the amount of tax paid by the pass-through entity at the entity
16 level that is passed through to an owner on a pro rata basis. For tax years beginning on or after
17 January 1, 2025, “state tax credit” means ninety percent (90%) of the amount of tax paid by the
18 pass-through entity at the entity level that is passed through to an owner on a pro rata basis.

19 (b) Elections.

20 (1) For tax years beginning on or after January 1, 2019, [until the tax year beginning January](#)
21 [1, 2027](#) a pass-through entity may elect to pay the state tax at the entity level at the rate of five and
22 ninety-nine hundredths percent (5.99%).

23 [\(2\) For tax years beginning on or after January 1, 2027, a pass-through entity may elect to](#)
24 [pay the state tax at the entity level at the rate of eight and ninety-nine hundredths percent \(8.99%\).](#)

25 ~~(2)~~ (3) If a pass-through entity elects to pay an entity tax under this subsection, the entity
26 shall not have to comply with the provisions of § 44-11-2.2 regarding withholding on non-resident
27 owners. In that instance, the entity shall not have to comply with the provisions of § 44-11-2.2
28 regarding withholding on non-resident owners.

29 (c) Reporting.

30 (1) The pass-through entity shall report the pro rata share of the state income taxes paid by
31 the entity which sums will be allowed as a state tax credit for an owner on his or her personal
32 income tax return.

33 (2) The pass-through entity shall also report the pro rata share of the state income taxes
34 paid by the entity as an income (addition) modification to be reported by an owner on his or her

1 personal income tax returns

2 (d) State tax credit shall be the amount of tax paid by the pass-through entity, at the entity
3 level, which is passed through to the owners, on a pro rata basis. For tax years beginning on or after
4 January 1, 2025, the state tax credit shall be ninety percent (90%) of the amount of tax paid by the
5 pass-through entity, at the entity level, which is passed through to the owners, on a pro rata basis.

6 (e) A similar type of tax imposed by another state on the owners' income paid at the state
7 entity level shall be deemed to be allowed as a credit for taxes paid to another jurisdiction in
8 accordance with the provisions of § 44-30-18.

9 (f) "Combined reporting" as set forth in § 44-11-4.1 shall not apply to reporting under this
10 section.

11 **44-11-11. "Net income" defined.**

12 (a) ~~(1)~~ "Net income" means, for any taxable year and for any corporate taxpayer, the taxable
13 income of the taxpayer for that taxable year under the laws of the United States, with the additions
14 and deductions specified in this section. ~~plus:~~

15 (b) Additions increasing taxable income. There shall be added to taxable income:

16 ~~(i)~~ (1) Any interest not included in the taxable income;

17 ~~(ii)~~ (2) Any specific exemptions;

18 ~~(iii)~~ (3) The tax imposed by this chapter;

19 ~~(iv)~~ (4) For any taxable year beginning on or after January 1, 2020, the amount of any
20 Paycheck Protection Program loan forgiven for federal income tax purposes as authorized by the
21 Coronavirus Aid, Relief, and Economic Security Act and/or the Consolidated Appropriations Act,
22 2021 and/or any other subsequent federal stimulus relief packages enacted by law, to the extent that
23 the amount of the loan forgiven exceeds \$250,000; ~~and minus:~~

24 (5) For the taxable year beginning on or before January 1, 2025, the amount of any income,
25 deduction, or allowance that would be subject to federal income tax but for the Congressional
26 enactment of the One Big Beautiful Bill Act or any other similar Congressional enactment. The
27 enactment of the One Big Beautiful Bill Act or any other similar Congressional enactment and any
28 Internal Revenue Service changes to forms, regulations, and/or processing which go into effect
29 during the current tax year or within six (6) months of the beginning of the next tax year shall be
30 deemed grounds for the promulgation of emergency rules and regulations under § 42-35-2.10 to
31 effectuate the purpose of preserving the Rhode Island tax base under Rhode Island law with respect
32 to the One Big Beautiful Bill Act or any other similar Congressional enactment; and

33 (6) For any taxable year beginning on or after January 1, 2026, the amount of the deduction
34 taken for domestic research and experimental expenditures under 26 U.S.C. § 174A less the amount

1 of the deduction that would have been allowed as a deduction for domestic research and
2 experimental expenditures under 26 U.S.C. § 174 immediately prior to the enactment of H.R.1
3 (Pub. L. 119–21).

4 (c) Deductions reducing taxable income. There shall be subtracted from taxable income:

5 ~~(v)~~(1) Interest on obligations of the United States or its possessions, and other interest
6 exempt from taxation by this state;

7 ~~(vi)~~(2) The federal net operating loss deduction;

8 ~~(vii)~~(3) For any taxable year beginning on or after January 1, 2025, in the case of a taxpayer
9 that is licensed in accordance with chapters 28.6 and/or 28.11 of title 21, the amount equal to any
10 expenditure that is eligible to be claimed as a federal income tax deduction but is disallowed under
11 26 U.S.C. § 280E; and

12 ~~(viii) For the taxable year beginning on or before January 1, 2025, the amount of any~~
13 ~~income, deduction, or allowance that would be subject to federal income tax but for the~~
14 ~~Congressional enactment of the One Big Beautiful Bill Act or any other similar Congressional~~
15 ~~enactment. The enactment of the One Big Beautiful Bill Act or any other similar Congressional~~
16 ~~enactment and any Internal Revenue Service changes to forms, regulations, and/or processing~~
17 ~~which go into effect during the current tax year or within six (6) months of the beginning of the~~
18 ~~next tax year shall be deemed grounds for the promulgation of emergency rules and regulations~~
19 ~~under § 42-35-2.10 to effectuate the purpose of preserving the Rhode Island tax base under Rhode~~
20 ~~Island law with respect to the One Big Beautiful Bill Act or any other similar Congressional~~
21 ~~enactment.~~

22 (4) For any taxable year beginning on or after January 1, 2026, the amount as determined
23 by the tax administrator required to be added back in a prior year that would have been allowed
24 under 26 U.S.C. § 174A as enacted in H.R.1 (Pub. L. 119–21) on July 4, 2025, but would not have
25 been allowed as a deduction under 26 U.S.C. § 174 immediately prior to its enactment. At no time
26 may the cumulative modification amount for each amortized expenditure exceed one hundred
27 percent (100%) of said expenditure’s expense amount.

28 ~~(b)~~(d) All binding federal elections made by or on behalf of the taxpayer applicable either
29 directly or indirectly to the determination of taxable income shall be binding on the taxpayer except
30 where this chapter or its attendant regulations specifically modify or provide otherwise. Rhode
31 Island taxable income shall not include the “gross-up of dividends” required by the federal Internal
32 Revenue Code to be taken into taxable income in connection with the taxpayer’s election of the
33 foreign tax credit.

34 ~~(b)~~(e) A net operating loss deduction shall be allowed, which shall be the same as the net

1 operating loss deduction allowed under 26 U.S.C. § 172, except that:

2 (1) Any net operating loss included in determining the deduction shall be adjusted to reflect
3 the inclusions and exclusions from entire net income required by subsection (a) of this section and
4 § 44-11-11.1;

5 (2) The deduction shall not include any net operating loss sustained during any taxable year
6 in which the taxpayer was not subject to the tax imposed by this chapter; and

7 (3) Limitation on 26 U.S.C. § 172 deduction.

8 (i) The deduction shall not exceed the deduction for the taxable year allowable under 26
9 U.S.C. § 172; provided, that the deduction for a taxable year may not be carried back to any other
10 taxable year for Rhode Island purposes but shall only be allowable on a carry forward basis for the
11 five (5) succeeding taxable years; and

12 (ii) For any taxable year beginning on or after January 1, 2025, the deduction shall not
13 exceed the deduction for the taxable year allowable under 26 U.S.C. § 172; provided that, the
14 deduction for a taxable year may not be carried back to any other taxable year for Rhode Island
15 purposes, but shall only be allowable on a carry forward basis for the twenty (20) succeeding
16 taxable years.

17 ~~(f)~~ “Domestic international sales corporations” (referred to as DISCs), for the purposes
18 of this chapter, will be treated as they are under federal income tax law and shall not pay the amount
19 of the tax computed under § 44-11-2(a). Any income to shareholders of DISCs is to be treated in
20 the same manner as it is treated under federal income tax law as it exists on December 31, 1984.

21 ~~(g)~~ A corporation that qualifies as a “foreign sales corporation” (FSC) under the
22 provisions of subchapter N, 26 U.S.C. § 861 et seq., and that has in effect for the entire taxable year
23 a valid election under federal law to be treated as a FSC, shall not pay the amount of the tax
24 computed under § 44-11-2(a). Any income to shareholders of FSCs is to be treated in the same
25 manner as it is treated under federal income tax law as it exists on January 1, 1985.

26 ~~(h)~~ For purposes of a corporation’s state tax liability, any deduction to income allowable
27 under 26 U.S.C. § 1400Z-2(c) may be claimed in the case of any investment held by the taxpayer
28 for at least seven years. The division of taxation shall promulgate, in its discretion, rules and
29 regulations relative to the accelerated application of deductions under 26 U.S.C. § 1400Z-2(c).

30 SECTION 3. Effective September 1, 2026, Chapter 44-20 of the General Laws entitled
31 “Cigarette, Other Tobacco Products, and Electronic Nicotine-Delivery System Products” is hereby
32 amended by adding thereto the following section:

33 **44-20-12.8. Floor stock tax on cigarettes and stamps.**

34 **(a) Each person engaging in the business of selling cigarettes at retail in this state shall pay**

1 a tax or excise to the state for the privilege of engaging in that business during any part of the
2 calendar year 2026. In calendar year 2026, the tax shall be measured by the number of cigarettes
3 held by the person in this state at 12:01 a.m. on September 1, 2026, and is computed at the rate of
4 thirty-seven and one-half (37.5) mills for each cigarette on September 1, 2026.

5 (b) Each distributor licensed to do business in this state pursuant to this chapter shall pay a
6 tax or excise to the state for the privilege of engaging in that business during any part of the calendar
7 year 2026. The tax is measured by the number of stamps, whether affixed or to be affixed to
8 packages of cigarettes, as required by § 44-20-28. In calendar year 2026 the tax is measured by the
9 number of stamps, whether affixed or to be affixed, held by the distributor at 12:01 a.m. on
10 September 1, 2026, and is computed at the rate of thirty-seven and one-half (37.5) mills per
11 cigarette in the package to which the stamps are affixed or to be affixed.

12 (c) Each person subject to the payment of the tax imposed by this section shall, on or before
13 September 15, 2026, file a return, under oath or certified under the penalties of perjury, with the
14 tax administrator on forms furnished by him or her, showing the amount of cigarettes and the
15 number of stamps in that person's possession in this state at 12:01 a.m. on September 1, 2026, as
16 described in this section above, and the amount of tax due, and shall at the time of filing the return
17 pay the tax to the tax administrator. Failure to obtain forms shall not be an excuse for the failure to
18 make a return containing the information required by the tax administrator. Failure to complete and
19 file the return and pay the tax to the tax administrator shall result in an assessment being issued to
20 the taxpayer as determined by the tax administrator and the taxpayer is not entitled to a hearing
21 with respect to any assessment issued under this subsection.

22 (d) The tax administrator may prescribe rules and regulations, not inconsistent with law,
23 regarding the assessment and collection of the tax imposed by this section.

24 SECTION 4. Effective September 1, 2026, sections 44-20-12, 44-20-13, 44-20-13.2, and
25 44-20-19 of the General Laws in Chapter 44-20 entitled “Cigarette, Other Tobacco Products, and
26 Electronic Nicotine-Delivery System Products” are hereby amended to read as follows:

27 **44-20-12. Tax imposed on cigarettes sold.**

28 A tax is imposed on all cigarettes sold or held for sale in the state. The payment of the tax
29 to be evidenced by stamps, which may be affixed only by licensed distributors to the packages
30 containing such cigarettes. Any cigarettes on which the proper amount of tax provided for in this
31 chapter has been paid, payment being evidenced by the stamp, is not subject to a further tax under
32 this chapter. The tax is at the rate of ~~two hundred twenty five (225)~~ two hundred sixty-two and one-
33 half (262.5) mills for each cigarette.

34 **44-20-13. Tax imposed on unstamped cigarettes.**

1 A tax is imposed at the rate of ~~two hundred twenty five (225)~~ two hundred sixty-two and
2 one-half (262.5) mills for each cigarette upon the storage or use within this state of any cigarettes
3 not stamped in accordance with the provisions of this chapter in the possession of any consumer
4 within this state.

5 **44-20-13.2. Tax imposed on other tobacco products, smokeless tobacco, cigars, pipe**
6 **tobacco products, and electronic nicotine-delivery products.**

7 (a) A tax is imposed on all other tobacco products, smokeless tobacco, cigars, pipe tobacco
8 products, and electronic nicotine-delivery system products sold, or held for sale in the state by any
9 person, the payment of the tax to be accomplished according to a mechanism established by the
10 administrator, division of taxation, department of revenue. The tax imposed by this section shall be
11 as follows:

12 (1) For all other tobacco products, smokeless tobacco, cigars, and pipe tobacco products,
13 at the rate of eighty percent (80%) of the wholesale cost of other tobacco products, cigars, pipe
14 tobacco products, and smokeless tobacco other than snuff.

15 (2) Notwithstanding the eighty percent (80%) rate in subsection (a)(1) of this section, in
16 the case of cigars, the tax shall not exceed fifty cents (\$.50) for each cigar. Effective September 1,
17 2026, notwithstanding the eighty percent (80%) rate in subsection (a)(1) of this section, in the case
18 of cigars, the tax shall not exceed two dollars (\$2.00) for each cigar.

19 (3) At the rate of one dollar (\$1.00) per ounce of snuff, and a proportionate tax at the like
20 rate on all fractional parts of an ounce thereof. Such tax shall be computed based on the net weight
21 as listed by the manufacturer; provided, however, that any product listed by the manufacturer as
22 having a net weight of less than 1.2 ounces shall be taxed as if the product has a net weight of 1.2
23 ounces.

24 (4) Effective January 1, 2025:

25 (i) For electronic nicotine-delivery system products that are prefilled, sealed by the
26 manufacturer, and not refillable, at the rate of fifty cents per milliliter (\$0.50/mL) of the e-liquid
27 and/or e-liquid products contained therein; and

28 (ii) For any other electronic nicotine-delivery system products, at the rate of ten percent
29 (10%) of the wholesale cost of such products, whether or not sold at wholesale, and if not sold,
30 then at the same rate upon the use by the wholesaler.

31 (iii) Existing Inventory Floor Tax. For all electronic nicotine-delivery system products held
32 by licensed electronic nicotine-delivery system products retailers as of January 1, 2025: Each
33 person engaging in the business of selling electronic nicotine-delivery system products at retail in
34 this state shall pay a tax measured by the volume of e-liquid and/or e-liquid products contained in

1 electronic nicotine-delivery system products that are prefilled, sealed by the manufacturer, and not
2 refillable and the wholesale cost of all other electronic nicotine-delivery system products held by
3 the person in this state at 12:01 a.m. on January 1, 2025, and is computed for electronic nicotine-
4 delivery system products that are prefilled, sealed by the manufacturer, and not refillable, at the
5 rate of fifty cents per milliliter (\$0.50/mL) of the e-liquid and/or e-liquid products contained therein
6 and for any other electronic nicotine-delivery system products at the rate of ten percent (10%) of
7 the wholesale cost of such products on January 1, 2025. Each person subject to the payment of the
8 tax imposed by this section shall, on or before January 16, 2025, file a return, under oath or certified
9 under the penalties of perjury, with the administrator on forms furnished by the administrator,
10 showing the volume of e-liquid and/or e-liquid products contained in electronic nicotine-delivery
11 system products which are prefilled, sealed by the manufacturer, and not refillable and the
12 wholesale cost of all other electronic nicotine-delivery system products in that person's possession
13 in this state at 12:01 a.m. on January 1, 2025, as described in this section, and the amount of tax
14 due, and shall at the time of filing the return pay the tax to the administrator. Failure to obtain forms
15 shall not be an excuse for the failure to make a return containing the information required by the
16 administrator.

17 (iv) For all electronic nicotine-delivery system products sold by licensed electronic
18 nicotine-delivery system products distributors, manufacturers, and/or importers in Rhode Island as
19 of January 1, 2025: Any person engaging in the business of distributing at wholesale electronic
20 nicotine-delivery system products in this state shall pay a tax measured by the volume of e-liquid
21 and/or e-liquid products contained in electronic nicotine-delivery system products that are prefilled,
22 sealed by the manufacturer, and not refillable computed at the rate of fifty cents per milliliter
23 (\$0.50/mL) of the e-liquid and/or e-liquid products contained therein and for all other electronic
24 nicotine-delivery system products at the rate of ten percent (10%) of the wholesale cost of such
25 products.

26 (b)(1) Prior to January 1, 2025, any dealer having in the dealer's possession any other
27 tobacco products with respect to the storage or use of which a tax is imposed by this section shall,
28 within five (5) days after coming into possession of the other tobacco products in this state, file a
29 return with the tax administrator in a form prescribed by the tax administrator. The return shall be
30 accompanied by a payment of the amount of the tax shown on the form to be due. Records required
31 under this section shall be preserved on the premises described in the relevant license in such a
32 manner as to ensure permanency and accessibility for inspection at reasonable hours by authorized
33 personnel of the administrator.

34 (2) Effective January 1, 2025, all other tobacco products, except for cigars, and electronic

1 nicotine-delivery system products sold at wholesale in Rhode Island must be sold by a Rhode Island
2 licensed distributor, manufacturer, or importer, and purchases of other tobacco products, except for
3 cigars, and/or electronic nicotine-delivery system products, from an unlicensed distributor,
4 manufacturer, or importer are prohibited. Any other tobacco products, except for cigars, and/or
5 electronic nicotine-delivery system products purchased and/or obtained from an unlicensed person
6 shall be subject to the terms of this chapter including, but not limited to, § 44-20-15 and shall be
7 taxed pursuant to this section.

8 (3) Effective January 1, 2025, any dealer having in the dealer's possession any cigars with
9 respect to the storage or use of which a tax is imposed by this section shall, within five (5) days
10 after coming into possession of cigars in this state, file a return with the tax administrator in a form
11 prescribed by the tax administrator. The return shall be accompanied by a payment of the amount
12 of the tax shown on the form to be due. Records required under this section shall be preserved on
13 the premises described in the relevant license in such a manner as to ensure permanency and
14 accessibility for inspection at reasonable hours by authorized personnel of the administrator.

15 (c) Existing Inventory Floor Tax.

16 (1) For all nicotine products defined in § 44-20-1 as other tobacco products but not
17 previously taxed as other tobacco products held by licensed retailers as of October 1, 2025: Each
18 person engaging in the business of selling nicotine products at retail in this state shall pay a tax at
19 the rate of eighty percent (80%) of the wholesale cost of such products on October 1, 2025. Each
20 person subject to the payment of the tax imposed by this section shall, on or before October 16,
21 2025, file a return, under oath or certified under the penalties of perjury, with the administrator on
22 forms furnished by the administrator, showing the wholesale cost of all nicotine products not
23 previously taxed as other tobacco products in that person's possession in this state at 12:01 a.m. on
24 October 1, 2025, as described in this section, and the amount of tax due, and shall at the time of
25 filing the return pay the tax to the administrator. Failure to obtain forms shall not be an excuse for
26 the failure to make a return containing the information required by the administrator.

27 (2) For all nicotine products defined in § 44-20-1 as other tobacco products but not
28 previously taxed as other tobacco products held by licensed distributors, manufacturers, and/or
29 importers in Rhode Island as of October 1, 2025: Each person engaging in the business of
30 distributing at wholesale nicotine products defined in § 44-20-1 as other tobacco products but not
31 previously taxed as other tobacco products in this state shall pay a tax at the rate of eighty percent
32 (80%) of the wholesale cost of such products on October 1, 2025. Each person subject to the
33 payment of the tax imposed by this section shall, on or before October 16, 2025, file a return, under
34 oath or certified under the penalties of perjury, with the administrator on forms furnished by the

1 administrator, showing the wholesale cost of all nicotine products not previously taxed as other
2 tobacco products in that person's possession in this state at 12:01 a.m. on October 1, 2025, as
3 described in this section, and the amount of tax due, and shall at the time of filing the return pay
4 the tax to the administrator. Failure to obtain forms shall not be an excuse for the failure to make a
5 return containing the information required by the administrator.

6 (d) The proceeds collected are paid into the general fund.

7 **44-20-19. Sales of stamps to distributors.**

8 (a) For purchases prior to September 1, 2026, the tax administrator shall sell stamps only
9 to licensed distributors at a discount. The distributor remits to the division of taxation ninety-eight
10 and three-fourths percent (98.75%) of the face value of the stamps thereby receiving a discount of
11 one and one-quarter percent (1.25%) of the face value of the stamps. The ninety-eight and three-
12 fourths percent (98.75%) remitted to the tax administrator is paid over to the general revenue. For
13 purchases on or after September 1, 2026, the tax administrator shall sell stamps only to a licensed
14 distributor and shall not sell stamps at a discount. The one hundred percent (100%) remitted to the
15 tax administrator is paid over to the general revenue.

16 (b) The tax administrator may, in his or her discretion, permit a licensed distributor to pay
17 for the stamps within thirty (30) days after the date of purchase; provided, that a bond satisfactory
18 to the tax administrator in an amount not less than the sale price of the stamps has been filed with
19 the tax administrator conditioned upon payment for the stamps. The tax administrator shall keep
20 accurate records of all stamps sold to each distributor.

21 SECTION 5. Chapter 44-30 of the General Laws entitled "Personal Income Tax" is hereby
22 amended by adding thereto the following section:

23 **44-30-104. Child Tax Credit.**

24 (a) Definitions. As used in this section:

25 (1) "Child" means an individual who is eighteen years of age or under as of December 31
26 of the tax year.

27 (2) "Eligible taxpayer" means any natural person domiciled in this state who filed a Rhode
28 Island state personal income tax return for the tax year.

29 (b) Child Tax Credit. For tax years beginning on or after January 1, 2027, a tax credit on
30 the resident tax return of the eligible taxpayer in the amount of three hundred twenty dollars (\$320)
31 shall be allowed for each claimed child where the exemption amount is zero in §44-30-
32 2.6(c)(3)(C)(II)(2).

33 (c) In the case of any eligible taxpayer whose adjusted gross income, as modified pursuant
34 to § 44-30-12, for the taxable year exceeds two hundred sixty-one thousand dollars (\$261,000),

1 the credit amount shall be reduced by the applicable percentage. The term “applicable percentage”
2 means twenty (20) percentage points for each seven thousand four hundred fifty dollars (\$7,450)
3 (or fraction thereof) by which the eligible taxpayer’s adjusted gross income for the taxable year
4 exceeds two hundred sixty-one thousand dollars (\$261,000).

5 (d) Adjustment for inflation. The dollar amount contained in subsections (b) and (c) of this
6 section shall be increased annually by an amount equal to:

7 (I) Such dollar amount contained in subsections (b) and (c) of this section adjusted for
8 inflation using a base tax year of 2026, multiplied by;

9 (II) The cost-of-living adjustment with a base year of 2026.

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

15 (IV) For the purpose of this section the term “consumer price index” means the last
16 consumer price index for all urban consumers published by the department of labor. For the purpose
17 of this section the revision of the consumer price index that is most consistent with the consumer
18 price index for calendar year 1986 shall be used.

19 (V) If any increase determined under this section is not a multiple of five dollars (\$5.00),
20 such increase shall be rounded to the next lower multiple of five dollars (\$5.00).

21 SECTION 6. Sections 44-30-2.6 and 44-30-12 of the General Laws in Chapter 44-30
22 entitled “Personal Income Tax” are hereby amended to read as follows:

23 **44-30-2.6. Rhode Island taxable income — Rate of tax.**

24 (a) “Rhode Island taxable income” means federal taxable income as determined under the
25 Internal Revenue Code, 26 U.S.C. § 1 et seq., not including the increase in the basic, standard-
26 deduction amount for married couples filing joint returns as provided in the Jobs and Growth Tax
27 Relief Reconciliation Act of 2003 and the Economic Growth and Tax Relief Reconciliation Act of
28 2001 (EGTRRA), and as modified by the modifications in § 44-30-12.

29 (b) Notwithstanding the provisions of §§ 44-30-1 and 44-30-2, for tax years beginning on
30 or after January 1, 2001, a Rhode Island personal income tax is imposed upon the Rhode Island
31 taxable income of residents and nonresidents, including estates and trusts, at the rate of twenty-five
32 and one-half percent (25.5%) for tax year 2001, and twenty-five percent (25%) for tax year 2002
33 and thereafter of the federal income tax rates, including capital gains rates and any other special
34 rates for other types of income, except as provided in § 44-30-2.7, which were in effect immediately

1 prior to enactment of the Economic Growth and Tax Relief Reconciliation Act of 2001 (EGTRRA);
2 provided, rate schedules shall be adjusted for inflation by the tax administrator beginning in taxable
3 year 2002 and thereafter in the manner prescribed for adjustment by the commissioner of Internal
4 Revenue in 26 U.S.C. § 1(f). However, for tax years beginning on or after January 1, 2006, a
5 taxpayer may elect to use the alternative flat tax rate provided in § 44-30-2.10 to calculate his or
6 her personal income tax liability.

7 (c) For tax years beginning on or after January 1, 2001, if a taxpayer has an alternative
8 minimum tax for federal tax purposes, the taxpayer shall determine if he or she has a Rhode Island
9 alternative minimum tax. The Rhode Island alternative minimum tax shall be computed by
10 multiplying the federal tentative minimum tax without allowing for the increased exemptions under
11 the Jobs and Growth Tax Relief Reconciliation Act of 2003 (as redetermined on federal form 6251
12 Alternative Minimum Tax-Individuals) by twenty-five and one-half percent (25.5%) for tax year
13 2001, and twenty-five percent (25%) for tax year 2002 and thereafter, and comparing the product
14 to the Rhode Island tax as computed otherwise under this section. The excess shall be the taxpayer's
15 Rhode Island alternative minimum tax.

16 (1) For tax years beginning on or after January 1, 2005, and thereafter, the exemption
17 amount for alternative minimum tax, for Rhode Island purposes, shall be adjusted for inflation by
18 the tax administrator in the manner prescribed for adjustment by the commissioner of Internal
19 Revenue in 26 U.S.C. § 1(f).

20 (2) For the period January 1, 2007, through December 31, 2007, and thereafter, Rhode
21 Island taxable income shall be determined by deducting from federal adjusted gross income as
22 defined in 26 U.S.C. § 62 as modified by the modifications in § 44-30-12 the Rhode Island
23 itemized-deduction amount and the Rhode Island exemption amount as determined in this section.

24 (A) Tax imposed.

25 (1) There is hereby imposed on the taxable income of married individuals filing joint
26 returns and surviving spouses a tax determined in accordance with the following table:

27 If taxable income is:	The tax is:
28 Not over \$53,150	3.75% of taxable income
29 Over \$53,150 but not over \$128,500	\$1,993.13 plus 7.00% of the excess over \$53,150
30 Over \$128,500 but not over \$195,850	\$7,267.63 plus 7.75% of the excess over \$128,500
31 Over \$195,850 but not over \$349,700	\$12,487.25 plus 9.00% of the excess over \$195,850
32 Over \$349,700	\$26,333.75 plus 9.90% of the excess over \$349,700

33 (2) There is hereby imposed on the taxable income of every head of household a tax
34 determined in accordance with the following table:

1	If taxable income is:	The tax is:
2	Not over \$42,650	3.75% of taxable income
3	Over \$42,650 but not over \$110,100	\$1,599.38 plus 7.00% of the excess over \$42,650
4	Over \$110,100 but not over \$178,350	\$6,320.88 plus 7.75% of the excess over \$110,100
5	Over \$178,350 but not over \$349,700	\$11,610.25 plus 9.00% of the excess over \$178,350
6	Over \$349,700	\$27,031.75 plus 9.90% of the excess over \$349,700

7 (3) There is hereby imposed on the taxable income of unmarried individuals (other than
8 surviving spouses and heads of households) a tax determined in accordance with the following
9 table:

10	If taxable income is:	The tax is:
11	Not over \$31,850	3.75% of taxable income
12	Over \$31,850 but not over \$77,100	\$1,194.38 plus 7.00% of the excess over \$31,850
13	Over \$77,100 but not over \$160,850	\$4,361.88 plus 7.75% of the excess over \$77,100
14	Over \$160,850 but not over \$349,700	\$10,852.50 plus 9.00% of the excess over \$160,850
15	Over \$349,700	\$27,849.00 plus 9.90% of the excess over \$349,700

16 (4) There is hereby imposed on the taxable income of married individuals filing separate
17 returns and bankruptcy estates a tax determined in accordance with the following table:

18	If taxable income is:	The tax is:
19	Not over \$26,575	3.75% of taxable income
20	Over \$26,575 but not over \$64,250	\$996.56 plus 7.00% of the excess over \$26,575
21	Over \$64,250 but not over \$97,925	\$3,633.81 plus 7.75% of the excess over \$64,250
22	Over \$97,925 but not over \$174,850	\$6,243.63 plus 9.00% of the excess over \$97,925
23	Over \$174,850	\$13,166.88 plus 9.90% of the excess over \$174,850

24 (5) There is hereby imposed a taxable income of an estate or trust a tax determined in
25 accordance with the following table:

26	If taxable income is:	The tax is:
27	Not over \$2,150	3.75% of taxable income
28	Over \$2,150 but not over \$5,000	\$80.63 plus 7.00% of the excess over \$2,150
29	Over \$5,000 but not over \$7,650	\$280.13 plus 7.75% of the excess over \$5,000
30	Over \$7,650 but not over \$10,450	\$485.50 plus 9.00% of the excess over \$7,650
31	Over \$10,450	\$737.50 plus 9.90% of the excess over \$10,450

32 (6) Adjustments for inflation.

33 The dollars amount contained in paragraph (A) shall be increased by an amount equal to:

34 (a) Such dollar amount contained in paragraph (A) in the year 1993, multiplied by;

1 (b) The cost-of-living adjustment determined under section (J) with a base year of 1993;

2 (c) The cost-of-living adjustment referred to in subparagraphs (a) and (b) used in making
3 adjustments to the nine percent (9%) and nine and nine tenths percent (9.9%) dollar amounts shall
4 be determined under section (J) by substituting “1994” for “1993.”

5 (B) Maximum capital gains rates.

6 (1) In general.

7 If a taxpayer has a net capital gain for tax years ending prior to January 1, 2010, the tax
8 imposed by this section for such taxable year shall not exceed the sum of:

9 (a) 2.5% of the net capital gain as reported for federal income tax purposes under section
10 26 U.S.C. § 1(h)(1)(a) and 26 U.S.C. § 1(h)(1)(b).

11 (b) 5% of the net capital gain as reported for federal income tax purposes under 26 U.S.C.
12 § 1(h)(1)(c).

13 (c) 6.25% of the net capital gain as reported for federal income tax purposes under 26
14 U.S.C. § 1(h)(1)(d).

15 (d) 7% of the net capital gain as reported for federal income tax purposes under 26 U.S.C.
16 § 1(h)(1)(e).

17 (2) For tax years beginning on or after January 1, 2010, the tax imposed on net capital gain
18 shall be determined under subdivision 44-30-2.6(c)(2)(A).

19 (C) Itemized deductions.

20 (1) In general.

21 For the purposes of section (2), “itemized deductions” means the amount of federal
22 itemized deductions as modified by the modifications in § 44-30-12.

23 (2) Individuals who do not itemize their deductions.

24 In the case of an individual who does not elect to itemize his deductions for the taxable
25 year, they may elect to take a standard deduction.

26 (3) Basic standard deduction.

27 The Rhode Island standard deduction shall be allowed in accordance with the following
28 table:

29 Filing status	Amount
30 Single	\$5,350
31 Married filing jointly or qualifying widow(er)	\$8,900
32 Married filing separately	\$4,450
33 Head of Household	\$7,850

34 (4) Additional standard deduction for the aged and blind.

1 An additional standard deduction shall be allowed for individuals age sixty-five (65) or
2 older or blind in the amount of \$1,300 for individuals who are not married and \$1,050 for
3 individuals who are married.

4 (5) Limitation on basic standard deduction in the case of certain dependents.

5 In the case of an individual to whom a deduction under section (E) is allowable to another
6 taxpayer, the basic standard deduction applicable to such individual shall not exceed the greater of:

7 (a) \$850;

8 (b) The sum of \$300 and such individual's earned income;

9 (6) Certain individuals not eligible for standard deduction.

10 In the case of:

11 (a) A married individual filing a separate return where either spouse itemizes deductions;

12 (b) Nonresident alien individual;

13 (c) An estate or trust;

14 The standard deduction shall be zero.

15 (7) Adjustments for inflation.

16 Each dollar amount contained in paragraphs (3), (4) and (5) shall be increased by an amount
17 equal to:

18 (a) Such dollar amount contained in paragraphs (3), (4) and (5) in the year 1988, multiplied
19 by

20 (b) The cost-of-living adjustment determined under section (J) with a base year of 1988.

21 (D) Overall limitation on itemized deductions.

22 (1) General rule.

23 In the case of an individual whose adjusted gross income as modified by § 44-30-12
24 exceeds the applicable amount, the amount of the itemized deductions otherwise allowable for the
25 taxable year shall be reduced by the lesser of:

26 (a) Three percent (3%) of the excess of adjusted gross income as modified by § 44-30-12
27 over the applicable amount; or

28 (b) Eighty percent (80%) of the amount of the itemized deductions otherwise allowable for
29 such taxable year.

30 (2) Applicable amount.

31 (a) In general.

32 For purposes of this section, the term "applicable amount" means \$156,400 (\$78,200 in the
33 case of a separate return by a married individual)

34 (b) Adjustments for inflation.

1 Each dollar amount contained in paragraph (a) shall be increased by an amount equal to:

2 (i) Such dollar amount contained in paragraph (a) in the year 1991, multiplied by

3 (ii) The cost-of-living adjustment determined under section (J) with a base year of 1991.

4 (3) Phase-out of Limitation.

5 (a) In general.

6 In the case of taxable year beginning after December 31, 2005, and before January 1, 2010,
7 the reduction under section (1) shall be equal to the applicable fraction of the amount which would
8 be the amount of such reduction.

9 (b) Applicable fraction.

10 For purposes of paragraph (a), the applicable fraction shall be determined in accordance
11 with the following table:

12 For taxable years beginning in calendar year	The applicable fraction is
13 2006 and 2007	2/3
14 2008 and 2009	1/3

15 (E) Exemption amount.

16 (1) In general.

17 Except as otherwise provided in this subsection, the term “exemption amount” means
18 \$3,400.

19 (2) Exemption amount disallowed in case of certain dependents.

20 In the case of an individual with respect to whom a deduction under this section is allowable
21 to another taxpayer for the same taxable year, the exemption amount applicable to such individual
22 for such individual's taxable year shall be zero.

23 (3) Adjustments for inflation.

24 The dollar amount contained in paragraph (1) shall be increased by an amount equal to:

25 (a) Such dollar amount contained in paragraph (1) in the year 1989, multiplied by

26 (b) The cost-of-living adjustment determined under section (J) with a base year of 1989.

27 (4) Limitation.

28 (a) In general.

29 In the case of any taxpayer whose adjusted gross income as modified for the taxable year
30 exceeds the threshold amount shall be reduced by the applicable percentage.

31 (b) Applicable percentage.

32 In the case of any taxpayer whose adjusted gross income for the taxable year exceeds the
33 threshold amount, the exemption amount shall be reduced by two (2) percentage points for each
34 \$2,500 (or fraction thereof) by which the taxpayer’s adjusted gross income for the taxable year

1 exceeds the threshold amount. In the case of a married individual filing a separate return, the
2 preceding sentence shall be applied by substituting “\$1,250” for “\$2,500.” In no event shall the
3 applicable percentage exceed one hundred percent (100%).

4 (c) Threshold Amount.

5 For the purposes of this paragraph, the term “threshold amount” shall be determined with
6 the following table:

7 Filing status	Amount
8 Single	\$156,400
9 Married filing jointly of qualifying widow(er)	\$234,600
10 Married filing separately	\$117,300
11 Head of Household	\$195,500

12 (d) Adjustments for inflation.

13 Each dollar amount contained in paragraph (b) shall be increased by an amount equal to:

14 (i) Such dollar amount contained in paragraph (b) in the year 1991, multiplied by

15 (ii) The cost-of-living adjustment determined under section (J) with a base year of 1991.

16 (5) Phase-out of limitation.

17 (a) In general.

18 In the case of taxable years beginning after December 31, 2005, and before January 1,
19 2010, the reduction under section 4 shall be equal to the applicable fraction of the amount which
20 would be the amount of such reduction.

21 (b) Applicable fraction.

22 For the purposes of paragraph (a), the applicable fraction shall be determined in accordance
23 with the following table:

24 For taxable years beginning in calendar year	The applicable fraction is
25 2006 and 2007	2/3
26 2008 and 2009	1/3

27 (F) Alternative minimum tax.

28 (1) General rule. There is hereby imposed (in addition to any other tax imposed by this
29 subtitle) a tax equal to the excess (if any) of:

30 (a) The tentative minimum tax for the taxable year, over

31 (b) The regular tax for the taxable year.

32 (2) The tentative minimum tax for the taxable year is the sum of:

33 (a) 6.5 percent of so much of the taxable excess as does not exceed \$175,000, plus

34 (b) 7.0 percent of so much of the taxable excess above \$175,000.

1 (3) The amount determined under the preceding sentence shall be reduced by the
2 alternative minimum tax foreign tax credit for the taxable year.

3 (4) Taxable excess. For the purposes of this subsection the term “taxable excess” means so
4 much of the federal alternative minimum taxable income as modified by the modifications in § 44-
5 30-12 as exceeds the exemption amount.

6 (5) In the case of a married individual filing a separate return, subparagraph (2) shall be
7 applied by substituting “\$87,500” for \$175,000 each place it appears.

8 (6) Exemption amount.

9 For purposes of this section “exemption amount” means:

10 Filing status	Amount
11 Single	\$39,150
12 Married filing jointly or qualifying widow(er)	\$53,700
13 Married filing separately	\$26,850
14 Head of Household	\$39,150
15 Estate or trust	\$24,650

16 (7) Treatment of unearned income of minor children

17 (a) In general.

18 In the case of a minor child, the exemption amount for purposes of section (6) shall not
19 exceed the sum of:

20 (i) Such child's earned income, plus

21 (ii) \$6,000.

22 (8) Adjustments for inflation.

23 The dollar amount contained in paragraphs (6) and (7) shall be increased by an amount
24 equal to:

25 (a) Such dollar amount contained in paragraphs (6) and (7) in the year 2004, multiplied by

26 (b) The cost-of-living adjustment determined under section (J) with a base year of 2004.

27 (9) Phase-out.

28 (a) In general.

29 The exemption amount of any taxpayer shall be reduced (but not below zero) by an amount
30 equal to twenty-five percent (25%) of the amount by which alternative minimum taxable income
31 of the taxpayer exceeds the threshold amount.

32 (b) Threshold amount.

33 For purposes of this paragraph, the term “threshold amount” shall be determined with the
34 following table:

1	Filing status	Amount
2	Single	\$123,250
3	Married filing jointly or qualifying widow(er)	\$164,350
4	Married filing separately	\$82,175
5	Head of Household	\$123,250
6	Estate or Trust	\$82,150

7 (c) Adjustments for inflation

8 Each dollar amount contained in paragraph (9) shall be increased by an amount equal to:

9 (i) Such dollar amount contained in paragraph (9) in the year 2004, multiplied by

10 (ii) The cost-of-living adjustment determined under section (J) with a base year of 2004.

11 (G) Other Rhode Island taxes.

12 (1) General rule. There is hereby imposed (in addition to any other tax imposed by this
13 subtitle) a tax equal to twenty-five percent (25%) of:

14 (a) The Federal income tax on lump-sum distributions.

15 (b) The Federal income tax on parents' election to report child's interest and dividends.

16 (c) The recapture of Federal tax credits that were previously claimed on Rhode Island
17 return.

18 (H) Tax for children under 18 with investment income.

19 (1) General rule. There is hereby imposed a tax equal to twenty-five percent (25%) of:

20 (a) The Federal tax for children under the age of 18 with investment income.

21 (I) Averaging of farm income.

22 (1) General rule. At the election of an individual engaged in a farming business or fishing
23 business, the tax imposed in section 2 shall be equal to twenty-five percent (25%) of:

24 (a) The Federal averaging of farm income as determined in IRC section 1301 [26 U.S.C. §
25 1301].

26 (J) Cost-of-living adjustment.

27 (1) In general.

28 The cost-of-living adjustment for any calendar year is the percentage (if any) by which:

29 (a) The CPI for the preceding calendar year exceeds

30 (b) The CPI for the base year.

31 (2) CPI for any calendar year.

32 For purposes of paragraph (1), the CPI for any calendar year is the average of the consumer
33 price index as of the close of the twelve (12) month period ending on August 31 of such calendar
34 year.

1 (3) Consumer price index.

2 For purposes of paragraph (2), the term “consumer price index” means the last consumer
3 price index for all urban consumers published by the department of labor. For purposes of the
4 preceding sentence, the revision of the consumer price index that is most consistent with the
5 consumer price index for calendar year 1986 shall be used.

6 (4) Rounding.

7 (a) In general.

8 If any increase determined under paragraph (1) is not a multiple of \$50, such increase shall
9 be rounded to the next lowest multiple of \$50.

10 (b) In the case of a married individual filing a separate return, subparagraph (a) shall be
11 applied by substituting “\$25” for \$50 each place it appears.

12 (K) Credits against tax. For tax years beginning on or after January 1, 2001, a taxpayer
13 entitled to any of the following federal credits enacted prior to January 1, 1996, shall be entitled to
14 a credit against the Rhode Island tax imposed under this section:

15 (1) [Deleted by P.L. 2007, ch. 73, art. 7, § 5.]

16 (2) Child and dependent care credit;

17 (3) General business credits;

18 (4) Credit for elderly or the disabled;

19 (5) Credit for prior year minimum tax;

20 (6) Mortgage interest credit;

21 (7) Empowerment zone employment credit;

22 (8) Qualified electric vehicle credit.

23 (L) Credit against tax for adoption. For tax years beginning on or after January 1, 2006, a
24 taxpayer entitled to the federal adoption credit shall be entitled to a credit against the Rhode Island
25 tax imposed under this section if the adopted child was under the care, custody, or supervision of
26 the Rhode Island department of children, youth and families prior to the adoption.

27 (M) The credit shall be twenty-five percent (25%) of the aforementioned federal credits
28 provided there shall be no deduction based on any federal credits enacted after January 1, 1996,
29 including the rate reduction credit provided by the federal Economic Growth and Tax
30 Reconciliation Act of 2001 (EGTRRA). In no event shall the tax imposed under this section be
31 reduced to less than zero. A taxpayer required to recapture any of the above credits for federal tax
32 purposes shall determine the Rhode Island amount to be recaptured in the same manner as
33 prescribed in this subsection.

34 (N) Rhode Island earned-income credit.

1 (1) In general.

2 For tax years beginning before January 1, 2015, a taxpayer entitled to a federal earned-
3 income credit shall be allowed a Rhode Island earned-income credit equal to twenty-five percent
4 (25%) of the federal earned-income credit. Such credit shall not exceed the amount of the Rhode
5 Island income tax.

6 For tax years beginning on or after January 1, 2015, and before January 1, 2016, a taxpayer
7 entitled to a federal earned-income credit shall be allowed a Rhode Island earned-income credit
8 equal to ten percent (10%) of the federal earned-income credit. Such credit shall not exceed the
9 amount of the Rhode Island income tax.

10 For tax years beginning on or after January 1, 2016, a taxpayer entitled to a federal earned-
11 income credit shall be allowed a Rhode Island earned-income credit equal to twelve and one-half
12 percent (12.5%) of the federal earned-income credit. Such credit shall not exceed the amount of the
13 Rhode Island income tax.

14 For tax years beginning on or after January 1, 2017, a taxpayer entitled to a federal earned-
15 income credit shall be allowed a Rhode Island earned-income credit equal to fifteen percent (15%)
16 of the federal earned-income credit. Such credit shall not exceed the amount of the Rhode Island
17 income tax.

18 For tax years beginning on or after January 1, 2024, a taxpayer entitled to a federal earned-
19 income credit shall be allowed a Rhode Island earned-income credit equal to sixteen percent (16%)
20 of the federal earned-income credit. Such credit shall not exceed the amount of the Rhode Island
21 income tax.

22 (2) Refundable portion.

23 In the event the Rhode Island earned-income credit allowed under paragraph (N)(1) of this
24 section exceeds the amount of Rhode Island income tax, a refundable earned-income credit shall
25 be allowed as follows.

26 (i) For tax years beginning before January 1, 2015, for purposes of paragraph (2)
27 refundable earned-income credit means fifteen percent (15%) of the amount by which the Rhode
28 Island earned-income credit exceeds the Rhode Island income tax.

29 (ii) For tax years beginning on or after January 1, 2015, for purposes of paragraph (2)
30 refundable earned-income credit means one hundred percent (100%) of the amount by which the
31 Rhode Island earned-income credit exceeds the Rhode Island income tax.

32 (O) The tax administrator shall recalculate and submit necessary revisions to paragraphs
33 (A) through (J) to the general assembly no later than February 1, 2010, and every three (3) years
34 thereafter for inclusion in the statute.

1 (3) For the period January 1, 2011, through December 31, 2011, and thereafter, “Rhode
 2 Island taxable income” means federal adjusted gross income as determined under the Internal
 3 Revenue Code, 26 U.S.C. § 1 et seq., and as modified for Rhode Island purposes pursuant to § 44-
 4 30-12 less the amount of Rhode Island Basic Standard Deduction allowed pursuant to subparagraph
 5 44-30-2.6(c)(3)(B), and less the amount of personal exemption allowed pursuant to subparagraph
 6 44-30-2.6(c)(3)(C).

7 (A) Tax imposed.

8 (I) There is hereby imposed on the taxable income of married individuals filing joint
 9 returns, qualifying widow(er), every head of household, unmarried individuals, married individuals
 10 filing separate returns and bankruptcy estates, a tax determined in accordance with the following
 11 tables:

12 (1) For tax years beginning before January 1, 2027:

RI Taxable Income		RI Income Tax	
Over	But not over	Pay + % on Excess	on the amount over
\$ 0 -	\$ 55,000	\$ 0 + 3.75%	\$ 0
55,000 -	125,000	2,063 + 4.75%	55,000
125,000 -		5,388 + 5.99%	125,000

18 (2) For tax years beginning on or after January 1, 2027:

<u>RI Taxable Income</u>		<u>RI Income Tax</u>	
<u>Over</u>	<u>But not over</u>	<u>Pay + % on Excess</u>	<u>on the amount over</u>
<u>\$ 0 -</u>	<u>\$ 55,000</u>	<u>\$ 0 + 3.75%</u>	<u>\$ 0</u>
<u>55,000 -</u>	<u>125,000</u>	<u>2,063 + 4.75%</u>	<u>55,000</u>
<u>125,000 -</u>	<u>648,398</u>	<u>5,388 + 5.99%</u>	<u>125,000</u>
<u>648,398</u>		<u>36,740 + 8.99%</u>	<u>648,398</u>

25 (II) There is hereby imposed on the taxable income of an estate or trust a tax determined in
 26 accordance with the following tables:

27 (1) For tax years beginning before January 1, 2027:

RI Taxable Income		RI Income Tax	
Over	But not over	Pay +% on Excess	on the amount over
\$0 -	\$ 2,230	\$0 + 3.75%	\$ 0
2,230 -	7,022	84 + 4.75%	2,230
7,022 -		312 + 5.99%	7,022

33 (2) For tax years beginning on or after January 1, 2027:

<u>RI Taxable Income</u>		<u>RI Income Tax</u>	
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	<u>Over</u>	<u>But not over</u>	<u>Pay + % on Excess</u>	<u>on the amount over</u>
1				
2	<u>\$ 0</u>	<u>\$ 2,230</u>	<u>\$ 0 + 3.75%</u>	<u>\$ 0</u>
3	<u>2,230 -</u>	<u>7,022</u>	<u>84 + 4.75%</u>	<u>2,230</u>
4	<u>7,022 -</u>	<u>36,427</u>	<u>312 + 5.99%</u>	<u>7,022</u>
5	<u>36,427 -</u>		<u>2,073 + 8.99%</u>	<u>36,427</u>

6 (B) Deductions:

7 (I) Rhode Island Basic Standard Deduction.

8 Only the Rhode Island standard deduction shall be allowed in accordance with the
9 following table:

Filing status	Amount
10 Single	\$7,500
11 Married filing jointly or qualifying widow(er)	\$15,000
12 Married filing separately	\$7,500
13 Head of Household	\$11,250

14 (II) Nonresident alien individuals, estates and trusts are not eligible for standard
15 deductions.

16 (III) In the case of any taxpayer whose adjusted gross income, as modified for Rhode Island
17 purposes pursuant to § 44-30-12, for the taxable year exceeds one hundred seventy-five thousand
18 dollars (\$175,000), the standard deduction amount shall be reduced by the applicable percentage.
19 The term “applicable percentage” means twenty (20) percentage points for each five thousand
20 dollars (\$5,000) (or fraction thereof) by which the taxpayer’s adjusted gross income for the taxable
21 year exceeds one hundred seventy-five thousand dollars (\$175,000).
22

23 (C) Exemption Amount:

24 (I) The term “exemption amount” means three thousand five hundred dollars (\$3,500)
25 multiplied by the number of exemptions allowed for the taxable year for federal income tax
26 purposes. For tax years beginning on or after 2018, the term “exemption amount” means the same
27 as it does in 26 U.S.C. § 151 and 26 U.S.C. § 152 just prior to the enactment of the Tax Cuts and
28 Jobs Act (Pub. L. No. 115-97) on December 22, 2017.

29 (II) Disallowance of Exemptions

30 (1) Exemption amount disallowed in case of certain dependents. In the case of an individual
31 with respect to whom a deduction under this section is allowable to another taxpayer for the same
32 taxable year, the exemption amount applicable to such individual for such individual’s taxable year
33 shall be zero.

34 (2) Exemption amount disallowed for Child Tax Credit. For tax years beginning on or after

1 January 1, 2027, the exemption amount applicable to a claimed child dependent of an eligible
2 taxpayer, as defined in § 44-30-104, on a resident tax return shall be zero and a credit as defined in
3 § 44-30-104 for each claimed child dependent shall be granted.

4 (III) Identifying information required.

5 (1) Except as provided in § 44-30-2.6(c)(3)(C)(II) of this section, no exemption shall be
6 allowed under this section with respect to any individual unless the Taxpayer Identification Number
7 of such individual is included on the federal return claiming the exemption for the same tax filing
8 period.

9 (2) Notwithstanding the provisions of § 44-30-2.6(c)(3)(C)(I) of this section, in the event
10 that the Taxpayer Identification Number for each individual is not required to be included on the
11 federal tax return for the purposes of claiming a personal exemption(s), then the Taxpayer
12 Identification Number must be provided on the Rhode Island tax return for the purpose of claiming
13 said exemption(s).

14 (D) In the case of any taxpayer whose adjusted gross income, as modified for Rhode Island
15 purposes pursuant to § 44-30-12, for the taxable year exceeds one hundred seventy-five thousand
16 dollars (\$175,000), the exemption amount shall be reduced by the applicable percentage. The term
17 “applicable percentage” means twenty (20) percentage points for each five thousand dollars
18 (\$5,000) (or fraction thereof) by which the taxpayer’s adjusted gross income for the taxable year
19 exceeds one hundred seventy-five thousand dollars (\$175,000).

20 (E) Adjustment for inflation. The dollar amount contained in subparagraphs 44-30-
21 2.6(c)(3)(A), 44-30-2.6(c)(3)(B) and 44-30-2.6(c)(3)(C) shall be increased annually by an amount
22 equal to:

23 (I) Such dollar amount contained in subparagraphs 44-30-2.6(c)(3)(A), 44-30-2.6(c)(3)(B)
24 and 44-30-2.6(c)(3)(C) adjusted for inflation using a base tax year of 2000, multiplied by;

25 (II) The cost-of-living adjustment with a base year of 2000.

26 (III) For the purposes of this section, the cost-of-living adjustment for any calendar year is
27 the percentage (if any) by which the consumer price index for the preceding calendar year exceeds
28 the consumer price index for the base year. The consumer price index for any calendar year is the
29 average of the consumer price index as of the close of the twelve-month (12) period ending on
30 August 31, of such calendar year.

31 (IV) For the purpose of this section the term “consumer price index” means the last
32 consumer price index for all urban consumers published by the department of labor. For the purpose
33 of this section the revision of the consumer price index that is most consistent with the consumer
34 price index for calendar year 1986 shall be used.

1 (V) If any increase determined under this section is not a multiple of fifty dollars (\$50.00),
2 such increase shall be rounded to the next lower multiple of fifty dollars (\$50.00). In the case of a
3 married individual filing separate return, if any increase determined under this section is not a
4 multiple of twenty-five dollars (\$25.00), such increase shall be rounded to the next lower multiple
5 of twenty-five dollars (\$25.00).

6 (F) Credits against tax.

7 (I) Notwithstanding any other provisions of Rhode Island Law, for tax years beginning on
8 or after January 1, 2011, the only credits allowed against a tax imposed under this chapter shall be
9 as follows:

10 (a) Rhode Island earned-income credit: Credit shall be allowed for earned-income credit
11 pursuant to subparagraph 44-30-2.6(c)(2)(N).

12 (b) Property Tax Relief Credit: Credit shall be allowed for property tax relief as provided
13 in § 44-33-1 et seq.

14 (c) Lead Paint Credit: Credit shall be allowed for residential lead abatement income tax
15 credit as provided in § 44-30.3-1 et seq.

16 (d) Credit for income taxes of other states. Credit shall be allowed for income tax paid to
17 other states pursuant to § 44-30-74.

18 (e) Historic Structures Tax Credit: Credit shall be allowed for historic structures tax credit
19 as provided in § 44-33.2-1 et seq.

20 (f) Motion Picture Productions Tax Credit: Credit shall be allowed for motion picture
21 production tax credit as provided in § 44-31.2-1 et seq.

22 (g) Child and Dependent Care: Credit shall be allowed for twenty-five percent (25%) of
23 the federal child and dependent care credit allowable for the taxable year for federal purposes;
24 provided, however, such credit shall not exceed the Rhode Island tax liability.

25 (h) Tax credits for contributions to Scholarship Organizations: Credit shall be allowed for
26 contributions to scholarship organizations as provided in chapter 62 of title 44.

27 (i) Credit for tax withheld. Wages upon which tax is required to be withheld shall be taxable
28 as if no withholding were required, but any amount of Rhode Island personal income tax actually
29 deducted and withheld in any calendar year shall be deemed to have been paid to the tax
30 administrator on behalf of the person from whom withheld, and the person shall be credited with
31 having paid that amount of tax for the taxable year beginning in that calendar year. For a taxable
32 year of less than twelve (12) months, the credit shall be made under regulations of the tax
33 administrator.

34 (j) Stay Invested in RI Wavemaker Fellowship: Credit shall be allowed for stay invested in

1 RI wavemaker fellowship program as provided in § 42-64.26-1 et seq.

2 (k) Rebuild Rhode Island: Credit shall be allowed for rebuild RI tax credit as provided in
3 § 42-64.20-1 et seq.

4 (l) Rhode Island Qualified Jobs Incentive Program: Credit shall be allowed for Rhode
5 Island new qualified jobs incentive program credit as provided in § 44-48.3-1 et seq.

6 (m) Historic homeownership assistance act: Effective for tax year 2017 and thereafter,
7 unused carryforward for such credit previously issued shall be allowed for the historic
8 homeownership assistance act as provided in § 44-33.1-4. This allowance is for credits already
9 issued pursuant to § 44-33.1-4 and shall not be construed to authorize the issuance of new credits
10 under the historic homeownership assistance act.

11 [\(n\) Child Tax Credit: Effective for tax years beginning on or after January 1, 2027, credit](#)
12 [shall be allowed for the Child Tax Credit as provided in § 44-30-104.](#)

13 (2) Except as provided in section 1 above, no other state and federal tax credit shall be
14 available to the taxpayers in computing tax liability under this chapter.

15 **[44-30-12. Rhode Island income of a resident individual.](#)**

16 (a) General. The Rhode Island income of a resident individual means the individual's
17 adjusted gross income for federal income tax purposes, with the modifications specified in this
18 section.

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

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

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

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

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

31 (A) A transfer or rollover to a qualified tuition program under Section 529 of the Internal
32 Revenue Code, 26 U.S.C. § 529, other than to the tuition savings program referred to in § 16-57-
33 6.1; and

34 (B) A withdrawal or distribution that is:

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

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

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

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

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

18 (B) The amount of the person’s contribution modification pursuant to subsection (c)(4) of
19 this section for the person’s taxable year of the withdrawal and the two (2) prior taxable years less
20 the amount of any nonqualified withdrawal for the two (2) prior taxable years included in
21 computing the person’s Rhode Island income by application of this subsection for those years. Any
22 amount added to federal adjusted gross income pursuant to this subdivision shall constitute Rhode
23 Island income for residents, nonresidents, and part-year residents;

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

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

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

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

1 (9) For the taxable year beginning on or before January 1, 2025, the amount of any income,
2 deduction or allowance that would be subject to federal income tax but for the Congressional
3 enactment of the One Big Beautiful Bill Act or any other similar Congressional enactment. The
4 enactment of the One Big Beautiful Bill Act or any other similar Congressional enactment and any
5 Internal Revenue Service changes to forms, regulations, and/or processing which go into effect
6 during the current tax year or within six (6) months of the beginning of the next tax year shall be
7 deemed grounds for the promulgation of emergency rules and regulations under § 42-35-2.10 to
8 effectuate the purpose of preserving the Rhode Island tax base under Rhode Island law with respect
9 to the One Big Beautiful Bill Act or any other similar Congressional enactment.

10 (10) For any taxable year beginning on or after January 1, 2026, the amount of the
11 deduction taken for domestic research and experimental expenditures under 26 U.S.C. § 174A less
12 the amount of the deduction that would have been allowed as a deduction for domestic research
13 and experimental expenditures under 26 U.S.C. § 174 immediately prior to the enactment of H.R.1
14 (Pub. L. 119-21).

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

17 (1) Any interest income on obligations of the United States and its possessions to the extent
18 includible in gross income for federal income tax purposes, and any interest or dividend income on
19 obligations, or securities of any authority, commission, or instrumentality of the United States to
20 the extent includible in gross income for federal income tax purposes but exempt from state income
21 taxes under the laws of the United States; provided, that the amount to be subtracted shall in any
22 case be reduced by any interest on indebtedness incurred or continued to purchase or carry
23 obligations or securities the income of which is exempt from Rhode Island personal income tax, to
24 the extent the interest has been deducted in determining federal adjusted gross income or taxable
25 income;

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

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

30 (4) Contributions made to an account under the tuition savings program, including the
31 “contributions carryover” pursuant to subsection (c)(4)(iv) of this section, if any, subject to the
32 following limitations, restrictions, and qualifications:

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

1 return;

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

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

5 (B) Transfers or rollovers to an account from any other tuition savings program account or
6 from any other “qualified tuition program” under section 529 of the Internal Revenue Code, 26
7 U.S.C. § 529; or

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

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

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

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

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

21 (v) For any taxable year for which a contributions carryover is applicable, the taxpayer
22 shall include a computation of the carryover with the taxpayer’s Rhode Island personal income tax
23 return for that year, and if for any taxable year on which the carryover is based the taxpayer filed a
24 joint Rhode Island personal income tax return but filed a return on a basis other than jointly for a
25 subsequent taxable year, the computation shall reflect how the carryover is being allocated between
26 the prior joint filers;

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

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

31 (7) Modification for organ transplantation.

32 (i) An individual may subtract up to ten thousand dollars (\$10,000) from federal adjusted
33 gross income if the individual, while living, donates one or more of their human organs to another
34 human being for human organ transplantation, except that for purposes of this subsection, “human

1 organ” means all or part of a liver, pancreas, kidney, intestine, lung, or bone marrow. A subtract
2 modification that is claimed hereunder may be claimed in the taxable year in which the human
3 organ transplantation occurs.

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

7 (A) Travel expenses.

8 (B) Lodging expenses.

9 (C) Lost wages.

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

12 (8) Modification for taxable Social Security income.

13 (i) For tax years beginning on or after January 1, 2016, until the tax year beginning January
14 1, 2027:

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

19 (B) A married individual filing jointly or individual filing qualifying widow(er) who has
20 attained the age used for calculating full or unreduced Social Security retirement benefits whose
21 joint federal adjusted gross income for the taxable year is less than one hundred thousand dollars
22 (\$100,000), an amount equal to the Social Security benefits includible in federal adjusted gross
23 income.

24 (ii) For the tax years beginning on January 1, 2027, until the tax year beginning January 1,
25 2028:

26 (A) For a person who files a return as an unmarried individual, head of household, or
27 married filing separate whose federal adjusted gross income for the taxable year is less than eighty
28 thousand dollars (\$80,000); or

29 (B) A married individual filing jointly or individual filing qualifying widow(er) whose
30 joint federal adjusted gross income for the taxable year is less than one hundred thousand dollars
31 (\$100,000), an amount equal to the Social Security benefits includible in federal adjusted gross
32 income.

33 (iii) For tax years beginning on January 1, 2028 until the tax year beginning
34 January 1, 2029:

1 (A) For a person who files a return as an unmarried individual, head of household, or
2 married filing separate whose federal adjusted gross income for the taxable year is less than one
3 hundred sixty-five thousand two hundred dollars (\$165,200); or

4 (B) A married individual filing jointly or individual filing qualifying widow(er) whose joint
5 federal adjusted gross income for the taxable year is less than two hundred six thousand five
6 hundred fifty dollars (\$206,550), an amount equal to the Social Security benefits includible in
7 federal adjusted gross income.

8 (iv) For tax years beginning on or after January 1, 2029, for a person who files a return as
9 an unmarried individual, head of household, married filing separate, a married individual filing
10 jointly, or individual qualifying widow(er) there is no income threshold for tax years beginning on
11 or after January 1, 2029, an amount equal to the Social Security benefits includible in federal
12 adjusted gross income.

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

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

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

18 ~~(iii)(vi)~~ For the purposes of this section the cost-of-living adjustment for any calendar year
19 is the percentage (if any) by which the consumer price index for the preceding calendar year
20 exceeds the consumer price index for the base year. The consumer price index for any calendar
21 year is the average of the consumer price index as of the close of the twelve-month (12) period
22 ending on August 31, of such calendar year.

23 ~~(iv)(vii)~~ For the purpose of this section the term “consumer price index” means the last
24 consumer price index for all urban consumers published by the department of labor. For the purpose
25 of this section the revision of the consumer price index which is most consistent with the consumer
26 price index for calendar year 1986 shall be used.

27 ~~(v)(viii)~~ If any increase determined under this section is not a multiple of fifty dollars
28 (\$50.00), such increase shall be rounded to the next lower multiple of fifty dollars (\$50.00). In the
29 case of a married individual filing separate return, if any increase determined under this section is
30 not a multiple of twenty-five dollars (\$25.00), such increase shall be rounded to the next lower
31 multiple of twenty-five dollars (\$25.00);

32 (9) Modification of taxable retirement income from certain pension plans or annuities.

33 (i) For tax years beginning on or after January 1, 2017, until the tax year beginning January
34 1, 2022, a modification shall be allowed for up to fifteen thousand dollars (\$15,000), and for tax

1 years beginning on or after January 1, 2023, until the tax year beginning January 1, 2024, a
2 modification shall be allowed for up to twenty thousand dollars (\$20,000), ~~and for tax years~~
3 ~~beginning on or after January 1, 2025, a modification shall be allowed for up to fifty thousand~~
4 ~~dollars (\$50,000)~~, of taxable pension and/or annuity income that is included in federal adjusted
5 gross income for the taxable year:

6 (A) For a person who has attained the age used for calculating full or unreduced Social
7 Security retirement benefits who files a return as an unmarried individual, head of household, or
8 married filing separate whose federal adjusted gross income for such taxable year is less than the
9 amount used for the modification contained in subsection (c)(8)(i)(A) of this section an amount not
10 to exceed \$15,000 for tax years beginning on or after January 1, 2017, until the tax year beginning
11 January 1, 2022, and an amount not to exceed twenty thousand dollars (\$20,000) for tax years
12 beginning on or after January 1, 2023, until the tax year beginning January 1, 2024, ~~and an amount~~
13 ~~not to exceed fifty thousand dollars (\$50,000) for tax years beginning on or after January 1, 2025,~~
14 of taxable pension and/or annuity income includible in federal adjusted gross income; or

15 (B) For a married individual filing jointly or individual filing qualifying widow(er) who
16 has attained the age used for calculating full or unreduced Social Security retirement benefits whose
17 joint federal adjusted gross income for such taxable year is less than the amount used for the
18 modification contained in subsection (c)(8)(i)(B) of this section an amount not to exceed \$15,000
19 for tax years beginning on or after January 1, 2017, until the tax year beginning January 1, 2022,
20 and an amount not to exceed twenty thousand dollars (\$20,000) for tax years beginning on or after
21 January 1, 2023, until the tax year beginning January 1, 2024, ~~and an amount not to exceed fifty~~
22 ~~thousand dollars (\$50,000) for tax years beginning on or after January 1, 2025,~~ of taxable pension
23 and/or annuity income includible in federal adjusted gross income.

24 (ii) For tax years beginning on or after January 1, 2025, a modification shall be allowed for
25 up to fifty thousand dollars (\$50,000) of taxable pension and/or annuity income that is included in
26 federal adjusted gross income for the taxable year:

27 (A) For a person who has attained the age used for calculating full or unreduced Social
28 Security retirement benefits who files a return as an unmarried individual, head of household, or
29 married filing separate whose federal adjusted gross income for the taxable year is less than one
30 hundred seven thousand dollars (\$107,000) an amount not to exceed fifty thousand dollars
31 (\$50,000) for tax years beginning on or after January 1, 2025, of taxable pension and/or annuity
32 income includible in federal adjusted gross income; or

33 (B) For a married individual filing jointly or individual filing qualifying widow(er) who
34 has attained the age used for calculating full or unreduced Social Security retirement benefits whose

1 joint federal adjusted gross income for the taxable year is less than one hundred thirty-three
2 thousand seven hundred fifty dollars (\$133,750) an amount not to exceed fifty thousand dollars
3 (\$50,000) for tax years beginning on or after January 1, 2025, of taxable pension and/or annuity
4 income includible in federal adjusted gross income.

5 ~~(ii)~~ (iii) Adjustment for inflation.

6 (A) The dollar amount contained by reference in subsections (c)(9)(i)(A) and (c)(9)(i)(B)
7 of this section shall be increased annually for tax years beginning on or after January 1, 2018 until
8 the tax year beginning on January 1, 2025, by an amount equal to:

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

11 ~~(B)~~ (II) The cost-of-living adjustment with a base year of 2000.

12 (B) For tax years beginning on or after January 1, 2026, the dollar amount contained in
13 subsections (c)(9)(ii)(A) and (c)(9)(ii)(B) of this section shall be increased annually by an amount
14 equal to:

15 (I) Such dollar amount contained by reference in subsections (c)(9)(ii)(A) and (c)(9)(ii)(B)
16 of this section adjusted for inflation using a base tax year of 2025, multiplied by;

17 (II) The cost-of-living adjustment with a base year of 2025.

18 ~~(iii)~~ (iv) For the purposes of this section, the cost-of-living adjustment for any calendar year
19 is the percentage (if any) by which the consumer price index for the preceding calendar year
20 exceeds the consumer price index for the base year. The consumer price index for any calendar
21 year is the average of the consumer price index as of the close of the twelve-month (12) period
22 ending on August 31, of such calendar year.

23 ~~(iv)~~ (v) For the purpose of this section, the term “consumer price index” means the last
24 consumer price index for all urban consumers published by the department of labor. For the purpose
25 of this section, the revision of the consumer price index which is most consistent with the consumer
26 price index for calendar year 1986 shall be used.

27 ~~(v)~~ (vi) If any increase determined under this section is not a multiple of fifty dollars
28 (\$50.00), such increase shall be rounded to the next lower multiple of fifty dollars (\$50.00). In the
29 case of a married individual filing a separate return, if any increase determined under this section
30 is not a multiple of twenty-five dollars (\$25.00), such increase shall be rounded to the next lower
31 multiple of twenty-five dollars (\$25.00).

32 ~~(vi)~~ (vii) For tax years beginning on or after January 1, 2022, until the tax year beginning
33 January 1, 2025, the dollar amount contained by reference in subsection (c)(9)(i)(A) shall be
34 adjusted to equal the dollar amount contained in subsection (c)(8)(i)(A), as adjusted for inflation,

1 and the dollar amount contained by reference in subsection (c)(9)(i)(B) shall be adjusted to equal
2 the dollar amount contained in subsection (c)(8)(i)(B), as adjusted for inflation;

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

8 (11) Modification for military service pensions.

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

11 (A) For the tax years beginning on January 1, 2023, a taxpayer may subtract from federal
12 adjusted gross income the taxpayer's military service pension benefits included in federal adjusted
13 gross income;

14 (ii) As used in this subsection, the term "military service" shall have the same meaning as
15 set forth in 20 C.F.R. § 212.2;

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

19 (12) Any rebate issued to the taxpayer pursuant to § 44-30-103 to the extent included in
20 gross income for federal tax purposes; and

21 (13) For tax years beginning on or after January 1, 2025, in the case of a taxpayer that is
22 licensed in accordance with chapters 28.6 and/or 28.11 of title 21, the amount equal to any
23 expenditure that is eligible to be claimed as a federal income tax deduction but is disallowed under
24 26 U.S.C. § 280E.

25 (14) For any taxable year beginning on or after January 1, 2026, the amount as determined
26 by the tax administrator required to be added back in a prior year that would have been allowed
27 under 26 U.S.C. § 174A as enacted in H.R.1 (Pub. L. 119-21) on July 4, 2025, but would not have
28 been allowed as a deduction under 26 U.S.C. § 174 immediately prior to its enactment. At no time
29 may the cumulative modification amount for each amortized expenditure exceed one hundred
30 percent (100%) of said expenditure's expense amount.

31 (d) Modification for Rhode Island fiduciary adjustment. There shall be added to, or
32 subtracted from, federal adjusted gross income (as the case may be) the taxpayer's share, as
33 beneficiary of an estate or trust, of the Rhode Island fiduciary adjustment determined under § 44-
34 30-17.

1 (e) Partners. The amounts of modifications required to be made under this section by a
2 partner, which relate to items of income or deduction of a partnership, shall be determined under §
3 44-30-15.

4 SECTION 7. Section 44-34.1-2 of the General Laws in Chapter 44-34.1 entitled “Motor
5 Vehicle and Trailer Excise Tax Elimination Act of 1998” is hereby amended to read as follows:

6 **44-34.1-2. City, town, and fire district reimbursement.**

7 (a) In fiscal years 2024 and thereafter, cities, towns, and fire districts shall receive
8 reimbursements, as set forth in this section, from state general revenues ~~equal to the amount of lost~~
9 ~~tax revenue~~ due to the phase out of the excise tax. ~~When the tax is phased out, cities, towns, and~~
10 ~~fire districts shall receive a permanent distribution of sales tax revenue pursuant to § 44-18-18 in~~
11 ~~an amount equal to any lost revenue resulting from the excise tax elimination.~~

12 (b)(1) In fiscal year 2024, cities, towns, and fire districts shall receive the following
13 reimbursement amounts:

14	Barrington	\$ 5,894,822
15	Bristol	\$ 2,905,818
16	Burrillville	\$ 5,053,933
17	Central Falls	\$ 2,077,974
18	Charlestown	\$ 1,020,877
19	Coventry	\$ 5,872,396
20	Cranston	\$ 22,312,247
21	Cumberland	\$ 6,073,469
22	East Greenwich	\$ 2,417,332
23	East Providence	\$ 11,433,479
24	Exeter	\$ 2,241,381
25	Foster	\$ 1,652,251
26	Glocester	\$ 2,381,941
27	Hopkinton	\$ 1,629,259
28	Jamestown	\$ 622,793
29	Johnston	\$ 10,382,785
30	Lincoln	\$ 5,683,015
31	Little Compton	\$ 366,775
32	Middletown	\$ 1,976,448
33	Narragansett	\$ 1,831,251
34	Newport	\$ 2,223,671

1	New Shoreham	\$ 163,298
2	North Kingstown	\$ 5,378,818
3	North Providence	\$ 9,619,286
4	North Smithfield	\$ 4,398,531
5	Pawtucket	\$ 16,495,506
6	Portsmouth	\$ 2,414,242
7	Providence	\$ 34,131,596
8	Richmond	\$ 1,448,455
9	Scituate	\$ 1,977,127
10	Smithfield	\$ 7,098,694
11	South Kingstown	\$ 3,930,455
12	Tiverton	\$ 1,748,175
13	Warren	\$ 2,090,911
14	Warwick	\$ 25,246,254
15	Westerly	\$ 5,765,523
16	West Greenwich	\$ 1,331,725
17	West Warwick	\$ 5,673,744
18	Woonsocket	\$ 9,324,776
19	Lime Rock Fire District	\$ 133,933
20	Lincoln Fire District	\$ 208,994
21	Manville Fire District	\$ 64,862
22	Quinnville Fire District	\$ 13,483

23 (2) In fiscal year 2024, funds shall be distributed to the cities, towns, and fire districts as
24 follows:

- 25 (i) On August 1, 2023, twenty-five percent (25%) of the funds.
- 26 (ii) On November 1, 2023, twenty-five percent (25%) of the funds.
- 27 (iii) On February 1, 2024, twenty-five percent (25%) of the funds.
- 28 (iv) On May 1, 2024, twenty-five percent (25%) of the funds.

29 The funds shall be distributed to each city, town, and fire district in the same proportion as
30 distributed in fiscal year 2023.

31 (3) For the city of East Providence, the payment schedule is twenty-five percent (25%) on
32 November 1, 2023, twenty-five percent (25%) on February 1, 2024, twenty-five percent (25%) on
33 May 1, 2024, and twenty-five percent (25%) on August 1, 2024.

34 (4) On any of the payment dates specified in subsections (b)(2)(i) through (b)(2)(iv), (b)(3),

1 or (d) of this section, the director of revenue is authorized to deduct previously made over-payments
2 or add supplemental payments as may be required to bring the reimbursements into full compliance
3 with the requirements of this chapter.

4 (c) When the tax is phased out to August 1, of the following fiscal year the director of
5 revenue shall calculate to the nearest thousandth of one cent (\$0.00001) the number of cents of
6 sales tax received for the fiscal year ending June 30, of the year following the phase-out equal to
7 the amount of funds distributed to the cities, towns, and fire districts under this chapter during the
8 fiscal year following the phase-out and the percent of the total funds distributed in the fiscal year
9 following the phase-out received by each city, town, and fire district, calculated to the nearest one-
10 hundredth of one percent (0.01%). The director of the department of revenue shall transmit those
11 calculations to the governor, the speaker of the house, the president of the senate, the chairperson
12 of the house finance committee, the chairperson of the senate finance committee, the house fiscal
13 advisor, and the senate fiscal advisor. The number of cents, applied to the sales taxes received for
14 the prior fiscal year, shall be the basis for determining the amount of sales tax to be distributed to
15 the cities, towns, and fire districts under this chapter ~~for the second fiscal year following the phase-~~
16 ~~out and each year thereafter~~ in fiscal year 2025 and fiscal year 2026. The cities, towns, and fire
17 districts shall receive that amount of sales tax in the proportions calculated by the director of
18 revenue as that received in the fiscal year following the phase-out, subject to a maximum two
19 percentage point increase from the previous fiscal year. For fiscal year 2026 only, the increase shall
20 be based on the amount received pursuant to subsection (b)(1) or subsection (c) of this section
21 whichever is greater.

22 (d) In fiscal years 2025 and thereafter, twenty-five percent (25%) of the funds shall be
23 distributed to the cities, towns, and fire districts on August 1, 2024, and every August 1 thereafter;
24 twenty-five percent (25%) shall be distributed on November 1, 2024, and every November 1
25 thereafter; twenty-five percent (25%) shall be distributed on February 1, 2025, and every February
26 1 thereafter; and twenty-five percent (25%) shall be distributed on May 1, 2025, and every May 1
27 thereafter.

28 (e) In fiscal years 2027 and thereafter, each city, town, and fire district shall receive a
29 reimbursement amount equal to the reimbursement amount it received in fiscal year 2026.

30 ~~(f)~~ (f) [Deleted by P.L. 2024, ch. 400, § 1 and P.L. 2024, ch. 401, § 1.]

31 SECTION 8. Section 45-2-35.1 of the General Laws in Chapter 45-2 entitled
32 "City of Newport – Landing and boarding fees" is hereby amended to read as follows:

33 **45-2-35.1. City of Newport — Landing and boarding fees.**

34 (a) The city of Newport is authorized to charge, assess, or otherwise collect from every

1 cruise vessel landing in the city of Newport a landing fee of ~~ten dollars (\$10.00)~~ fifteen dollars
2 (\$15.00) per passenger and from every cruise vessel embarking from Newport, a boarding fee of
3 ~~ten dollars (\$10.00)~~ fifteen dollars (\$15.00) per passenger. For the purposes of this section, the term
4 “cruise vessel” does not include ferries and water carriers of persons and/or property doing business
5 as common carriers operating upon waters between termini within the state.

6 (b) Of the total fee collected per passenger, ten dollars (\$10.00) shall be retained by the
7 city of Newport, and five dollars (\$5.00) shall be allocated to the Rhode Island public transit
8 authority as defined in § 39-18-2 to support transit operations in Newport and Aquidneck Island.

9 ~~(b)~~(c) The city council of the City of Newport shall promulgate rules and regulations to
10 implement the provisions of this section.

11 ~~(c)~~(d) The city of Newport is authorized to impose a penalty on any delinquency in the
12 payment of any fee imposed under this section, at a rate equal to that assessed by the city on tax
13 delinquencies.

14 SECTION 9. Sections 1, 2, 5, 6, 7, and 8 shall take effect upon passage. Sections 3 and 4
15 shall take effect September 1, 2026.

1 **ARTICLE 6**

2 **RELATING TO CAPITAL DEVELOPMENT PROGRAM**

3 SECTION 1. Proposition to be submitted to the people. -- At the general election to be held
4 on the Tuesday next after the first Monday in November 2026, there shall be submitted to the people
5 ("People") of the State of Rhode Island ("State"), for their approval or rejection, the following
6 proposition:

7 "Shall the action of the general assembly, by an act passed at the January 2026 session,
8 authorizing the issuance of bonds, refunding bonds, and temporary notes of the State of Rhode
9 Island for the capital projects and in the amount with respect to each such project listed below be
10 approved, and the issuance of bonds, refunding bonds, and/or temporary notes authorized in
11 accordance with the provisions of said act?"

12 Project

13 (1) Higher Education Facilities \$215,000,000

14 Approval of this question will allow the State to issue general obligation bonds, refunding
15 bonds, and/or temporary notes in an amount not to exceed two hundred and fifteen million dollars
16 (\$215,000,000) for capital improvements to higher education facilities, to be allocated as follows:

17 (a) University of Rhode Island Integrated Health Building \$105,000,000

18 Provides one hundred and five million dollars (\$105,000,000) for the construction of the
19 new Integrated Health Building on the University of Rhode Island's Kingston campus to
20 advance health education, clinical training, and workforce development.

21 (b) RIC Adams Library Renovations \$50,000,000

22 Provides fifty million dollars (\$50,000,000) to fund the construction of a student success and career
23 readiness center and renovations located at the Adams Library on the Rhode Island College campus.

24 (c) CCRI Workforce Innovation Center \$60,000,000

25 Provides sixty million dollars (\$60,000,000) to fund the construction of a new workforce
26 innovation center located on the Warwick campus of the Community College of Rhode Island.
27 Funds will be used for the construction of a modern career and technical educational facility
28 designed to support workforce readiness and address critical workforce shortages in the State.

29 (2) Housing and Homeownership \$120,000,000

30 Approval of this question will allow the State to issue general obligation bonds, refunding
31 bonds, and/or temporary notes in an amount not to exceed one hundred and twenty million dollars
32 (\$120,000,000) to increase and preserve the availability of affordable and accessible housing to
33 meet the needs of all Rhode Islanders and support community revitalization through the
34 redevelopment of existing structures, new construction, property acquisition, and infrastructure

1 improvements, with at least twenty-five million dollars (\$25,000,000) allocated towards increasing
2 production of housing intended for homeownership.

3 (3) Economic Development \$115,000,000

4 Approval of this question will allow the State to issue general obligation bonds, refunding
5 bonds, and/or temporary notes in an amount not to exceed one hundred and fifteen million dollars
6 (\$115,000,000) to fund industrial facilities infrastructure improvements, to be allocated as follows:

7 (a) Site Development \$70,000,000

8 Provides seventy million dollars (\$70,000,000) for land acquisition or assembly,
9 environmental remediation, infrastructure and utility installation, site preparation or development,
10 and project investments. Eligible uses include, but are not limited to, large-scale industrial site
11 development to create pad-ready locations and/or facilities, infrastructure improvements and
12 investments within the Quonset Business Park, and land acquisition, preparation, and project
13 investments within the I-195 District.

14 (b) Growth Industry Infrastructure \$45,000,000

15 Provides forty-five million dollars (\$45,000,000) for infrastructure, facilities, projects, and
16 investments that support Rhode Island's ocean, defense, life sciences, data analytics and related
17 industries. Eligible uses include, but are not limited to, water-based test ranges and onshore ocean
18 or defense-related innovation/production facilities, as well as facilities, projects, and investments
19 that advance businesses and job growth in the life sciences.

20 (4) Career and Technical Education \$50,000,000

21 Approval of this question will allow the State to issue general obligation bonds, refunding
22 bonds, and/or temporary notes in an amount not to exceed fifty million dollars (\$50,000,000) to
23 provide local education agencies financing for the creation of new and/or the improvement of
24 existing career and technical education programs.

25 (5) Green Economy and Clean Energy Bonds \$50,000,000

26 Approval of this question will allow the State to issue general obligation bonds, refunding
27 bonds, and/or temporary notes in an amount not to exceed fifty million dollars (\$50,000,000) for
28 environmental and recreational purposes, to be allocated as follows:

29 (a) Brownfields Remediation and Economic Development \$3,000,000

30 Provides three million dollars (\$3,000,000) for up to eighty percent (80%) matching grants
31 to public, private, and/or non-profit entities for brownfield remediation projects.

32 (b) Facility Improvements \$8,000,000

33 Provides eight million dollars (\$8,000,000) for the renovation and repair of existing
34 facilities and recreational venues as well as the development and construction of new facilities and

1 parks.

2 (c) Local Recreation Projects \$1,000,000

3 Provides one million dollars (\$1,000,000) for up to eighty percent (80%) matching grants
4 for municipalities to acquire, develop, or rehabilitate local recreational facilities to meet the
5 growing needs for active outdoor recreational facilities.

6 (d) Marine Infrastructure Development \$1,000,000

7 Provides one million dollars (\$1,000,000) to provide asset protection and emergency repair
8 needs for most facilities, including recreational facilities, office space, marine infrastructure, and
9 more.

10 (e) Resilient Rhody Infrastructure Fund \$20,000,000

11 Provides twenty million dollars (\$20,000,000) to provide financial assistance to local
12 governmental units for restoring and/or improving resiliency of infrastructure, vulnerable coastal
13 habitats, and restoring rivers and stream floodplains. These funds will be prioritized to leverage
14 significant funds to support local programs to improve community resiliency, stormwater
15 abatement and public safety in the face of increased flooding, major storm events, and
16 environmental degradation.

17 (f) Narragansett Bay Watershed Restoration \$7,000,000

18 Provides seven million dollars (\$7,000,000) for activities to restore and protect the water
19 quality and enhance the economic viability and environmental sustainability of Narragansett Bay
20 and the State's watersheds. Eligible activities include nonpoint source pollution abatement,
21 including stormwater management; nutrient loading abatement; commercial, industrial and
22 agricultural pollution abatement; and riparian buffer and watershed ecosystem restoration.

23 (g) Energy Efficiency \$10,000,000

24 Provides ten million dollars (\$10,000,000) for activities related to the financing of energy
25 efficiency infrastructure.

26 (6) Cultural Economy \$50,000,000

27 Approval of this question will allow the State to issue general obligation bonds, refunding
28 bonds, and/or temporary notes in an amount not to exceed fifty million dollars (\$50,000,000) for
29 the construction of a new Rhode Island State History Center.

30 (a) State History Center \$45,000,000

31 Provides forty-five million dollars (\$45,000,000) for the construction of a new Rhode Island
32 State History Center.

33 (b) State Preservation Grants Program \$5,000,000

34 Provides five million dollars (\$5,000,000) in matching grants administered by the Rhode

1 Island Historical Preservation and Heritage Commission to cities, towns and nonprofit
2 organizations for capital improvements to public historic sites, museums and cultural art centers
3 located in historic structures, and heritage museums throughout the State.

4 SECTION 2. Ballot labels and applicability of general election laws. -- The Secretary of
5 State shall prepare and deliver to the State Board of Elections ballot labels for each of the projects
6 provided for in Section 1 hereof with the designations "approve" or "reject" provided next to the
7 description of each such project to enable voters to approve or reject each such proposition. The
8 general election laws, so far as consistent herewith, shall apply to this proposition.

9 SECTION 3. Approval of projects by the people. -- If a majority of the People voting on
10 the proposition in Section 1 hereof shall vote to approve any project stated therein, said project
11 shall be deemed to be approved by the People. The authority to issue bonds, refunding bonds and/or
12 temporary notes of the State shall be limited to the aggregate amount for all such projects as set
13 forth in the proposition, which has been approved by the People.

14 SECTION 4. Bonds for the capital development program. -- The General Treasurer is
15 hereby authorized and empowered, with the approval of the Governor, and in accordance with the
16 provisions of this Act to issue capital development bonds in serial form, in the name of and on
17 behalf of the State, in amounts as may be specified by the Governor in an aggregate principal
18 amount not to exceed the total amount for all projects approved by the People and designated as
19 "capital development loan of 2026 bonds." Provided, however, that the aggregate principal amount
20 of such capital development bonds and of any temporary notes outstanding at any one time issued
21 in anticipation thereof pursuant to Section 7 hereof shall not exceed the total amount for all such
22 projects approved by the People. All provisions in this Act relating to "bonds" shall also be deemed
23 to apply to "refunding bonds."

24 Capital development bonds issued under this Act shall be in denominations of one thousand
25 dollars (\$1,000) each, or multiples thereof, and shall be payable in any coin or currency of the
26 United States which at the time of payment shall be legal tender for public and private debts. These
27 capital development bonds shall bear such date or dates, mature at specified time or times, but not
28 mature beyond the end of the twentieth (20th) State fiscal year following the fiscal year in which
29 they are issued; bear interest payable semi-annually at a specified rate or different or varying rates:
30 be payable at designated time or times at specified place or places; be subject to express terms of
31 redemption or recall, with or without premium; be in a form, with or without interest coupons
32 attached; carry such registration, conversion, reconversion, transfer, debt retirement, acceleration
33 and other provisions as may be fixed by the General Treasurer, with the approval by the Governor,
34 upon each issue of such capital development bonds at the time of each issue. Whenever the

1 Governor shall approve the issuance of such capital development bonds, the Governor's approval
2 shall be certified to the Secretary of State; the bonds shall be signed by the General Treasurer and
3 countersigned by Secretary of State and shall bear the seal of the State. The signature approval of
4 the Governor shall be endorsed on each bond.

5 SECTION 5. Refunding bonds for the 2026 capital development program. -- The General
6 Treasurer is hereby authorized and empowered, with the approval of the Governor, and in
7 accordance with the provisions of this Act, to issue bonds to refund the 2026 capital development
8 program bonds, in the name of and on behalf of the State, in amounts as may be specified by the
9 Governor in an aggregate principal amount not to exceed the total amount approved by the People,
10 to be designated as "capital development program loan of 2026 refunding bonds" (hereinafter
11 "Refunding Bonds").

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

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

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

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

32 SECTION 6. Proceeds of the capital development program. -- The General Treasurer is
33 directed to deposit the proceeds from the sale of capital development bonds issued under this Act,
34 exclusive of premiums and accrued interest and net the underwriters' cost, and cost of bond

1 issuance, in one or more of the depositories in which the funds of the State may be lawfully kept in
2 special accounts (hereinafter cumulatively referred to as the "capital development bond fund")
3 appropriately designated for each of the projects set forth in Section 1 hereof which shall have been
4 approved by the People to be used for the purpose of paying the cost of all such projects so
5 approved.

6 All monies in the capital development bond fund shall be expended for the purposes
7 specified in the proposition provided for in Section 1 hereof under the direction and supervision of
8 the Director of Administration (hereinafter referred to as "Director"). The Director or his or her
9 designee shall be vested with all power and authority necessary or incidental to the purposes of this
10 Act, including but not limited to, the following authority: (a) to acquire land or other real property
11 or any interest, estate or right therein as may be necessary or advantageous to accomplish the
12 purposes of this Act; (b) to direct payment for the preparation of any reports, plans and
13 specifications, and relocation expenses and other costs such as for furnishings, equipment
14 designing, inspecting and engineering, required in connection with the implementation of any
15 projects set forth in Section 1 hereof; (c) to direct payment for the costs of construction,
16 rehabilitation, enlargement, provision of service utilities, and razing of facilities, and other
17 improvements to land in connection with the implementation of any projects set forth in Section 1
18 hereof; and (d) to direct payment for the cost of equipment, supplies, devices, materials and labor
19 for repair, renovation or conversion of systems and structures as necessary for the 2026 capital
20 development program bonds or notes hereunder from the proceeds thereof. No funds shall be
21 expended in excess of the amount of the capital development bond fund designated for each project
22 authorized in Section 1 hereof. With respect to the bonds and temporary notes described in Section
23 1, the proceeds shall be used for the following purposes:

24 Question 1, relating to bonds in the amount of two hundred and fifteen million dollars
25 (\$215,000,000) to provide funding for higher education facilities to be allocated as follows:

26 (a) University of Rhode Island Integrated Health Building \$105,000,000

27 Provides one hundred and five million dollars (\$105,000,000) for the construction of the
28 new Integrated Health Building on the University of Rhode Island's Kingston campus to
29 advance health education, clinical training, and workforce development.

30 (b) RIC Adams Library Renovations \$50,000,000

31 Provides fifty million dollars (\$50,000,000) to fund the construction of a student success
32 and career readiness center and renovations located at the Adams Library the Rhode Island College
33 campus.

34 (c) CCRI Workforce Innovation Center \$60,000,000

1 Provides sixty million dollars (\$60,000,000) to fund the construction of a new workforce
2 innovation center located on the Warwick campus of the Community College of Rhode Island.
3 Funds will be used for the construction of a modern career and technical educational facility
4 designed to support workforce readiness and address critical workforce shortages in the State.

5 Question 2, relating to bonds in the amount of one hundred and twenty million dollars
6 (\$120,000,000) to increase and preserve the availability of affordable and accessible housing to
7 meet the needs of all Rhode Islanders and support community revitalization through the
8 redevelopment of existing structures, new construction, property acquisition, and infrastructure
9 improvements, with at least twenty-five million dollars (\$25,000,000) allocated towards increasing
10 production of housing intended for homeownership.

11 Question 3, relating to bonds in the amount of one hundred and fifteen million dollars
12 (\$115,000,000) to fund industrial facilities infrastructure improvements, to be allocated as follows:

13 (a) Site Development \$70,000,000

14 Provides seventy million dollars (\$70,000,000) for land acquisition or assembly,
15 environmental remediation, infrastructure and utility installation, site preparation or development,
16 and project investments. Eligible uses include, but are not limited to, large-scale industrial site
17 development to create pad-ready locations and/or facilities, infrastructure improvements and
18 investments within the Quonset Business Park, and land acquisition, preparation, and project
19 investments within the I-195 District.

20 (b) Growth Industry Infrastructure \$45,000,000

21 Provides forty-five million dollars (\$45,000,000) for infrastructure, facilities, projects, and
22 investments that support Rhode Island's ocean, defense, life sciences, data analytics and related
23 industries. Eligible uses include, but are not limited to, water-based test ranges and onshore ocean
24 or defense-related innovation/production facilities, as well as facilities, projects, and investments
25 that advance businesses and job growth in the life sciences.

26 Question 4, relating to bonds in the amount of fifty million dollars (\$50,000,000) to provide
27 local education agencies financing for the creation of new and/or the improvement of existing
28 career and technical education programs.

29 Question 5, relating to bonds in the amount of fifty million dollars (\$50,000,000) for
30 environmental and recreational purposes, to be allocated as follows:

31 (a) Brownfields Remediation and Economic Development \$3,000,000

32 Provides three million dollars (\$3,000,000) for up to eighty percent (80%) matching grants
33 to public, private, and/or non-profit entities for brownfield remediation projects.

34 (b) Facility Improvements \$8,000,000

1 Provides eight million dollars (\$8,000,000) for the renovation and repair of existing
2 facilities and recreational venues as well as the development and construction of new facilities and
3 parks.

4 (c) Local Recreation Projects \$1,000,000

5 Provides one million dollars (\$1,000,000) for up to eighty percent (80%) matching grants
6 for municipalities to acquire, develop, or rehabilitate local recreational facilities to meet the
7 growing needs for active outdoor recreational facilities.

8 (d) Marine Infrastructure Development \$1,000,000

9 Provides one million dollars (\$1,000,000) to provide asset protection and emergency repair
10 needs for most facilities, including recreational facilities, office space, marine infrastructure, and
11 more.

12 (e) Resilient Rhody Infrastructure Fund \$20,000,000

13 Provides twenty million dollars (\$20,000,000) to provide financial assistance to local
14 governmental units for restoring and/or improving resiliency of infrastructure, vulnerable coastal
15 habitats, and restoring rivers and stream floodplains. These funds will be prioritized to leverage
16 significant funds to support local programs to improve community resiliency, stormwater
17 abatement and public safety in the face of increased flooding, major storm events, and
18 environmental degradation.

19 (f) Narragansett Bay Watershed Restoration \$7,000,000

20 Provides seven million dollars (\$7,000,000) for activities to restore and protect the water
21 quality and enhance the economic viability and environmental sustainability of Narragansett Bay
22 and the State's watersheds. Eligible activities include nonpoint source pollution abatement,
23 including stormwater management; nutrient loading abatement; commercial, industrial and
24 agricultural pollution abatement; and riparian buffer and watershed ecosystem restoration.

25 (g) Energy Efficiency \$10,000,000

26 Provides ten million dollars (\$10,000,000) for activities related to the financing of energy
27 efficiency infrastructure.

28 Question 6, relating to bonds in the amount of fifty million dollars (\$50,000,000) to provide
29 funding for cultural economy efforts to be allocated as follows:

30 (a) State History Center \$45,000,000

31 Provides forty-five million dollars (\$45,000,000) for the construction of a new Rhode Island
32 State History Center.

33 (b) State Preservation Grants Program \$5,000,000

34 Provides five million dollars (\$5,000,000) in matching grants administered by the Rhode

1 Island Historical Preservation and Heritage Commission to cities, towns and nonprofit
2 organizations for capital improvements to public historic sites, museums and cultural art centers
3 located in historic structures, and heritage museums throughout the State.

4 SECTION 7. Sale of bonds and notes. -- Any bonds or notes issued under the authority of
5 this Act shall be sold at not less than the principal amount thereof, in such mode and on such terms
6 and conditions as the General Treasurer, with the approval of the Governor, shall deem to be in the
7 best interests of the State.

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

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

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

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

27 SECTION 9. Investment of moneys in fund. -- All moneys in the capital development fund
28 not immediately required for payment pursuant to the provisions of this Act may be invested by the
29 investment commission, as established by Chapter 10 of Title 35, entitled "State Investment
30 Commission," pursuant to the provisions of such chapter; provided, however, that the securities in
31 which the capital development fund is invested shall remain a part of the capital development fund
32 until exchanged for other securities; and provided further, that the income from investments of the
33 capital development fund shall become a part of the general fund of the State and shall be applied
34 to the payment of debt service charges of the State, unless directed by federal law or regulation to

1 be used for some other purpose, or to the extent necessary, to rebate to the United States treasury
2 any income from investments (including gains from the disposition of investments) of proceeds of
3 bonds or notes to the extent deemed necessary to exempt (in whole or in part) the interest paid on
4 such bonds or notes from federal income taxation.

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

9 SECTION 11. Advances from general fund. -- The General Treasurer is authorized, with
10 the approval of the Director and the Governor, in anticipation of the issue of notes or bonds under
11 the authority of this Act, to advance to the capital development bond fund for the purposes specified
12 in Section 6 hereof, any funds of the State not specifically held for any particular purpose; provided,
13 however, that all advances made to the capital development bond fund shall be returned to the
14 general fund from the capital development bond fund forthwith upon the receipt by the capital
15 development fund of proceeds resulting from the issue of notes or bonds to the extent of such
16 advances.

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

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

34

1 **ARTICLE 7**

2 **RELATING TO EDUCATION**

3 SECTION 1. Effective July 1, 2026, section 16-7-41.1 of the General Laws in Chapter 16-
4 7 entitled "Foundation Level School Support" is hereby amended to read as follows:

5 **16-7-41.1. Eligibility for reimbursement.**

6 (a) School districts, not municipalities, may apply for and obtain approval for a project
7 under the necessity of school construction process set forth in the regulations of the council on
8 elementary and secondary education, provided, however, in the case of a municipality that issues
9 bonds through the Rhode Island health and educational building corporation to finance or refinance
10 school facilities for a school district that is not part of the municipality, the municipality may apply
11 for and obtain approval for a project. Such approval will remain valid until June 30 of the third
12 fiscal year following the fiscal year in which the council on elementary and secondary education's
13 approval is granted. Only those projects undertaken at school facilities under the care and control
14 of the school committee and located on school property may qualify for reimbursement under §§
15 16-7-35 — 16-7-47. Facilities with combined school and municipal uses or facilities that are
16 operated jointly with any other profit or nonprofit agency do not qualify for reimbursement under
17 §§ 16-7-35 — 16-7-47. Projects completed by June 30 of a fiscal year are eligible for
18 reimbursement in the following fiscal year. A project for new school housing or additional housing
19 shall be deemed to be completed when the work has been officially accepted by the school
20 committee or when the housing is occupied for its intended use by the school committee, whichever
21 is earlier.

22 (b) Notwithstanding the provisions of this section, the board of regents shall not grant final
23 approval for any project between June 30, 2011, and May 1, 2015, except for projects that are
24 necessitated by immediate health and safety reasons. In the event that a project is requested during
25 the moratorium because of immediate health and safety reasons, those proposals shall be reported
26 to the chairs of the house and senate finance committees.

27 (c) Any project approval granted prior to the adoption of the school construction
28 regulations in 2007, and which are currently inactive; and any project approval granted prior to the
29 adoption of the school construction regulations in 2007 which did not receive voter approval or
30 which has not been previously financed, are no longer eligible for reimbursement under this
31 chapter. The department of elementary and secondary education shall develop recommendations
32 for further cost containment strategies in the school housing aid program.

33 (d) Beginning July 1, 2015, the council on elementary and secondary education shall
34 approve new necessity of school construction applications on an annual basis. The department of

1 elementary and secondary education shall develop an annual application timeline for local
2 education agencies seeking new necessity of school construction approvals.

3 (e) Beginning July 1, 2019, no state funding shall be provided for projects in excess of ten
4 million dollars (\$10,000,000) unless the prime contractor for the project has received
5 prequalification from the school building authority. However, for projects commencing after July
6 1, 2026, and for subsequent fiscal years, no state funding shall be provided for projects in excess
7 of ten million dollars (\$10,000,000) unless the prime contractor for the project has received
8 prequalification from the division of purchases.

9 (f) Beginning July 1, 2019, the necessity of school construction process set forth in the
10 regulations of the council on elementary and secondary education shall include a single statewide
11 process, developed with the consultation of the department of environmental management, that will
12 ensure community involvement throughout the investigation and remediation of contaminated
13 building sites for possible reuse as the location of a school. That process will fulfill all provisions
14 of § 23-19.14-5 related to the investigation of reuse of such sites for schools.

15 (g) Beginning July 1, 2019, school housing projects exceeding one million five hundred
16 thousand dollars (\$1,500,000) subject to inflation shall include an owner's program manager and a
17 commissioning agent. The cost of the program manager and commissioning agent shall be
18 considered a project cost eligible for aid pursuant to §§ 16-7-41 and 16-105-5. However, for
19 projects completing after July 1, 2026, and subsequent fiscal years, school housing projects
20 exceeding ten million dollars (\$10,000,000) subject to inflation shall include an owner's program
21 manager and a commissioning agent. The cost of the program manager and commissioning agent
22 shall not exceed three percent (3%) of total project costs and shall be considered a project cost
23 eligible for aid pursuant to §§ 16-7-41 and 16-105-5.

24 (h) Temporary housing, or swing space, for students shall be a reimbursable expense so
25 long as a district can demonstrate that no other viable option to temporarily house students exists
26 and provided that use of the temporary space is time limited for a period not to exceed twenty-four
27 (24) months and tied to a specific construction project.

28 (i) Environmental site remediation, as defined by the school building authority, shall be a
29 reimbursable expense up to one million dollars (\$1,000,000) per project.

30 (j) If, within thirty (30) years of construction, a newly constructed school is sold to a private
31 entity, the state shall receive a portion of the sale proceeds equal to that project's housing aid
32 reimbursement rate at the time of project completion.

33 (k) All projects must comply with § 37-13-6, ensuring that prevailing wage laws are being
34 followed, and § 37-14.1-6, ensuring that minority business enterprises reach the required minimum

1 participation.

2 SECTION 2. Effective July 1, 2026, section 16-7.2-3 of the General Laws in Chapter 16-
3 7.2 entitled "The Education Equity and Property Tax Relief Act" is hereby amended to read as
4 follows:

5 **16-7.2-3. Permanent foundation education aid established.**

6 (a) Beginning in the 2012 fiscal year, the following foundation education-aid formula shall
7 take effect. The foundation education aid for each district shall be the sum of the core instruction
8 amount in subsection (a)(1) of this section and the amount to support high-need students in
9 subsection (a)(2) of this section, which shall be multiplied by the district state-share ratio calculated
10 pursuant to § 16-7.2-4 to determine the foundation aid.

11 (1) The core instruction amount shall be an amount equal to a statewide, per-pupil core
12 instruction amount as established by the department of elementary and secondary education,
13 derived from the average of northeast regional expenditure data for the states of Rhode Island,
14 Massachusetts, Connecticut, and New Hampshire from the National Center for Education Statistics
15 (NCES) that will adequately fund the student instructional needs as described in the basic education
16 program and multiplied by the district average daily membership as defined in § 16-7-22.
17 Expenditure data in the following categories: instruction and support services for students,
18 instruction, general administration, school administration, and other support services from the
19 National Public Education Financial Survey, as published by NCES, and enrollment data from the
20 Common Core of Data, also published by NCES, will be used when determining the core
21 instruction amount. The core instruction amount will be updated annually. For the purpose of
22 calculating this formula, school districts' resident average daily membership shall exclude charter
23 school and state-operated school students.

24 (2) The amount to support high-need students beyond the core instruction amount shall be
25 determined by:

26 (i) Multiplying a student success factor of forty percent (40%); provided further, for the
27 fiscal year beginning July 1, 2026, and for subsequent fiscal years, the student success factor shall
28 be forty-three percent (43%); by the core instruction per-pupil amount described in subsection
29 (a)(1) of this section and applying that amount for each resident child whose family income is at or
30 below one hundred eighty-five percent (185%) of federal poverty guidelines, hereinafter referred
31 to as "poverty status." By October 1, 2022, as part of its budget submission pursuant to § 35-3-4
32 relative to state fiscal year 2024 and thereafter, the department of elementary and secondary
33 education shall develop and utilize a poverty measure that in the department's assessment most
34 accurately serves as a proxy for the poverty status referenced in this subsection and does not rely

1 on the administration of school nutrition programs. The department shall utilize this measure in
2 calculations pursuant to this subsection related to the application of the student success factor, in
3 calculations pursuant to § 16-7.2-4 related to the calculation of the state share ratio, and in the
4 formulation of estimates pursuant to subsection (b) below. The department may also include any
5 recommendations which seek to mitigate any disruptions associated with the implementation of
6 this new poverty measure or improve the accuracy of its calculation. Beginning with the FY 2024
7 calculation, students whose family income is at or below one hundred eighty-five percent (185%)
8 of federal poverty guidelines will be determined by participation in the supplemental nutrition
9 assistance program (SNAP). The number of students directly certified through the department of
10 human services shall be multiplied by a factor of 1.6; and

11 (ii) Multiplying a multilingual learner (MLL) factor of twenty percent (20%) by the core
12 instruction per-pupil amount described in subsection (a)(1) of this section, applying that amount
13 for each resident child identified in the three lowest proficiency categories using widely adopted,
14 independent standards and assessments in accordance with subsection (f)(1) of this section and as
15 identified by the commissioner and defined by regulations of the council on elementary and
16 secondary education. Local education agencies shall report annually to the department of
17 elementary and secondary education by September 1, outlining the planned and prior year use of
18 all funding pursuant to this subsection to provide services to MLL students in accordance with
19 requirements set forth by the commissioner of elementary and secondary education. The
20 department shall review the use of funds to ensure consistency with established best practices.

21 (b) The department of elementary and secondary education shall provide an estimate of the
22 foundation education aid cost as part of its budget submission pursuant to § 35-3-4. The estimate
23 shall include the most recent data available as well as an adjustment for average daily membership
24 growth or decline based on the prior year experience.

25 (c) In addition, the department shall report updated figures based on the average daily
26 membership as of October 1 by December 1.

27 (d) Local education agencies may set aside a portion of funds received under subsection
28 (a) to expand learning opportunities such as after school and summer programs, full-day
29 kindergarten and/or multiple pathway programs, provided that the basic education program and all
30 other approved programs required in law are funded.

31 (e) The department of elementary and secondary education shall promulgate such
32 regulations as are necessary to implement fully the purposes of this chapter.

33 (f)(1) By October 1, 2023, as part of its budget submission pursuant to § 35-3-4 relative to
34 state fiscal year 2025, the department of elementary and secondary education shall evaluate the

1 number of students by district who qualify as multilingual learner (MLL) students and MLL
2 students whose family income is at or below one hundred eighty-five percent (185%) of federal
3 poverty guidelines. The submission shall also include segmentation of these populations by levels
4 as dictated by the WIDA multilingual learner assessment tool used as an objective benchmark for
5 English proficiency. The department shall also prepare and produce expense data sourced from the
6 uniform chart of accounts to recommend funding levels required to support students at the various
7 levels of proficiency as determined by the WIDA assessment tool. Utilizing this information, the
8 department shall recommend a funding solution to meet the needs of multilingual learners; this may
9 include but not be limited to inclusion of MLL needs within the core foundation formula amount
10 through one or multiple weights to distinguish different students of need or through categorical
11 means.

12 (2) By October 1, 2024, as part of its budget submission pursuant to § 35-3-4 relative to
13 state fiscal year 2026, the department of elementary and secondary education shall develop
14 alternatives to identify students whose family income is at or below one hundred eighty-five percent
15 (185%) of federal poverty guidelines through participation in state-administered programs,
16 including, but not limited to, the supplemental nutrition assistance program (SNAP), and RItCare
17 and other programs that include the collection of required supporting documentation. The
18 department may also include any recommendations that seek to mitigate any disruptions associated
19 with implementation of this new poverty measure or improve the accuracy of its calculation.

20 (3) The department shall also report with its annual budget request information regarding
21 local contributions to education aid and compliance with §§ 16-7-23 and 16-7-24. The report shall
22 also compare these local contributions to state foundation education aid by community. The
23 department shall also report compliance to each city or town school committee and city or town
24 council.

25 (4) By October 1, 2025, as part of its budget submission pursuant to § 35-3-4 relative to
26 state fiscal year 2027, the department of elementary and secondary education shall submit a report
27 developed in coordination with the department of administration and the Rhode Island longitudinal
28 data system within the office of the postsecondary commissioner. The report shall provide an
29 overview of the process for matching the department of human services program participation data
30 to the department of elementary and secondary education student enrollment records for use in the
31 education funding formula and recommend methods to ensure consistency and accuracy in future
32 matching processes.

33 (5) As part of its FY 2027 budget submission, the department shall also submit an estimate
34 of foundation education aid that uses expanded direct certification with Medicaid matching in

1 consultation with the Rhode Island longitudinal data system and the executive office of health and
2 human services to identify students whose family income is at or below one hundred eighty-five
3 percent (185%) of federal poverty guidelines, in addition to an estimate under the current law
4 poverty determination.

5 (6) By December 31, 2025, the department of elementary and secondary education shall
6 also develop and submit a report to the governor, speaker of the house, and senate president on
7 current and recommended processes to ensure the consistency and validity of submitted high-cost
8 special education data from local education agencies.

9 SECTION 3. Effective July 1, 2026, section 16-105-3 of the General Laws in Chapter 16-
10 105 entitled "School Building Authority" is hereby amended to read as follows:

11 **16-105-3. Roles and responsibilities.**

12 The school building authority roles and responsibilities shall include:

13 (1) Management of a system with the goal of ensuring equitable and adequate school
14 housing for all public school children in the state;

15 (2) Prevention of the cost of school housing from interfering with the effective operation
16 of the schools;

17 (3) Management of school housing aid in accordance with statute;

18 (4) Reviewing and making recommendations to the council on elementary and secondary
19 education on necessity of school construction applications for state school housing aid and the
20 school building authority capital fund, based on the recommendations of the school building
21 authority advisory board;

22 (5) Promulgating, managing, and maintaining school construction regulations, standards,
23 and guidelines applicable to the school housing program, based on the recommendations of the
24 school building authority advisory board, created in § 16-105-8. Said regulations shall require
25 conformance with the minority business enterprise requirements set forth in § 37-14.1-6;

26 ~~(6) Developing a prequalification and review process for prime contractors, architects, and~~
27 ~~engineers seeking to bid on projects in excess of ten million dollars (\$10,000,000) in total costs~~
28 ~~subject to inflation. Notwithstanding any general laws to the contrary, a prequalification shall be~~
29 ~~valid for a maximum of two (2) years from the date of issuance. Factors to be considered by the~~
30 ~~school building authority in granting a prequalification to prime contractors shall include, but not~~
31 ~~be limited to, the contractor's history of completing complex projects on time and on budget, track~~
32 ~~record of compliance with applicable environmental and safety regulations, evidence that~~
33 ~~completed prior projects prioritized the facility's future maintainability, and compliance with~~
34 ~~applicable requirements for the use of women and minority owned subcontractors;~~

1 ~~(i) At least annually, a list of prequalified contractors, architects, and engineers shall be~~
2 ~~publicly posted with all other program information;~~

3 ~~(7)(6)~~ Providing technical assistance and guidance to school districts on the necessity of
4 school construction application process;

5 ~~(8)(7)~~ Providing technical advice and assistance, training, and education to cities, towns,
6 and/or local education agencies and to general contractors, subcontractors, construction or project
7 managers, designers and others in planning, maintenance, and establishment of school facility
8 space;

9 ~~(9)(8)~~ Developing a project priority system, based on the recommendations of the school
10 building authority advisory board, in accordance with school construction regulations for the school
11 building authority capital fund, subject to review and, if necessary, to be revised on intervals not to
12 exceed five (5) years. Project priorities shall include, but not be limited to, the following order of
13 priorities:

14 (i) Projects to replace or renovate a building that is structurally unsound or otherwise in a
15 condition seriously jeopardizing the health and safety of school children where no alternative exists;

16 (ii) Projects needed to prevent loss of accreditation;

17 (iii) Projects needed for the replacement, renovation, or modernization of the HVAC
18 system in any schoolhouse to increase energy conservation and decrease energy-related costs in
19 said schoolhouse;

20 (iv) Projects needed to replace or add to obsolete buildings in order to provide for a full
21 range of programs consistent with state and approved local requirements; and

22 (v) Projects needed to comply with mandatory, instructional programs;

23 ~~(10)(9)~~ Maintaining a current list of requested school projects and the priority given them;

24 ~~(11)(10)~~ Collecting and maintaining readily available data on all the public school facilities
25 in the state;

26 ~~(12)(11)~~ Collecting, maintaining, and making publicly available quarterly progress reports
27 of all ongoing school construction projects that shall include, at a minimum, the costs of the project
28 and the time schedule of the project;

29 ~~(13)(12)~~ Recommending policies and procedures designed to reduce borrowing for school
30 construction programs at both state and local levels;

31 ~~(14)(13)~~ At least every five (5) years, conducting a needs survey to ascertain the capital
32 construction, reconstruction, maintenance, and other capital needs for schools in each district of the
33 state, including public charter schools;

34 ~~(15)(14)~~ Developing a formal enrollment projection model or using projection models

1 already available;

2 ~~(+6)~~(15) Encouraging local education agencies to investigate opportunities for the
3 maximum utilization of space in and around the district;

4 ~~(+7)~~(16) Collecting and maintaining a clearinghouse of prototypical school plans that may
5 be consulted by eligible applicants;

6 ~~(+8)~~(17) Retaining the services of consultants, as necessary, to effectuate the roles and
7 responsibilities listed within this section;

8 ~~(+9)~~(18) No district shall receive a combined total of more than twenty (20) incentive
9 percentage points for projects that commence construction by December 30, 2023, and five (5)
10 incentive points for projects that commence construction thereafter; provided further, these caps
11 shall be in addition to amounts received under §§ 16-7-40(a)(1) and 16-7-40(a)(2). Furthermore, a
12 district's share shall not be decreased by more than half of its regular share irrespective of the
13 number of incentive points received, nor shall a district's state share increase by more than half of
14 its regular share, including amounts received under §§ 16-7-40(a)(1) and 16-7-40(a)(2), irrespective
15 of the number of incentive points received. Notwithstanding any provision of the general laws to
16 the contrary, the reimbursement or aid received under this chapter or chapter 38.2 of title 45 shall
17 not exceed one hundred percent (100%) of the sum of the total project costs plus interest costs. If
18 a two hundred and fifty million dollar (\$250,000,000) general obligation bond is approved on the
19 November 2018 ballot, projects approved between May 1, 2015, and January 1, 2018, are eligible
20 to receive incentive points (above and beyond what the project was awarded at the time of approval)
21 pursuant to § 16-7-39 and § 16-7-40. Provided, however, any project approved during this time
22 period with a project cost in excess of one million five hundred thousand dollars (\$1,500,000),
23 which does not include an owner's program manager and a commissioning agent, shall only be
24 eligible to receive five (5) incentive points. Incentive points awarded pursuant to the provisions of
25 this subsection shall only be applied to reimbursements occurring on or after July 1, 2018. Any
26 project approved between May 1, 2015, and January 1, 2018, that is withdrawn and/or resubmitted
27 for approval shall not be eligible for any incentive points.

28 SECTION 4. Sections 16-113-1, 16-113-2, 16-113-3, 16-113-4, and 16-113-7 of the
29 General Laws in Chapter 16-113 entitled "Rhode Island Hope Scholarship Pilot Program Act" are
30 hereby amended to read as follows:

31 **16-113-1. Short title.**

32 This chapter shall be known and may be cited as the "Rhode Island Hope Scholarship ~~Pilot~~
33 ~~Program~~ Act".

34 **16-113-2. Legislative findings and purpose.**

1 (a) The general assembly finds and declares that:

2 (1) Education is critical for the state’s young people to achieve their aspirations and
3 develop their talents;

4 (2) The state’s economic success depends on a highly educated and skilled workforce;

5 (3) The state’s future prosperity depends upon its ability to make educational opportunities
6 beyond high school available for all students;

7 (4) The coronavirus has inflicted undue hardships on students and their families, creating
8 barriers to a four-year (4) college degree;

9 (5) A merit-based tuition reduction program will help make a four-year (4) college degree
10 available to all students;

11 (6) Rhode Island college offers students a feasible opportunity to obtain a four-year (4)
12 degree, but remains an underutilized resource in the state; and

13 (7) The state of Rhode Island’s motto is “Hope”.

14 (b) In order to address the findings set forth in subsection (a) of this section, the purpose
15 of this chapter is to increase the number of students enrolling in and completing four-year (4)
16 degrees and certificates on time from Rhode Island college, and to promote more graduates in high-
17 need fields such as nursing, pre-K through grade twelve (12) education, and the trades, which are
18 fields for which Rhode Island college provides a strong and affordable education.

19 ~~(c) The purpose of the pilot program is also to determine whether a scholarship program~~
20 ~~for Rhode Island college that is modeled on the promise scholarship program established in chapter~~
21 ~~107 of this title would be successful in attaining the goals set forth in this section.~~

22 **16-113-3. Establishment of scholarship program.**

23 There is hereby established the Rhode Island hope scholarship ~~pilot~~ program. The general
24 assembly shall annually appropriate the funds necessary to implement the purposes of this chapter
25 ~~for the periods of the pilot program.~~ Additional funds beyond the scholarships may be appropriated
26 to support and advance the Rhode Island hope scholarship ~~pilot~~ program. In addition to
27 appropriation by the general assembly, charitable donations may be accepted into the scholarship
28 program.

29 **16-113-4. Definitions.**

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

31 (1) “ADA” means the Americans with Disabilities Act, 42 U.S.C. § 12101 et seq., as may
32 be amended from time to time.

33 (2) “Certificate” means any certificate program with labor market value as defined by the
34 postsecondary commissioner.

1 (3) “College-level credit” means credit awarded by a college or university for completion
2 of its own courses or other academic work.

3 (4) “FAFSA” means the Free Application for Federal Student Aid form.

4 (5) “General education coursework” means the educational foundation of knowledge,
5 skills, and attitudes that prepares students for success in their majors and their personal and
6 professional lives after graduation. It includes, but is not limited to, the required coursework of all
7 degrees developed by each eligible postsecondary institution that is approved by the council on
8 postsecondary education that is intended to ensure that all graduates of a state institution have a
9 balanced core of competencies and knowledge. This does not necessarily include coursework
10 specifically required for one’s major.

11 (6) “Mandatory fees and tuition” means the costs that every student is required to pay in
12 order to enroll in classes, and does not include room and board, textbooks, program fees that may
13 exist in some majors, course fees that may exist for some specific courses, meal plans, or travel.

14 (7) “On track to graduate on time” means the standards determined by Rhode Island college
15 in establishing the expectation of a student to graduate with a bachelor’s degree within four (4)
16 years of enrollment, or the prescribed completion time for a student completing a certificate
17 (recognizing that some students, including students who require developmental education, are
18 double majors, or are enrolled in certain professional programs may require an extended time period
19 for degree completion).

20 (8) “~~Pilot~~ Program” ~~and or~~ “scholarship program” means the Rhode Island hope
21 scholarship ~~pilot~~ program that is established pursuant to § 16-113-3.

22 (9) “Reasonable accommodations” means any necessary modifications or adjustment to a
23 facility, equipment, program, or manner of operation as required by the Americans with Disabilities
24 Act (“ADA”) and section 504 of the Rehabilitation Act of 1973, 29 U.S.C. § 791, as may be
25 amended from time to time.

26 (10) “Recipient student” means a student attending Rhode Island college who qualifies to
27 receive the Rhode Island hope scholarship pursuant to § 16-113-6.

28 (11) “State” means the state of Rhode Island.

29 (12) “Student with a disability” means any student otherwise eligible pursuant to this
30 chapter who has a physical, developmental, or hidden disability or disabilities, as defined in § 42-
31 87-1, that would create a hardship or other functional obstacles preventing participation in this
32 program.

33 **16-113-7. Reporting and disbursement.**

34 (a) On or before November 10, 2023, and on or before November 10 and May 10 ~~thereafter~~

1 ~~for every year through and including calendar year 2030~~ of each fiscal year following fiscal year
2 2024, Rhode Island college shall submit a report to the director of the office of management and
3 budget, the state budget officer, the house fiscal advisor, the senate fiscal advisor, the commissioner
4 of postsecondary education, and the chair of the council on postsecondary education, detailing the
5 following:

- 6 (1) The number of students eligible to participate in the scholarship program;
- 7 (2) The amount of federal and institutional financial aid anticipated to be received by
8 recipient students;
- 9 (3) The aggregate tuition and mandatory fee costs attributable to recipient students;
- 10 (4) The resulting total cost of the scholarship program to the state; and
- 11 (5) The report shall contain such data for both the current fiscal year and the most up-to-
12 date forecast for the following fiscal year. Data reported shall be subdivided by student-year cohort
13 and shall be accompanied by a written explanation detailing the estimating methodology utilized
14 and any impact(s) the forecasted data may present to institutional capacity, operational costs, and
15 the tuition/fee revenue base of the institution.

16 (b) On or before July 1, 2030, Rhode Island college and the commissioner of postsecondary
17 education shall submit a report evaluating the program based on all cohorts to the governor, speaker
18 of the house, and the president of the senate. This evaluation shall include the following:

- 19 (1) The number of students who started in each cohort;
- 20 (2) The number of students in each cohort who have attained a degree or certification in an
21 on-time manner;
- 22 (3) The number of students in each cohort who have not attained a degree or certification
23 in an on-time manner and an analysis of why that has happened;
- 24 (4) The number of students in each cohort who began the program but have been unable to
25 continue or complete the program and an analysis of why that has happened;
- 26 (5) The costs of the program and the costs of continuing the program;
- 27 (6) Suggestions for ways to increase the success of the program;
- 28 (7) Recommendations as to modifying, continuing, expanding, curtailing, or discontinuing
29 the program; and
- 30 (8) Any such other recommendations or information as Rhode Island college and the
31 commissioner of postsecondary education deem appropriate to include in the evaluation.

32 (c) The office of management and budget, in consultation with the office of the
33 postsecondary commissioner, shall oversee the apportionment and disbursement of all funds
34 appropriated for the purpose of the scholarship program.

1 SECTION 5. Section 16-113-10 of the General Laws in Chapter 16-113 entitled "Rhode
2 Island Hope Scholarship Pilot Program Act" is hereby repealed.

3 ~~16-113-10. Funding of and sunset of pilot program.~~

4 ~~The Rhode Island hope scholarship pilot program shall be funded from July 1, 2023,~~
5 ~~through and including June 30, 2030. There shall be no further funding of the pilot program without~~
6 ~~further action of the general assembly. Any final reports due pursuant to this chapter shall be filed~~
7 ~~pursuant to the dates set forth herein.~~

8 SECTION 6. Effective July 1, 2026, section 45-38.2-2 of the General Laws in Chapter 45-
9 38.2 entitled "School Building Authority Capital Fund" is hereby amended to read as follows:

10 45-38.2-2. School building authority capital fund.

11 (a) There is hereby established a school building authority capital fund. The corporation
12 shall establish and set up on its books the fund, to be held in trust and to be administered by the
13 corporation as provided in this chapter. This fund shall be in addition to the annual appropriation
14 for committed expenses related to the repayment of housing aid commitments. The corporation
15 shall deposit the following monies into the fund:

16 ~~(1) The difference between the annual housing aid appropriation and housing aid~~
17 ~~commitment amounts appropriated or designated to the corporation by the state for the purposes of~~
18 ~~the foundation program for school housing; provided that for FY 2019 and FY 2020 that amount~~
19 ~~shall be used for technical assistance to districts pursuant to § 16-105-3(7);~~

20 ~~(2)~~(1) Loan repayments, bond refinance interest savings, and other payments received by
21 the corporation pursuant to loan or financing agreements with cities, towns, or local education
22 agencies executed in accordance with this chapter;

23 ~~(3)~~(2) Investment earnings on amounts credited to the fund;

24 ~~(4)~~(3) Proceeds of bonds of the corporation issued in connection with this chapter to the
25 extent required by any trust agreement for such bonds;

26 ~~(5)~~(4) Administrative fees levied by the corporation, with respect to financial assistance
27 rendered under this chapter and specified in § 45-38.2-3(a)(4), less operating expenses;

28 ~~(6)~~(5) Other amounts required by provisions of this chapter or agreement, or any other law
29 or any trust agreement pertaining to bonds to be credited to the fund; and

30 ~~(7)~~(6) Any other funds permitted by law which the corporation in its discretion shall
31 determine to credit thereto.

32 (b) The corporation shall establish and maintain fiscal controls and accounting procedures
33 conforming to generally accepted government accounting standards sufficient to ensure proper
34 accounting for receipts in and disbursements from the school building authority capital fund.

1 (c) The school building authority shall establish and maintain internal controls to ensure
2 that local education agencies are providing adequate asset protection plans, all local education
3 agencies have equal access and opportunity to address facility improvements on a priority basis,
4 and to ensure that funding from the school building authority capital fund has the greatest impact
5 on facility gaps in state priority areas. The school building authority will also manage necessity of
6 school construction approvals in accordance with the funding levels set forth by the general
7 assembly.

8 SECTION 7. This article shall take effect upon passage, except for sections 1, 2, 3 and 6
9 which shall be effective July 1, 2026.

10

1 **ARTICLE 8**

2 **RELATING TO MEDICAL ASSISTANCE**

3 SECTION 1. Section 23-17-38.1 of the General Laws in Chapter 23-17 entitled "Licensing
4 of Healthcare Facilities" is hereby amended to read as follows:

5 **23-17-38.1. Hospitals – Licensing fee.**

6 (a) There is imposed a hospital licensing fee described in subsections (c) through (f) for
7 state fiscal years 2024 and 2025 against net patient-services revenue of every non-government
8 owned hospital as defined herein for the hospital's first fiscal year ending on or after January 1,
9 2022. The hospital licensing fee shall have three (3) tiers with differing fees based on inpatient and
10 outpatient net patient-services revenue. The executive office of health and human services, in
11 consultation with the tax administrator, shall identify the hospitals in each tier, subject to the
12 definitions in this section, by July 15, 2023, and shall notify each hospital of its tier by August 1,
13 2023.

14 (b) There is also imposed a hospital licensing fee described in subsections (c) through (f)
15 for state fiscal years 2026 and 2027 against net patient-services revenue of every non-government
16 owned hospital as defined herein for the hospital's first fiscal year ending on or after January 1,
17 2023. The hospital licensing fee shall have three (3) tiers with differing fees based on inpatient and
18 outpatient net patient-services revenue. The executive office of health and human services, in
19 consultation with the tax administrator, shall identify the hospitals in each tier, subject to the
20 definitions in this section, annually by July 15, ~~2025~~, and shall notify each hospital of its assigned
21 tier by August 1, ~~2025~~.

22 (c) Tier 1 is composed of hospitals that do not meet the description of either Tier 2 or Tier
23 3.

24 (1) The inpatient hospital licensing fee for Tier 1 is equal to thirteen and twelve hundredths
25 percent (13.12%) of the inpatient net patient-services revenue derived from inpatient net patient-
26 services revenue of every Tier 1 hospital.

27 (2) The outpatient hospital licensing fee for Tier 1 is equal to thirteen and thirty hundredths
28 percent (13.30%) of the net patient-services revenue derived from outpatient net patient-services
29 revenue of every Tier 1 hospital.

30 (d) Tier 2 is composed of high Medicaid/uninsured cost hospitals and independent
31 hospitals.

32 (1) The inpatient hospital licensing fee for Tier 2 is equal to two and sixty-three hundredths
33 percent (2.63%) of the inpatient net patient-services revenue derived from inpatient net patient-
34 services revenue of every Tier 2 hospital.

1 (2) The outpatient hospital licensing fee for Tier 2 is equal to two and sixty-six hundredths
2 percent (2.66%) of the outpatient net patient-services revenue derived from outpatient net patient-
3 services revenue of every Tier 2 hospital.

4 (e) Tier 3 is composed of hospitals that are Medicare-designated low-volume hospitals and
5 rehabilitative hospitals.

6 (1) The inpatient hospital licensing fee for Tier 3 is equal to one and thirty-one hundredths
7 percent (1.31%) of the inpatient net patient-services revenue derived from inpatient net patient-
8 services revenue of every Tier 3 hospital.

9 (2) The outpatient hospital licensing fee for Tier 3 is equal to one and thirty-three
10 hundredths percent (1.33%) of the outpatient net patient-services revenue derived from outpatient
11 net patient-services revenue of every Tier 3 hospital.

12 (f) There is also imposed a hospital licensing fee for state fiscal year 2024 against state-
13 government owned and operated hospitals in the state as defined herein. The hospital licensing fee
14 is equal to five and twenty-five hundredths percent (5.25%) of the net patient-services revenue of
15 every hospital for the hospital's first fiscal year ending on or after January 1, 2022. There is also
16 imposed a hospital licensing fee for state fiscal years 2025, ~~and~~ 2026, and 2027 against state-
17 government owned and operated hospitals in the state as defined herein equal to five and twenty-
18 five hundredths percent (5.25%) of the net patient-services revenue of every hospital for the
19 hospital's first fiscal year ending on or after January 1, 2023.

20 (g) The hospital licensing fee described in subsections (b) through (f) is subject to U.S.
21 Department of Health and Human Services approval of a request to waive the requirement that
22 healthcare-related taxes be imposed uniformly as contained in 42 C.F.R. § 433.68(d).

23 (h) This hospital licensing fee shall be administered and collected by the tax administrator,
24 division of taxation within the department of revenue, and all the administration, collection, and
25 other provisions of chapter 51 of title 44 shall apply. Every hospital shall pay the licensing fee to
26 the tax administrator before June 25 of each fiscal year, and payments shall be made by electronic
27 transfer of monies to the tax administrator and deposited to the general fund. Every hospital shall,
28 on or before August 1 of each fiscal year, make a return to the tax administrator containing the
29 correct computation of inpatient and outpatient net patient-services revenue for the hospital data
30 referenced in this section ~~subsection (a) and/or (b)~~, and the licensing fee due upon that amount. All
31 returns shall be signed by the hospital's authorized representative, subject to the pains and penalties
32 of perjury.

33 (i) For purposes of this section the following words and phrases have the following
34 meanings:

1 (1) “Gross patient-services revenue” means the gross revenue related to patient care
2 services.

3 (2) “High Medicaid/uninsured cost hospital” means a hospital for which the hospital’s total
4 uncompensated care, as calculated pursuant to § 40-8.3-2(4), divided by the hospital’s total net
5 patient-services revenues, is equal to six percent (6.0%) or greater.

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

22 (4) “Independent hospitals” means a hospital not part of a multi-hospital system.

23 (5) “Inpatient net patient-services revenue” means the charges related to inpatient care
24 services less (i) Charges attributable to charity care; (ii) Bad debt expenses; and (iii) Contractual
25 allowances.

26 (6) “Medicare-designated low-volume hospital” means a hospital that qualifies under 42
27 C.F.R. 412.101(b)(2) for additional Medicare payments to qualifying hospitals for the higher
28 incremental costs associated with a low volume of discharges.

29 (7) “Net patient-services revenue” means the charges related to patient care services less
30 (i) Charges attributable to charity care; (ii) Bad debt expenses; and (iii) Contractual allowances.

31 (8) “Non-government owned hospitals” means a hospital not owned and operated by the
32 state of Rhode Island.

33 (9) “Outpatient net patient-services revenue” means the charges related to outpatient care
34 services less (i) Charges attributable to charity care; (ii) Bad debt expenses; and (iii) Contractual

1 allowances.

2 (10) “Rehabilitative hospital” means Rehabilitation Hospital Center licensed by the Rhode
3 Island department of health.

4 (11) “State-government owned and operated hospitals” means a hospital facility licensed
5 by the Rhode Island department of health, owned and operated by the state of Rhode Island.

6 (j) The tax administrator in consultation with the executive office of health and human
7 services shall make and promulgate any rules, regulations, and procedures not inconsistent with
8 state law and fiscal procedures that he or she deems necessary for the proper administration of this
9 section and to carry out the provisions, policy, and purposes of this section.

10 (k) The licensing fee imposed by subsections (a) through (f) shall apply to hospitals as
11 defined herein that are duly licensed on July 1, 2024, and shall be in addition to the inspection fee
12 imposed by § 23-17-38 and to any licensing fees previously imposed in accordance with this
13 section.

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

16 [40-8-13.4. Rate methodology for payment for in-state and out-of-state hospital](#)
17 [services.](#)

18 (a) The executive office of health and human services (“executive office”) shall implement
19 a new methodology for payment for in-state and out-of-state hospital services in order to ensure
20 access to, and the provision of, high-quality and cost-effective hospital care to its eligible recipients.

21 (b) In order to improve efficiency and cost-effectiveness, the executive office shall:

22 (1)(i) With respect to inpatient services for persons in fee-for-service Medicaid, which is
23 non-managed care, implement a new payment methodology for inpatient services utilizing the
24 Diagnosis Related Groups (DRG) method of payment, which is, a patient-classification method
25 that provides a means of relating payment to the hospitals to the type of patients cared for by the
26 hospitals. It is understood that a payment method based on DRG may include cost outlier payments
27 and other specific exceptions. The executive office will review the DRG-payment method and the
28 DRG base price annually, making adjustments as appropriate in consideration of such elements as
29 trends in hospital input costs; patterns in hospital coding; beneficiary access to care; and the Centers
30 for Medicare and Medicaid Services national CMS Prospective Payment System (IPPS) Hospital
31 Input Price Index. For the twelve-month (12) period beginning July 1, 2015, the DRG base rate for
32 Medicaid fee-for-service inpatient hospital services shall not exceed ninety-seven and one-half
33 percent (97.5%) of the payment rates in effect as of July 1, 2014. Beginning July 1, 2019, the DRG
34 base rate for Medicaid fee-for-service inpatient hospital services shall be 107.2% of the payment

1 rates in effect as of July 1, 2018. Increases in the Medicaid fee-for-service DRG hospital payments
2 for the twelve-month (12) period beginning July 1, 2020, shall be based on the payment rates in
3 effect as of July 1 of the preceding fiscal year, and shall be the Centers for Medicare and Medicaid
4 Services national Prospective Payment System (IPPS) Hospital Input Price Index. Beginning July
5 1, 2022, the DRG base rate for Medicaid fee-for-service inpatient hospital services shall be one
6 hundred five percent (105%) of the payment rates in effect as of July 1, 2021. [Beginning July 1,](#)
7 [2026, the DRG base rate for Medicaid fee-for-service inpatient hospital services shall be one](#)
8 [hundred and two and five-tenths percent \(102.5%\) of the payment rates in effect as of July 1, 2025.](#)
9 Increases in the Medicaid fee-for-service DRG hospital payments for each annual twelve-month
10 (12) period beginning July 1, 2023~~7~~, shall be based on the payment rates in effect as of July 1 of
11 the preceding fiscal year, and shall be the Centers for Medicare and Medicaid Services national
12 Prospective Payment System (IPPS) Hospital Input Price Index.

13 (ii) With respect to inpatient services, (A) It is required as of January 1, 2011, until
14 December 31, 2011, that the Medicaid managed care payment rates between each hospital and
15 health plan shall not exceed ninety and one-tenth percent (90.1%) of the rate in effect as of June
16 30, 2010. Increases in inpatient hospital payments for each annual twelve-month (12) period
17 beginning January 1, 2012, may not exceed the Centers for Medicare and Medicaid Services
18 national CMS Prospective Payment System (IPPS) Hospital Input Price Index for the applicable
19 period; (B) Provided, however, for the twenty-four-month (24) period beginning July 1, 2013, the
20 Medicaid managed care payment rates between each hospital and health plan shall not exceed the
21 payment rates in effect as of January 1, 2013, and for the twelve-month (12) period beginning July
22 1, 2015, the Medicaid managed care payment inpatient rates between each hospital and health plan
23 shall not exceed ninety-seven and one-half percent (97.5%) of the payment rates in effect as of
24 January 1, 2013; (C) Increases in inpatient hospital payments for each annual twelve-month (12)
25 period beginning July 1, 2017, shall be the Centers for Medicare and Medicaid Services national
26 CMS Prospective Payment System (IPPS) Hospital Input Price Index, less Productivity
27 Adjustment, for the applicable period and shall be paid to each hospital retroactively to July 1; (D)
28 Beginning July 1, 2019, the Medicaid managed care payment inpatient rates between each hospital
29 and health plan shall be 107.2% of the payment rates in effect as of January 1, 2019, and shall be
30 paid to each hospital retroactively to July 1; (E) Increases in inpatient hospital payments for each
31 annual twelve-month (12) period beginning July 1, 2020, shall be based on the payment rates in
32 effect as of January 1 of the preceding fiscal year, and shall be the Centers for Medicare and
33 Medicaid Services national CMS Prospective Payment System (IPPS) Hospital Input Price Index,
34 less Productivity Adjustment, for the applicable period and shall be paid to each hospital

1 retroactively to July 1; the executive office will develop an audit methodology and process to assure
2 that savings associated with the payment reductions will accrue directly to the Rhode Island
3 Medicaid program through reduced managed care plan payments and shall not be retained by the
4 managed care plans; (F) Beginning July 1, 2022, the Medicaid managed care payment inpatient
5 rates between each hospital and health plan shall be one hundred five percent (105%) of the
6 payment rates in effect as of January 1, 2022, and shall be paid to each hospital retroactively to July
7 1 within ninety days of passage; (G) [Beginning July 1, 2026, the Medicaid managed care payment](#)
8 [inpatient rates between each hospital and health plan shall be one hundred and two and five-tenths](#)
9 [percent \(102.5%\) of the payment rates in effect as of January 1, 2025;](#) (H) Increases in inpatient
10 hospital payments for each annual twelve-month (12) period beginning July 1, 202~~3~~7, shall be
11 based on the payment rates in effect as of January 1 of the preceding fiscal year, and shall be the
12 Centers for Medicare and Medicaid Services national CMS Prospective Payment System (IPPS)
13 Hospital Input Price Index, less Productivity Adjustment, for the applicable period and shall be
14 paid to each hospital retroactively to July 1 within ninety days of passage; (~~H~~) All hospitals
15 licensed in Rhode Island shall accept such payment rates as payment in full; and (~~I~~) For all such
16 hospitals, compliance with the provisions of this section shall be a condition of participation in the
17 Rhode Island Medicaid program.

18 (2) With respect to outpatient services and notwithstanding any provisions of the law to the
19 contrary, for persons enrolled in fee-for-service Medicaid, the executive office will reimburse
20 hospitals for outpatient services using a rate methodology determined by the executive office and
21 in accordance with federal regulations. Fee-for-service outpatient rates shall align with Medicare
22 payments for similar services. Notwithstanding the above, there shall be no increase in the
23 Medicaid fee-for-service outpatient rates effective on July 1, 2013, July 1, 2014, or July 1, 2015.
24 For the twelve-month (12) period beginning July 1, 2015, Medicaid fee-for-service outpatient rates
25 shall not exceed ninety-seven and one-half percent (97.5%) of the rates in effect as of July 1, 2014.
26 Increases in the outpatient hospital payments for the twelve-month (12) period beginning July 1,
27 2016, may not exceed the CMS national Outpatient Prospective Payment System (OPPS) Hospital
28 Input Price Index. Beginning July 1, 2019, the Medicaid fee-for-service outpatient rates shall be
29 107.2% of the payment rates in effect as of July 1, 2018. Increases in the outpatient hospital
30 payments for the twelve-month (12) period beginning July 1, 2020, shall be based on the payment
31 rates in effect as of July 1 of the preceding fiscal year, and shall be the CMS national Outpatient
32 Prospective Payment System (OPPS) Hospital Input Price Index. Beginning July 1, 2022, the
33 Medicaid fee-for-service outpatient rates shall be one hundred five percent (105%) of the payment
34 rates in effect as of July 1, 2021. [Beginning July 1, 2026, the Medicaid fee-for-service outpatient](#)

1 [rates shall be one hundred and two and five-tenths percent \(102.5%\) of the payment rates in effect](#)
2 [as of July 1, 2025.](#) Increases in the outpatient hospital payments for each annual twelve-month (12)
3 period beginning July 1, 202~~3~~⁷, shall be based on the payment rates in effect as of July 1 of the
4 preceding fiscal year, and shall be the CMS national Outpatient Prospective Payment System
5 (OPPS) Hospital Input Price Index. With respect to the outpatient rate, (i) It is required as of January
6 1, 2011, until December 31, 2011, that the Medicaid managed care payment rates between each
7 hospital and health plan shall not exceed one hundred percent (100%) of the rate in effect as of June
8 30, 2010; (ii) Increases in hospital outpatient payments for each annual twelve-month (12) period
9 beginning January 1, 2012, until July 1, 2017, may not exceed the Centers for Medicare and
10 Medicaid Services national CMS Outpatient Prospective Payment System OPSS Hospital Price
11 Index for the applicable period; (iii) Provided, however, for the twenty-four-month (24) period
12 beginning July 1, 2013, the Medicaid managed care outpatient payment rates between each hospital
13 and health plan shall not exceed the payment rates in effect as of January 1, 2013, and for the
14 twelve-month (12) period beginning July 1, 2015, the Medicaid managed care outpatient payment
15 rates between each hospital and health plan shall not exceed ninety-seven and one-half percent
16 (97.5%) of the payment rates in effect as of January 1, 2013; (iv) Increases in outpatient hospital
17 payments for each annual twelve-month (12) period beginning July 1, 2017, shall be the Centers
18 for Medicare and Medicaid Services national CMS OPSS Hospital Input Price Index, less
19 Productivity Adjustment, for the applicable period and shall be paid to each hospital retroactively
20 to July 1; (v) Beginning July 1, 2019, the Medicaid managed care outpatient payment rates between
21 each hospital and health plan shall be one hundred seven and two-tenths percent (107.2%) of the
22 payment rates in effect as of January 1, 2019, and shall be paid to each hospital retroactively to July
23 1; (vi) Increases in outpatient hospital payments for each annual twelve-month (12) period
24 beginning July 1, 2020, shall be based on the payment rates in effect as of January 1 of the preceding
25 fiscal year, and shall be the Centers for Medicare and Medicaid Services national CMS OPSS
26 Hospital Input Price Index, less Productivity Adjustment, for the applicable period and shall be
27 paid to each hospital retroactively to July 1; (vii) Beginning July 1, 2022, the Medicaid managed
28 care outpatient payment rates between each hospital and health plan shall be one hundred five
29 percent (105%) of the payment rates in effect as of January 1, 2022, and shall be paid to each
30 hospital retroactively to July 1 within ninety days of passage; (viii) [Beginning July 1, 2026, the](#)
31 [Medicaid managed care outpatient payment rates between each hospital and health plan shall be](#)
32 [one hundred and two and five-tenths percent \(102.5%\) of the payment rates in effect as of January](#)
33 [1, 2025;](#) (ix) Increases in outpatient hospital payments for each annual twelve-month (12) period
34 beginning July 1, 202~~0~~⁷, shall be based on the payment rates in effect as of January 1 of the

1 preceding fiscal year, and shall be the Centers for Medicare and Medicaid Services national CMS
2 OPPS Hospital Input Price Index, less Productivity Adjustment, for the applicable period and shall
3 be paid to each hospital retroactively to July 1.

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

20 (c) It is intended that payment utilizing the DRG method shall reward hospitals for
21 providing the most efficient care, and provide the executive office the opportunity to conduct value-
22 based purchasing of inpatient care.

23 (d) The secretary of the executive office is hereby authorized to promulgate such rules and
24 regulations consistent with this chapter, and to establish fiscal procedures he or she deems
25 necessary, for the proper implementation and administration of this chapter in order to provide
26 payment to hospitals using the DRG-payment methodology. Furthermore, amendment of the Rhode
27 Island state plan for Medicaid, pursuant to Title XIX of the federal Social Security Act, 42 U.S.C.
28 § 1396 et seq., is hereby authorized to provide for payment to hospitals for services provided to
29 eligible recipients in accordance with this chapter.

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

32 (f) As a condition of participation in the DRG methodology for payment of hospital
33 services, every hospital shall submit year-end settlement reports to the executive office within one
34 year from the close of a hospital's fiscal year. Should a participating hospital fail to timely submit

1 a year-end settlement report as required by this section, the executive office shall withhold
2 financial-cycle payments due by any state agency with respect to this hospital by not more than ten
3 percent (10%) until the report is submitted. For hospital fiscal year 2010 and all subsequent fiscal
4 years, hospitals will not be required to submit year-end settlement reports on payments for
5 outpatient services. For hospital fiscal year 2011 and all subsequent fiscal years, hospitals will not
6 be required to submit year-end settlement reports on claims for hospital inpatient services. Further,
7 for hospital fiscal year 2010, hospital inpatient claims subject to settlement shall include only those
8 claims received between October 1, 2009, and June 30, 2010.

9 (g) The provisions of this section shall be effective upon implementation of the new
10 payment methodology set forth in this section and § 40-8-13.3, which shall in any event be no later
11 than March 30, 2010, at which time the provisions of §§ 40-8-13.2, 27-19-14, 27-19-15, and 27-
12 19-16 shall be repealed in their entirety.

13 **40-8-19. Rates of payment to nursing facilities.**

14 (a) Rate reform.

15 (1) The rates to be paid by the state to nursing facilities licensed pursuant to chapter 17 of
16 title 23, and certified to participate in Title XIX of the Social Security Act for services rendered to
17 Medicaid-eligible residents, shall be reasonable and adequate to meet the costs that must be
18 incurred by efficiently and economically operated facilities in accordance with 42 U.S.C. §
19 1396a(a)(13). The executive office of health and human services (“executive office”) shall
20 promulgate or modify the principles of reimbursement for nursing facilities in effect as of July 1,
21 2011, to be consistent with the provisions of this section and Title XIX, 42 U.S.C. § 1396 et seq.,
22 of the Social Security Act.

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

29 (i) A direct-care rate adjusted for resident acuity;

30 (ii) An indirect-care and other direct-care rate comprised of a base per diem for all
31 facilities;

32 (iii) Revision of rates as necessary based on increases in direct and indirect costs beginning
33 October 2024 utilizing data from the most recent finalized year of facility cost report. The per diem
34 rate components deferred in subsections (a)(2)(i) and (a)(2)(ii) of this section shall be adjusted

1 accordingly to reflect changes in direct and indirect care costs since the previous rate review;

2 (iv) Application of a fair-rental value system;

3 (v) Application of a pass-through system; and

4 (vi) Adjustment of rates by the change in a recognized national nursing home inflation

5 index to be applied on October 1 of each year, beginning October 1, 2012. This adjustment will not

6 occur on October 1, 2013, October 1, 2014, or October 1, 2015, but will occur on April 1, 2015.

7 The adjustment of rates will also not occur on October 1, 2017, October 1, 2018, October 1, 2019,

8 and October 2022. Effective July 1, 2018, rates paid to nursing facilities from the rates approved

9 by the Centers for Medicare and Medicaid Services and in effect on October 1, 2017, both fee-for-

10 service and managed care, will be increased by one and one-half percent (1.5%) and further

11 increased by one percent (1%) on October 1, 2018, and further increased by one percent (1%) on

12 October 1, 2019. Effective October 1, 2022, rates paid to nursing facilities from the rates approved

13 by the Centers for Medicare and Medicaid Services and in effect on October 1, 2021, both fee-for-

14 service and managed care, will be increased by three percent (3%). In addition to the annual nursing

15 home inflation index adjustment, there shall be a base rate staffing adjustment of one-half percent

16 (0.5%) on October 1, 2021, one percent (1.0%) on October 1, 2022, and one and one-half percent

17 (1.5%) on October 1, 2023. For the twelve-month (12) period beginning October 1, 2025, rates paid

18 to nursing facilities from the rates approved by the Centers for Medicare and Medicaid Services

19 and in effect on October 1, 2024, both fee-for-service and managed care, will be increased by two

20 and three-tenths percent (2.3%). There shall also be a base rate staffing adjustment of three percent

21 (3%) effective October 1, 2025. Not less than one hundred percent (100%) of this base-rate staffing

22 adjustment shall be expended by each nursing facility to increase compensation, wages, benefits,

23 and related employer costs, for eligible direct-care staff, including the cost of hiring additional

24 eligible direct-care positions, as defined in this subsection (a)(2)(vi). The inflation index shall be

25 applied without regard for the transition factors in subsections (b)(1) and (b)(2). [Effective October](#)

26 [1, 2026, rates paid to nursing facilities from the rates approved by the Centers for Medicare and](#)

27 [Medicaid Services and in effect on October 1, 2025, both fee-for-service and managed care, shall](#)

28 [be increased by two and five-tenths percent \(2.5%\).](#) For purposes of October 1, 2016, adjustment

29 only, any rate increase that results from application of the inflation index to subsections (a)(2)(i)

30 and (a)(2)(ii) shall be dedicated to increase compensation for direct-care workers in the following

31 manner: Not less than eighty-five percent (85%) of this aggregate amount shall be expended to

32 fund an increase in wages, benefits, or related employer costs of direct-care staff of nursing homes.

33 For purposes of this section, direct-care staff shall include registered nurses (RNs), licensed

34 practical nurses (LPNs), certified nursing assistants (CNAs), certified medical technicians,

1 housekeeping staff, laundry staff, dietary staff, or other similar employees providing direct-care
2 services; provided, however, that this definition of direct-care staff shall not include: (i) RNs and
3 LPNs who are classified as “exempt employees” under the federal Fair Labor Standards Act (29
4 U.S.C. § 201 et seq.); or (ii) CNAs, certified medical technicians, RNs, or LPNs who are contracted,
5 or subcontracted, through a third-party vendor or staffing agency. By July 31, 2017, nursing
6 facilities shall submit to the secretary, or designee, a certification that they have complied with the
7 provisions of this subsection (a)(2)(vi) with respect to the inflation index applied on October 1,
8 2016. Any facility that does not comply with the terms of such certification shall be subjected to a
9 clawback, paid by the nursing facility to the state, in the amount of increased reimbursement subject
10 to this provision that was not expended in compliance with that certification.

11 (3) Commencing on October 1, 2021, eighty percent (80%) of any rate increase that results
12 from application of the inflation index to subsections (a)(2)(i) and (a)(2)(ii) of this section shall be
13 dedicated to increase compensation for all eligible direct-care workers in the following manner on
14 October 1, of each year.

15 (i) For purposes of this subsection, compensation increases shall include base salary or
16 hourly wage increases, benefits, other compensation, and associated payroll tax increases for
17 eligible direct-care workers. This application of the inflation index shall apply for Medicaid
18 reimbursement in nursing facilities for both managed care and fee-for-service. For purposes of this
19 subsection, direct-care staff shall include registered nurses (RNs), licensed practical nurses (LPNs),
20 certified nursing assistants (CNAs), certified medication technicians, licensed physical therapists,
21 licensed occupational therapists, licensed speech-language pathologists, mental health workers
22 who are also certified nurse assistants, physical therapist assistants, social workers, or any nurse
23 aides with a valid license, even if it is probationary, housekeeping staff, laundry staff, dietary staff,
24 or other similar employees providing direct-care services; provided, however that this definition of
25 direct-care staff shall not include:

26 (A) RNs and LPNs who are classified as “exempt employees” under the federal Fair Labor
27 Standards Act (29 U.S.C. § 201 et seq.); or

28 (B) CNAs, certified medication technicians, RNs, or LPNs who are contracted or
29 subcontracted through a third-party vendor or staffing agency.

30 (4)(i) By July 31, 2021, and July 31 of each year thereafter, nursing facilities shall submit
31 to the secretary or designee a certification that they have complied with the provisions of subsection
32 (a)(3) of this section with respect to the inflation index applied on October 1. The executive office
33 of health and human services (EOHHS) shall create the certification form nursing facilities must
34 complete with information on how each individual eligible employee’s compensation increased,

1 including information regarding hourly wages prior to the increase and after the compensation
2 increase, hours paid after the compensation increase, and associated increased payroll taxes. A
3 collective bargaining agreement can be used in lieu of the certification form for represented
4 employees. All data reported on the compliance form is subject to review and audit by EOHHS.
5 The audits may include field or desk audits, and facilities may be required to provide additional
6 supporting documents including, but not limited to, payroll records.

7 (ii) Any facility that does not comply with the terms of certification shall be subjected to a
8 clawback and twenty-five percent (25%) penalty of the unspent or impermissibly spent funds, paid
9 by the nursing facility to the state, in the amount of increased reimbursement subject to this
10 provision that was not expended in compliance with that certification. There shall be created within
11 the general fund of the state and housed within the budget of the executive office of health and
12 human services a restricted receipt account entitled “Nursing Facility Rate Adjustment Wage Pass-
13 through Compliance” for the express purpose of recording receipts and expenditures of the
14 aforementioned penalty. Funds deposited into the account shall be used for workforce development
15 and compliance assistance programs.

16 (iii) In any calendar year where no inflationary index is applied, eighty percent (80%) of
17 the base rate staffing adjustment in that calendar year pursuant to subsection (a)(2)(vi) of this
18 section shall be dedicated to increase compensation for all eligible direct-care workers in the
19 manner referenced in subsections (a)(3)(i), (a)(3)(i)(A), and (a)(3)(i)(B) of this section.

20 (b) Transition to full implementation of rate reform.

21 For no less than four (4) years after the initial application of the price-based methodology
22 described in subsection (a)(2) to payment rates, the executive office of health and human services
23 shall implement a transition plan to moderate the impact of the rate reform on individual nursing
24 facilities. The transition shall include the following components:

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

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

34 (3) The transition plan and/or period may be modified upon full implementation of facility

1 per diem rate increases for quality of care-related measures. Said modifications shall be submitted
2 in a report to the general assembly at least six (6) months prior to implementation.

3 (4) Notwithstanding any law to the contrary, for the twelve-month (12) period beginning
4 July 1, 2015, Medicaid payment rates for nursing facilities established pursuant to this section shall
5 not exceed ninety-eight percent (98%) of the rates in effect on April 1, 2015. Consistent with the
6 other provisions of this chapter, nothing in this provision shall require the executive office to restore
7 the rates to those in effect on April 1, 2015, at the end of this twelve-month (12) period.

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

10 **40-8.3-2. Definitions.**

11 As used in this chapter:

12 (1) "Base year" means, for the purpose of calculating a disproportionate share payment for
13 any fiscal year ending after September 30, 202~~4~~⁵, the period from October 1, 202~~2~~³, through
14 September 30, 202~~3~~⁴, and for any fiscal year ending after September 30, 202~~5~~⁶, the period from
15 October 1, 202~~3~~⁴, through September 30, 202~~4~~⁵.

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

20 (3) "Participating hospital" means any nonpsychiatric hospital that:

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

1 thereafter apply to negotiated increases for each annual twelve-month (12) period as of July 1
2 following the completion of the first full year of the court-approved purchaser’s initial Medicaid
3 managed care contract;

4 (ii) Achieved a medical assistance inpatient utilization rate of at least one percent (1%)
5 during the base year; and

6 (iii) Continues to be licensed as a hospital in accordance with chapter 17 of title 23 during
7 the payment year.

8 (4) “Uncompensated-care costs” means, as to any hospital, the sum of: (i) The cost incurred
9 by the hospital during the base year for inpatient or outpatient services attributable to charity care
10 (free care and bad debts) for which the patient has no health insurance or other third-party coverage
11 less payments, if any, received directly from such patients; (ii) The cost incurred by the hospital
12 during the base year for inpatient or outpatient services attributable to Medicaid beneficiaries less
13 any Medicaid reimbursement received therefor; and (iii) the sum of subsections (4)(i) and (4)(ii) of
14 this section shall be offset by the estimated hospital’s commercial equivalent rates state directed
15 payment for the current SFY in which the disproportionate share hospital (DSH) payment is made.
16 The sum of subsections (4)(i), (4)(ii), and (4)(iii) of this section shall be multiplied by the
17 uncompensated care index.

18 (5) “Uncompensated-care index” means the annual percentage increase for hospitals
19 established pursuant to § 27-19-14 [repealed] for each year after the base year, up to and including
20 the payment year; provided, however, that the uncompensated-care index for the payment year
21 ending September 30, 2007, shall be deemed to be five and thirty-eight hundredths percent (5.38%),
22 and that the uncompensated-care index for the payment year ending September 30, 2008, shall be
23 deemed to be five and forty-seven hundredths percent (5.47%), and that the uncompensated-care
24 index for the payment year ending September 30, 2009, shall be deemed to be five and thirty-eight
25 hundredths percent (5.38%), and that the uncompensated-care index for the payment years ending
26 September 30, 2010, September 30, 2011, September 30, 2012, September 30, 2013, September
27 30, 2014, September 30, 2015, September 30, 2016, September 30, 2017, September 30, 2018,
28 September 30, 2019, September 30, 2020, September 30, 2021, September 30, 2022, September
29 30, 2023, September 30, 2024, September 30, 2025, ~~and~~ September 30, 2026, and September 30,
30 2027 shall be deemed to be five and thirty hundredths percent (5.30%).

31 **40-8.3-3. Implementation.**

32 ~~(a) For federal fiscal year 2024, commencing on October 1, 2023, and ending September~~
33 ~~30, 2024, the executive office of health and human services shall submit to the Secretary of the~~
34 ~~United States Department of Health and Human Services a state plan amendment to the Rhode~~

1 ~~Island Medicaid DSH Plan to provide:~~

2 ~~(1) That the DSH Plan to all participating hospitals, not to exceed an aggregate limit of~~
3 ~~\$14.8 million, shall be allocated by the executive office of health and human services to the Pool~~
4 ~~D component of the DSH Plan; and~~

5 ~~(2) That the Pool D allotment shall be distributed among the participating hospitals in direct~~
6 ~~proportion to the individual participating hospital's uncompensated care costs for the base year,~~
7 ~~inflated by the uncompensated care index to the total uncompensated care costs for the base year~~
8 ~~inflated by the uncompensated care index for all participating hospitals. The disproportionate share~~
9 ~~payments shall be made on or before June 30, 2024, and are expressly conditioned upon approval~~
10 ~~on or before June 23, 2024, by the Secretary of the United States Department of Health and Human~~
11 ~~Services, or their authorized representative, of all Medicaid state plan amendments necessary to~~
12 ~~secure for the state the benefit of federal financial participation in federal fiscal year 2024 for the~~
13 ~~disproportionate share payments.~~

14 ~~(b)~~ (a) For federal fiscal year 2025, commencing on October 1, 2024, and ending on
15 September 30, 2025, the executive office of health and human services shall submit to the Secretary
16 of the United States Department of Health and Human Services a state plan amendment to the
17 Rhode Island Medicaid DSH plan to provide:

18 (1) The creation of Pool C which allots no more than twelve million nine hundred thousand
19 dollars (\$12,900,000) to Medicaid eligible government-owned hospitals;

20 (2) That the DSH plan to all participating hospitals, not to exceed an aggregate limit of
21 \$27.7 million, shall be allocated by the executive office of health and human services to the Pool
22 C and D components of the DSH plan;

23 (3) That the Pool D allotment shall be distributed among the participating hospitals in direct
24 proportion to the individual participating hospital's uncompensated-care costs for the base year,
25 inflated by the uncompensated-care index to the total uncompensated-care costs for the base year
26 inflated by the uncompensated-care index of all participating hospitals. The disproportionate share
27 payments shall be made on or before June 30, 2025, and are expressly conditioned upon approval
28 on or before June 23, 2025, by the Secretary of the United States Department of Health and Human
29 Services, or their authorized representative, of all Medicaid state plan amendments necessary to
30 secure for the state the benefit of federal financial participation in federal fiscal year 2025 for the
31 disproportionate share payments; and

32 (4) That the Pool C allotment shall be distributed among the participating hospitals in direct
33 proportion to the individual participating hospital's uncompensated-care costs for the base year,
34 inflated by the uncompensated-care index to the total uncompensated-care cost for the base year

1 inflated by the uncompensated-care index of all participating hospitals. The disproportionate share
2 payments shall be made on or before June 30, 2025, and are expressly conditioned upon approval
3 on or before June 23, 2025, by the Secretary of the United States Department of Health and Human
4 Services, or their authorized representative, of all Medicaid state plan amendments necessary to
5 secure for the state the benefit of federal financial participation in federal fiscal year 2025 for the
6 disproportionate share payments.

7 ~~(a)~~ (b) For federal fiscal year 2026, commencing on October 1, 2025, and ending on
8 September 30, 2026, the executive office of health and human services shall submit to the Secretary
9 of the United States Department of Health and Human Services a state plan amendment to the
10 Rhode Island Medicaid DSH plan to provide:

11 (1) That the DSH plan to all participating hospitals, not to exceed an aggregate limit of
12 \$13.9 million, shall be allocated by the executive office of health and human services to the Pool
13 C and D components of the DSH plan. Pool C shall not exceed an aggregate limit of \$12.9 million.
14 Pool D shall not exceed an aggregate limit of \$1.0 million;

15 (2) That the Pool C allotment shall be distributed among the participating hospitals in direct
16 proportion to the individual participating hospital's uncompensated-care costs for the base year,
17 inflated by the uncompensated-care index to the total uncompensated-care cost for the base year
18 inflated by the uncompensated-care index of all participating hospitals. The disproportionate share
19 payments shall be made on or before June 30, 2026, and are expressly conditioned upon approval
20 on or before June 23, 2026, by the Secretary of the United States Department of Health and Human
21 Services, or their authorized representative, of all Medicaid state plan amendments necessary to
22 secure for the state the benefit of federal financial participation in federal fiscal year 2026 for the
23 disproportionate share payments; and

24 (3) That the Pool D allotment shall be distributed among the participating hospitals in direct
25 proportion to the individual participating hospital's uncompensated-care costs for the base year,
26 inflated by the uncompensated-care index to the total uncompensated-care costs for the base year
27 inflated by the uncompensated-care index of all participating hospitals. The disproportionate share
28 payments shall be made on or before June 30, 2026, and are expressly conditioned upon approval
29 on or before June 23, 2026, by the Secretary of the United States Department of Health and Human
30 Services, or their authorized representative, of all Medicaid state plan amendments necessary to
31 secure for the state the benefit of federal financial participation in federal fiscal year 2026 for the
32 disproportionate share payments.

33 (c) For federal fiscal year 2027, commencing on October 1, 2026, and ending on September
34 30, 2027, the DSH plan for all participating hospitals shall not exceed an aggregate limit of \$23.9

1 million and shall be allocated by the executive office of health and human services to the Pool C
2 and D components of the DSH plan. The Pool C component of the DSH plan shall not exceed an
3 aggregate limit of \$12.9 million. The Pool D component of the DSH plan shall not exceed an
4 aggregate limit of \$11.0 million.

5 (1) The Pool C allotment shall be distributed among the participating hospitals in direct
6 proportion to each individual participating hospital's uncompensated-care costs for the base year,
7 inflated by the uncompensated-care index as described in §40-8.3-2(5). The DSH payments shall
8 be made on or before June 30, 2027; and,

9 (2) The Pool D allotment shall be distributed among the participating hospitals in direct
10 proportion to the individual participating hospital's uncompensated-care costs for the base year,
11 inflated by the uncompensated-care index as described in §40-8.3-2(5). The disproportionate share
12 payments shall be made on or before June 30, 2027.

13 (d) No provision is made pursuant to this chapter for disproportionate-share hospital
14 payments to participating hospitals for uncompensated-care costs related to graduate medical
15 education programs.

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

19 (f) [Deleted by P.L. 2019, ch. 88, art. 13, § 6.]

20 SECTION 4. Section 42-7.2-5 of the General Laws in Chapter 42-7.2 entitled "Office of
21 Health and Human Services" is hereby amended to read as follows:

22 **42-7.2-5. Duties of the secretary.**

23 The secretary shall be subject to the direction and supervision of the governor for the
24 oversight, coordination, and cohesive direction of state-administered health and human services
25 and in ensuring the laws are faithfully executed, notwithstanding any law to the contrary. In this
26 capacity, the secretary of the executive office of health and human services (EOHHS) shall be
27 authorized to:

28 (1) Coordinate the administration and financing of healthcare benefits, human services, and
29 programs including those authorized by the state's Medicaid section 1115 demonstration waiver
30 and, as applicable, the Medicaid state plan under Title XIX of the U.S. Social Security Act.
31 However, nothing in this section shall be construed as transferring to the secretary the powers,
32 duties, or functions conferred upon the departments by Rhode Island public and general laws for
33 the administration of federal/state programs financed in whole or in part with Medicaid funds or
34 the administrative responsibility for the preparation and submission of any state plans, state plan

1 amendments, or authorized federal waiver applications, once approved by the secretary.

2 (2) Serve as the governor’s chief advisor and liaison to federal policymakers on Medicaid
3 reform issues as well as the principal point of contact in the state on any such related matters.

4 (3)(i) Review and ensure the coordination of the state’s Medicaid section 1115
5 demonstration waiver requests and renewals as well as any initiatives and proposals requiring
6 amendments to the Medicaid state plan or formal amendment changes, as described in the special
7 terms and conditions of the state’s Medicaid section 1115 demonstration waiver with the potential
8 to affect the scope, amount, or duration of publicly funded healthcare services, provider payments
9 or reimbursements, or access to or the availability of benefits and services as provided by Rhode
10 Island general and public laws. The secretary shall consider whether any such changes are legally
11 and fiscally sound and consistent with the state’s policy and budget priorities. The secretary shall
12 also assess whether a proposed change is capable of obtaining the necessary approvals from federal
13 officials and achieving the expected positive consumer outcomes. Department directors shall,
14 within the timelines specified, provide any information and resources the secretary deems necessary
15 in order to perform the reviews authorized in this section.

16 (ii) Direct the development and implementation of any Medicaid policies, procedures, or
17 systems that may be required to assure successful operation of the state’s health and human services
18 integrated eligibility system and coordination with HealthSource RI, the state’s health insurance
19 marketplace.

20 (iii) Beginning in 2015, conduct on a biennial basis a comprehensive review of the
21 Medicaid eligibility criteria for one or more of the populations covered under the state plan or a
22 waiver to ensure consistency with federal and state laws and policies, coordinate and align systems,
23 and identify areas for improving quality assurance, fair and equitable access to services, and
24 opportunities for additional financial participation.

25 (iv) Implement service organization and delivery reforms that facilitate service integration,
26 increase value, and improve quality and health outcomes.

27 (4) Beginning in 2020, prepare and submit to the governor, the chairpersons of the house
28 and senate finance committees, the caseload estimating conference, and to the joint legislative
29 committee for health-care oversight, by no later than September 15 of each year, a comprehensive
30 overview of all Medicaid expenditures outcomes, administrative costs, and utilization rates. The
31 overview shall include, but not be limited to, the following information:

32 (i) Expenditures under Titles XIX and XXI of the Social Security Act, as amended;

33 (ii) Expenditures, outcomes, and utilization rates by population and sub-population served
34 (e.g., families with children, persons with disabilities, children in foster care, children receiving

1 adoption assistance, adults ages nineteen (19) to sixty-four (64), and elders);

2 (iii) Expenditures, outcomes, and utilization rates by each state department or other
3 municipal or public entity receiving federal reimbursement under Titles XIX and XXI of the Social
4 Security Act, as amended;

5 (iv) Expenditures, outcomes, and utilization rates by type of service and/or service
6 provider;

7 (v) Expenditures by mandatory population receiving mandatory services and, reported
8 separately, optional services, as well as optional populations receiving mandatory services and,
9 reported separately, optional services for each state agency receiving Title XIX and XXI funds; and

10 (vi) Information submitted to the Centers for Medicare & Medicaid Services for the
11 mandatory annual state reporting of the Core Set of Children’s Health Care Quality Measures for
12 Medicaid and Children’s Health Insurance Program, behavioral health measures on the Core Set of
13 Adult Health Care Quality Measures for Medicaid and the Core Sets of Health Home Quality
14 Measures for Medicaid to ensure compliance with the Bipartisan Budget Act of 2018, Pub. L. No.
15 115-123.

16 The directors of the departments, as well as local governments and school departments,
17 shall assist and cooperate with the secretary in fulfilling this responsibility by providing whatever
18 resources, information, and support shall be necessary.

19 (5) Resolve administrative, jurisdictional, operational, program, or policy conflicts among
20 departments and their executive staffs and make necessary recommendations to the governor.

21 (6) Ensure continued progress toward improving the quality, the economy, the
22 accountability, and the efficiency of state-administered health and human services. In this capacity,
23 the secretary shall:

24 (i) Direct implementation of reforms in the human resources practices of the executive
25 office and the departments that streamline and upgrade services, achieve greater economies of scale
26 and establish the coordinated system of the staff education, cross-training, and career development
27 services necessary to recruit and retain a highly-skilled, responsive, and engaged health and human
28 services workforce;

29 (ii) Encourage EOHHS-wide consumer-centered approaches to service design and delivery
30 that expand their capacity to respond efficiently and responsibly to the diverse and changing needs
31 of the people and communities they serve;

32 (iii) Develop all opportunities to maximize resources by leveraging the state’s purchasing
33 power, centralizing fiscal service functions related to budget, finance, and procurement,
34 centralizing communication, policy analysis and planning, and information systems and data

1 management, pursuing alternative funding sources through grants, awards, and partnerships and
2 securing all available federal financial participation for programs and services provided EOHHS-
3 wide;

4 (iv) Improve the coordination and efficiency of health and human services legal functions
5 by centralizing adjudicative and legal services and overseeing their timely and judicious
6 administration;

7 (v) Facilitate the rebalancing of the long-term system by creating an assessment and
8 coordination organization or unit for the expressed purpose of developing and implementing
9 procedures EOHHS-wide that ensure that the appropriate publicly funded health services are
10 provided at the right time and in the most appropriate and least restrictive setting;

11 (vi) Strengthen health and human services program integrity, quality control and
12 collections, and recovery activities by consolidating functions within the office in a single unit that
13 ensures all affected parties pay their fair share of the cost of services and are aware of alternative
14 financing;

15 (vii) Assure protective services are available to vulnerable elders and adults with
16 developmental and other disabilities by reorganizing existing services, establishing new services
17 where gaps exist, and centralizing administrative responsibility for oversight of all related
18 initiatives and programs.

19 (7) Prepare and integrate comprehensive budgets for the health and human services
20 departments and any other functions and duties assigned to the office. The budgets shall be
21 submitted to the state budget office by the secretary, for consideration by the governor, on behalf
22 of the state's health and human services agencies in accordance with the provisions set forth in §
23 35-3-4.

24 (8) Utilize objective data to evaluate health and human services policy goals, resource use
25 and outcome evaluation and to perform short and long-term policy planning and development.

26 (9) Establish an integrated approach to interdepartmental information and data
27 management that complements and furthers the goals of the unified health infrastructure project
28 initiative and that will facilitate the transition to a consumer-centered integrated system of state-
29 administered health and human services.

30 (10) At the direction of the governor or the general assembly, conduct independent reviews
31 of state-administered health and human services programs, policies, and related agency actions and
32 activities and assist the department directors in identifying strategies to address any issues or areas
33 of concern that may emerge thereof. The department directors shall provide any information and
34 assistance deemed necessary by the secretary when undertaking such independent reviews.

1 (11) Provide regular and timely reports to the governor and make recommendations with
2 respect to the state's health and human services agenda.

3 (12) Employ such personnel and contract for such consulting services as may be required
4 to perform the powers and duties lawfully conferred upon the secretary.

5 (13) Assume responsibility for complying with the provisions of any general or public law
6 or regulation related to the disclosure, confidentiality, and privacy of any information or records,
7 in the possession or under the control of the executive office or the departments assigned to the
8 executive office, that may be developed or acquired or transferred at the direction of the governor
9 or the secretary for purposes directly connected with the secretary's duties set forth herein.

10 (14) Hold the director of each health and human services department accountable for their
11 administrative, fiscal, and program actions in the conduct of the respective powers and duties of
12 their agencies.

13 (15) Identify opportunities for inclusion with the EOHHS' October 1, 2023, budget
14 submission, to remove fixed eligibility thresholds for programs under its purview by establishing
15 sliding scale decreases in benefits commensurate with income increases up to four hundred fifty
16 percent (450%) of the federal poverty level. These shall include but not be limited to, medical
17 assistance, childcare assistance, and food assistance.

18 (16) Ensure that insurers minimize administrative burdens on providers that may delay
19 medically necessary care, including requiring that insurers do not impose a prior authorization
20 requirement for any admission, item, service, treatment, or procedure ordered by an in-network
21 primary care provider. Provided, the prohibition shall not be construed to prohibit prior
22 authorization requirements for prescription drugs. Provided further, that as used in this subsection
23 (16) of this section, the terms "insurer," "primary care provider," and "prior authorization" means
24 the same as those terms are defined in § 27-18.9-2.

25 (17) The secretary shall convene, in consultation with the governor, an advisory working
26 group to assist in the review and analysis of potential impacts of any adopted federal actions related
27 to Medicaid programs. The working group shall develop options for administrative action or
28 general assembly consideration that may be needed to address any federal funding changes that
29 impact Rhode Island's Medicaid programs.

30 (i) The advisory working group may include, but not be limited to, the secretary of health
31 and human services, director of management and budget, and designees from the following: state
32 agencies, businesses, healthcare, public sector unions, and advocates.

33 (ii) As soon as practicable after the enactment federal budget for fiscal year 2026, but no
34 later than October 31, 2025, the advisory working group shall forward a report to the governor,

1 speaker of the house, and president of the senate containing the findings, recommendations and
2 options for consideration to become compliant with federal changes prior to the governor's budget
3 submission pursuant to § 35-3-7.

4 (18) The secretary shall implement, in coordination with the health insurance
5 commissioner, the Achieving Healthcare Efficiency through Accountable Design (AHEAD) Model
6 Grant Program and produce a report to the governor and the general assembly outlining the
7 program's activities. The report, due no later than October 31, 2026, and annually thereafter by
8 October 31 for the duration of the state's participation in the grant, should address, at minimum:

9 (i) a description of activities and funding uses during the grant year;

10 (ii) the legislative authority, including budgetary authority, required to implement changes
11 to the Rhode Island Medical Assistance program;

12 (iii) stakeholder interest and participation in the model; and

13 (iv) overall long-term value of implementing the alternative payment models required by
14 the AHEAD model.

15 SECTION 5. Chapter 42-72 of the General Laws entitled "Department of Children, Youth
16 and Families" is hereby amended by adding thereto the following section:

17 **42-72-37. Family Care Community Partnerships.**

18 (a) As used in this subsection, "family care community partnership" (FCCP) means a
19 specific, community-based prevention service that an agency or entity provides to children and
20 families through a Medicaid certification, department license, or contract with the department.

21 (b) There are hereby established five (5) FCCP catchment regions to serve residents of a
22 specific area within the state, as follows:

23 (1) West Urban Core: the cities of Providence and Cranston;

24 (2) East Urban Core: the cities of East Providence, Central Falls, and Pawtucket;

25 (3) East Bay: the towns of Barrington, Bristol, Jamestown, Little Compton, Middletown,
26 Portsmouth, Tiverton, and Warren, and the city of Newport;

27 (4) Washington and Kent Counties: the towns of Charlestown, Coventry, East Greenwich,
28 Exeter, Hopkinton, Narragansett, New Shoreham, North Kingstown, Richmond, South Kingstown,
29 West Greenwich, West Warwick, and Westerly, and the city of Warwick; and

30 (5) Northern Rhode Island: the towns of Burrillville, Cumberland, Foster, Gloucester,
31 Johnston, Lincoln, North Providence, North Smithfield, Scituate, Smithfield, and the city of
32 Woonsocket.

33 (c) Exactly one FCCP shall be permitted to operate in each region set forth in subsection
34 (b) of this section.

1 SECTION 6. Rhode Island Medicaid Reform Act of 2008 Resolution.

2 WHEREAS, the General Assembly enacted Chapter 12.4 of Title 42 entitled “The Rhode
3 Island Medicaid Reform Act of 2008”; and

4 WHEREAS, a legislative enactment is required pursuant to Rhode Island General Laws
5 section 42-12.4-1, *et seq.*; and

6 WHEREAS, Rhode Island General Laws section 42-7.2-5(3)(i) provides that the secretary
7 of the executive office of health and human services is responsible for the review and coordination
8 of any Medicaid section 1115 demonstration waiver requests and renewals as well as any initiatives
9 and proposals requiring amendments to the Medicaid state plan or category II or III changes as
10 described in the demonstration, “with potential to affect the scope, amount, or duration of publicly-
11 funded health care services, provider payments or reimbursements, or access to or the availability
12 of benefits and services provided by Rhode Island general and public laws”; and

13 WHEREAS, in pursuit of a more cost-effective consumer choice system of care that is
14 fiscally sound and sustainable, the secretary requests legislative approval of the following proposals
15 to amend the demonstration; and

16 WHEREAS, implementation of adjustments may require amendments to the Rhode
17 Island’s Medicaid state plan and/or section 1115 waiver under the terms and conditions of the
18 demonstration. Further, adoption of new or amended rules, regulations and procedures may also
19 be required:

20 (a) Inpatient and Outpatient Hospital Rate Increase Alignment with State Revenue Growth.
21 The executive office of health and human services will pursue and implement any state plan
22 amendments needed to limit rate increases for inpatient and outpatient hospital services in SFY
23 2027 to the anticipated rate of growth of state tax revenue, 2.5 percent.

24 (b) Nursing Facility Rate Increase Alignment with State Revenue Growth. The executive
25 office of health and human services will pursue and implement any state plan amendments needed
26 to align rate increases for nursing facilities in SFY 2027 to the anticipated rate of growth of state
27 tax revenue, 2.5 percent.

28 (c) Federally Qualified Health Center Rate Increase Alignment with State Revenue
29 Growth. The secretary of the executive office of health and human services will pursue and
30 implement any amendments needed to the Principles of Reimbursement for Federally Qualified
31 Health Centers (FQHC) needed to align rate increases for FQHC services in SFY 2027 to the
32 anticipated rate of growth of state tax revenue, 2.5 percent.

33 (d) Substance Abuse Residential Services Rates. The secretary of the executive office of
34 health and human services will pursue and implement any state plan amendments needed to

1 eliminate annual rate increases for substance abuse residential services.

2 (e) Children’s Services Rate Setting. The secretary of the executive office of health and
3 human services is authorized to pursue and implement any waiver amendments, state plan
4 amendments, and/or changes to the applicable department’s rules, regulations, and procedures
5 required to implement reimbursement rates resulting from the Children's Services Rate Setting
6 project.

7 (f) Provider Reimbursement Rates. The secretary of the executive office of health and
8 human services is authorized to pursue and implement any waiver amendments, state plan
9 amendments, and/or changes to the applicable department’s rules, regulations, and procedures
10 required to implement updates to Medicaid provider reimbursement rates consisting of rate
11 increases limited to the lower amount of one half (1/2) of the increases recommended or one
12 hundred percent (100%) of the Medicare rates identified in the Social and Human Service Programs
13 Review Final Report produced by the office of the health insurance commissioner pursuant to
14 Rhode Island General Laws section 42-14.5-3(t)(2)(x), effective October 1, 2026.

15 (g) Glucagon-like Peptide-1 (GLP-1) Coverage. The secretary of the executive office of
16 health and human services is authorized to pursue and implement any waiver amendments, state
17 plan amendments, and/or changes to the applicable department’s rules, regulations, and procedures
18 required to remove coverage for GLP-1 medications, except if prescribed to treat type 2 diabetes.

19 (h) Federal Financing Opportunities. The executive office of health and human services
20 proposes that it shall review Medicaid requirements and opportunities under the U.S. Patient
21 Protection and Affordable Care Act of 2010 (PPACA) and various other recently enacted federal
22 laws and pursue any changes in the Rhode Island Medicaid program that promote, increase and
23 enhance service quality, access and cost-effectiveness that may require a Medicaid state plan
24 amendment or amendment under the terms and conditions of Rhode Island’s section 1115 waiver,
25 its successor, or any extension thereof. Any such actions by the executive office of health and
26 human services shall not have an adverse impact on beneficiaries or cause there to be an increase
27 in expenditures beyond the amount appropriated for state fiscal year 2027.

28 Now, therefore, be it:

29 RESOLVED, that the General Assembly hereby approves the above-referenced proposals;
30 and be it further;

31 RESOLVED, that the secretary of the executive office of health and human services is
32 authorized to pursue and implement any waiver amendments, state plan amendments, and/or
33 changes to the applicable department’s rules, regulations and procedures approved herein and as
34 authorized by chapter 12.4 of title 42; and be it further;

1 RESOLVED, that this Joint Resolution shall take effect on July 1, 2026.

2 SECTION 7. This article shall take effect upon passage, except section 6 which shall take
3 effect on July 1, 2026.

4

1 **ARTICLE 9**

2 **RELATING TO LEASES**

3 SECTION 1. This article consists of a Joint Resolution that is submitted pursuant to Rhode
4 Island General Laws § 37-6-2, authorizing various lease agreements for office space and operating
5 space.

6 SECTION 2. *Rhode Island Department of State (148 West River Street, Providence).*

7 WHEREAS, the Rhode Island Department of State currently occupies approximately
8 12,152 square feet at 148 West River Street in the City of Providence; and

9 WHEREAS, the Rhode Island Department of State currently holds a lease agreement, in
10 full force and effect, with EGMP 146-148 West River LLC for approximately 12,152 square feet
11 of office and customer service space located at 148 West River Street, in the City of Providence;
12 and

13 WHEREAS, the existing lease expires on July 31, 2026, and the Rhode Island Department
14 of State wishes to enter into a new lease agreement for a period of ten (10) years; and

15 WHEREAS, the State of Rhode Island, acting by and through the Department of State
16 attests to the fact that there are no clauses in the lease agreement with EGMP 146-148 West River
17 LLC that would interfere with the Department of State's lease agreement or use of the facility; and

18 WHEREAS, the leased premises provide a critical location for the offices of the
19 Department of State from which the agency can fulfill its mission; and

20 WHEREAS, the annual fixed rent in the agreement in the current fiscal year, ending June
21 30, 2026 is \$256,589.52; and

22 WHEREAS, the annual base rent of the agreement in year one is not to exceed \$261,268.00
23 which will be followed by annual increases of 2.5% in years two (2) through ten (10), with year ten
24 (10) not to exceed \$326,287.93; and

25 WHEREAS, the payment of the annual base rent will be made from funds available to the
26 Department of State for the payments of rental and lease costs based on annual appropriations made
27 by the General Assembly; and

28 WHEREAS, the State Properties Committee now respectfully requests the approval of the
29 Rhode Island House of Representatives and the Rhode Island Senate for the lease agreement
30 between the Department of State and EGMP 146-148 West River LLC for leased space located at
31 148 West River Street, Providence; now therefore be it

32 RESOLVED, that this General Assembly of the State of Rhode Island hereby approves the
33 lease agreement, for a term not to exceed ten (10) years and an aggregate base rent not to exceed
34 \$2,927,085.15; and it be further

1 RESOLVED, that this Joint Resolution shall take effect upon passage by the General
2 Assembly; and it be further

3 RESOLVED, that the Secretary of State is hereby authorized and directed to transmit duly
4 certified copies of this resolution to the Governor, the Secretary of State, the Director of
5 Administration, the State Budget Officer, and the Chair of the State Properties Committee.

6 SECTION 3. *Rhode Island Department of Environmental Management, (235 Promenade*
7 *Street, Providence).*

8 WHEREAS, the Rhode Island Department of Environmental Management currently
9 occupies 126,184 square feet at 235 Promenade Street in the City of Providence; and

10 WHEREAS, the Rhode Island Department of Environmental Management currently
11 holds a lease agreement in full force and effect, with Foundry Parcel Fifteen Associates, LLC for
12 126,184 square feet of office and customer service space located at 235 Promenade Street, in the
13 City of Providence; and

14 WHEREAS, the existing lease expires on July 7, 2026, and the Rhode Island Department
15 of Environmental Management wishes to enter into a new lease agreement for a period of ten (10)
16 years; and

17 WHEREAS, the Department of Administration and Rhode Island Department of
18 Environmental Management received and reviewed proposals for office space that would meet the
19 Department of Environmental Management's needs; and

20 WHEREAS, upon completing an evaluation of the submitted lease proposals, the Rhode
21 Island Department of Environmental Management wishes to enter into a ten-year lease agreement
22 with Foundry Parcel Fifteen Associates, LLC for 115,328 square feet of office space located at 235
23 Promenade Street in the city of Providence; and

24 WHEREAS, the State of Rhode Island, acting by and through the Rhode Island Department
25 of Environmental Management attests to the fact that there are no clauses in the lease agreement
26 with Foundry Parcel Fifteen Associates, LLC that would interfere with the Rhode Island
27 Department of Environmental Management's lease agreement or use of the facility; and

28 WHEREAS, the leased premises provide a critical location for the offices of the Rhode
29 Island Department of Environmental Management from which the agency can fulfill its mission;
30 and

31 WHEREAS, the annual fixed rent in the agreement in the current fiscal year, ending June
32 30, 2026 is \$2,586,772; and

33 WHEREAS, the annual fixed rent of the agreement in each of the first five (5) years of the
34 renewal term will not exceed \$2,600,000 and shall not exceed \$2,800,000 in each of the remaining

1 years of the renewal term (or in each of years six (6) through ten (10) of the renewal term); and

2 WHEREAS, the payment of the annual fixed rent will be made from funds available to the
3 Rhode Island Department of Environmental Management for the payments of rental and lease costs
4 based on annual appropriations made by the General Assembly; and

5 WHEREAS, the State Properties Committee now respectfully requests the approval of the
6 Rhode Island House of Representatives and the Rhode Island Senate for the lease agreement
7 between the Rhode Island Department of Environmental Management and Foundry Parcel Fifteen
8 Associates, LLC for lease space located at 235 Promenade Street, Providence; now therefore be it

9 RESOLVED, that this General Assembly of the State of Rhode Island hereby approves the
10 lease agreement, for a term not to exceed ten (10) years and an aggregate fixed rent not to exceed
11 \$27,000,000; and it be further

12 RESOLVED, that this Joint Resolution shall take effect upon passage by the General
13 Assembly; and it be further

14 RESOLVED, that the Secretary of State is hereby authorized and directed to transmit duly
15 certified copies of this resolution to the Governor, the Secretary of State, the Director of the Rhode
16 Island Department of Environmental Management, the Director of Administration, the State
17 Budget Officer, and the Chair of the State Properties Committee.

18 SECTION 4. *State of Rhode Island Office of the Public Defender (160 Pine Street,*
19 *Providence).*

20 WHEREAS, the Office of the Public Defender currently occupies approximately 19,777
21 square feet at 160 Pine Street in the City of Providence; and

22 WHEREAS, the Office of the Public Defender currently holds a lease agreement, in full
23 force and effect, with PK Lamb Properties, Inc. for approximately 19,777 square feet of office
24 space located at 160 Pine Street, in the City of Providence; and

25 WHEREAS, the existing lease expires on July 31, 2026, and the Office of the Public
26 Defender wishes to renew this lease for an additional five-year term; and

27 WHEREAS, the State of Rhode Island, acting by and through the Office of the Public
28 Defender attests to the fact that there are no clauses in the lease agreement with PK Lamb
29 Properties, Inc. that would interfere with the Office of the Public Defender's lease agreement or
30 use of the facility; and

31 WHEREAS, the leased premises provide a critical location for the Office of the Public
32 Defender from which the agency can fulfill its mission; and

33 WHEREAS, the annual fixed rent in the agreement in the current fiscal year, ending June
34 30, 2026 is \$393,166.76; and

1 WHEREAS, the annual fixed rent of the agreement in the five (5) years of the renewal term
2 will not exceed \$435,093.96; and

3 WHEREAS, the payment of the annual fixed rent will be made from funds available to the
4 Office of the Public Defender for the payments of rental and lease costs based on annual
5 appropriations made by the General Assembly; and

6 WHEREAS, the State Properties Committee now respectfully requests the approval of the
7 Rhode Island House of Representatives and the Rhode Island Senate for the lease agreement
8 between the Office of the Public Defender and PK Lamb Properties, Inc. for leased space located
9 at 160 Pine Street, Providence; now therefore be it

10 RESOLVED, that this General Assembly of the State of Rhode Island hereby approves the
11 lease agreement, for a term not to exceed five (5) years and an aggregate fixed rent not to exceed
12 \$2,175,469.80; and it be further

13 RESOLVED, that this Joint Resolution shall take effect upon passage by the General
14 Assembly; and it be further

15 RESOLVED, that the Secretary of State is hereby authorized and directed to transmit duly
16 certified copies of this resolution to the Governor, the Secretary of State, the Public Defender, the
17 Director of Administration, the State Budget Officer, and the Chair of the State Properties
18 Committee.

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

1 **ARTICLE 10**

2 **RELATING TO HEALTH AND HUMAN SERVICES**

3 SECTION 1. Section 40.1-1-13 of the General Laws in Chapter 40.1-1 entitled
4 “Department of Behavioral Healthcare, Developmental Disabilities and Hospitals” is hereby
5 amended to read as follows:

6 **40.1-1-13. Powers and duties of the office.**

7 Notwithstanding any provision of the Rhode Island general laws to the contrary, the
8 department of behavioral healthcare, developmental disabilities and hospitals shall have the
9 following powers and duties:

10 (1) To establish and promulgate the overall plans, policies, objectives, and priorities for
11 state substance abuse education, prevention, and treatment; provided, however, that the director
12 shall obtain and consider input from all interested state departments and agencies prior to the
13 promulgation of any such plans or policies;

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

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

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

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

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

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

27 (8) To act in conjunction with the executive office of health and human services as the
28 state’s co-designated agency (42 U.S.C. § 300x-30(a)) for administering federal aid and for the
29 purposes of the calculation of the expenditures relative to the substance abuse block grant and
30 federal funding maintenance of effort. The department of behavioral healthcare, developmental
31 disabilities and hospitals, as the state’s substance abuse and mental health authority, will have the
32 sole responsibility for the planning, policy and implementation efforts as it relates to the
33 requirements set forth in pertinent substance abuse laws and regulations including 42 U.S.C. §
34 300x-21 et seq.;

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

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

5 (11) To license facilities and programs for the care and treatment of substance abusers and
6 for the prevention of substance abuse, and provide the list of licensed chemical dependency
7 professionals (LCDP) and licensed chemical dependency clinical supervisors (LCDCS) (licensed
8 by the department of health pursuant to chapter 69 of title 5) for use by state agencies including,
9 but not limited to, the adjudication office of the department of transportation, the district court and
10 superior court and the division of probation and parole for referral of individuals requiring
11 substance use disorder treatment;

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

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

16 (14) To exercise the authority and responsibilities relating to education, prevention, and
17 treatment of substance abuse, as contained in, but not limited to, the following chapters: chapters
18 1.10, 10.1, and 28.2 of title 23; chapters 21.2 and 21.3 of title 16; chapter 50.1 of title 42 [repealed];
19 chapter 109 of title 42; chapter 69 of title 5; and § 35-4-18;

20 (15) To establish a Medicare Part D restricted-receipt account in the hospitals and
21 community rehabilitation services program and the Rhode Island state psychiatric hospital program
22 to receive and expend Medicare Part D reimbursements from pharmacy benefit providers consistent
23 with the purposes of this chapter;

24 (16) To establish a RICLAS group home operations restricted-receipt account in the
25 services for the developmentally disabled program to receive and expend rental income from
26 RICLAS group clients for group home-related expenditures, including food, utilities, community
27 activities, and the maintenance of group homes;

28 (17) To establish a non-Medicaid, third-party payor restricted-receipt account in the
29 hospitals and community rehabilitation services program to receive and expend reimbursement
30 from non-Medicaid, third-party payors to fund hospital patient services that are not Medicaid
31 eligible; and

32 (18) To certify any and all recovery housing facilities directly, or through a contracted
33 entity, as defined by department guidelines, which includes adherence to using National Alliance
34 for Recovery Residences (NARR) standards. In accordance with a schedule to be determined by

1 the department, all referrals from state agencies or state-funded facilities shall be to certified
2 houses, and only certified recovery housing facilities shall be eligible to receive state funding to
3 deliver recovery housing services. As of January 1, 2027, all recovery housing facilities shall be
4 registered with the department and shall adhere to the NARR certification process.

5 (19) To establish, operate, and/or designate a RI 9-8-8 Suicide & Crisis Lifeline center or
6 centers to provide telephone, text and chat crisis intervention services and crisis care coordination
7 to individuals accessing the RI 9-8-8 Suicide & Crisis Lifeline.

8 SECTION 2. Title 40.1 of the General Laws entitled “Behavioral Healthcare,
9 Development Disabilities and Hospitals” is hereby amended by adding thereto the following
10 chapter:

11 CHAPTER 8.6

12 RHODE ISLAND 9-8-8 SUICIDE & CRISIS LIFELINE

13 **40.1-8.6-1. Definitions.**

14 As used in this chapter:

15 (1) “9-8-8 Suicide & Crisis Lifeline” or “lifeline” means the national network system
16 operated by the National Suicide Prevention Lifeline (“NSPL”) or its successor entity, within
17 which the department-approved or department-operated RI 9-8-8 Suicide & Crisis Lifeline Center
18 participates.

19 (2) “Department” means the department of behavioral healthcare, developmental
20 disabilities and hospitals.

21 (3) “Director” means the director of the department of behavioral healthcare,
22 developmental disabilities and hospitals.

23 (4) “National Suicide Prevention Lifeline” (“NSPL”) means the national network of local
24 crisis centers providing free and confidential emotional support to people in suicidal crisis or
25 emotional distress twenty-four (24) hours a day, seven (7) days a week. Membership as an NSPL
26 center requires nationally recognized certification which includes evidence-based training for all
27 staff and volunteers in the management of NSPL calls.

28 (5) “Rhode Island (RI) 9-8-8 state administrator” means the administrator designated by
29 the director of the department to manage the locally operated and funded center within the national
30 network of the 9-8-8 Suicide & Crisis Lifeline within Rhode Island.

31 (6) “Rhode Island (RI) 9-8-8 Suicide & Crisis Lifeline Center” or “lifeline center” means
32 a department-approved or department-operated center that participates in the National Suicide
33 Prevention Lifeline Network and responds to statewide or regional 9-8-8 contacts that is operated
34 by or under contract with the department.

1 **40.1-8.6-2. Behavioral health crisis services system established.**

2 (a) The director is hereby authorized to establish, operate, promulgate regulations with
3 regard to, and/or designate a RI 9-8-8 Suicide & Crisis Lifeline center or centers to provide
4 telephone, text and chat crisis intervention services and crisis care coordination to individuals
5 accessing the RI 9-8-8 Suicide & Crisis Lifeline twenty-four (24) hours a day, seven (7) days a
6 week.

7 (b) The director shall have the authority to provide general oversight of the RI 9-8-8
8 Suicide & Crisis Lifeline Center(s) established by this chapter.

9 (c) The RI 9-8-8 Suicide & Crisis Lifeline center(s) shall have an active agreement with
10 the administrator of the National Suicide Prevention Lifeline ("NSPL") maintained by SAMHSA,
11 or any successor entity, for participation within the network.

12 (d) The designated RI 9-8-8 Suicide & Crisis Lifeline center(s) shall meet SAMHSA and
13 NSPL or any successor entity's requirements and best practices guidelines for operational and
14 clinical standards.

15 (e) The designated RI 9-8-8 Suicide & Crisis Lifeline center(s) shall provide and report
16 data and participate in evaluations and related quality improvement activities as required by the 9-
17 8-8 state administrator. The department shall provide the department of children, youth, and
18 families with data regarding utilization of RI 9-8-8 services by children, youth, and their families,
19 consistent with NSPL requirements and state and federal confidentiality and privacy laws and
20 regulations.

21 (f) The designated RI 9-8-8 Suicide & Crisis Lifeline center(s) shall make referrals,
22 consistent with guidance and policies established by the NSPL or any successor entity, to follow-
23 up services for individuals who access the RI 9-8-8 Suicide & Crisis Lifeline.

24 (g) The director shall consult with the director of the department of children, youth, and
25 families prior to promulgating rules and regulations specific to RI 9-8-8 services for children,
26 youth, and their families.

27 (h) Nothing in § 40.1-8.6-2, § 40.1-8.6-3, or § 40.1-8.6-4 shall be construed to restrict the
28 authority of the department of children, youth and family (DCYF) pursuant to chapters 72 and
29 72.1 of title 42.

30 **40.1-8.6-3. Funding of the 988 Suicide & Crisis Lifeline.**

31 (a) The director shall have the authority to expend any and all funds allocated to support
32 the operations of the RI 9-8-8 Suicide & Crisis Lifeline.

33 **40.1-8.6-4. Implementation.**

34 (a) The director shall designate the RI 9-8-8 state administrator. The RI 9-8-8 state

1 administrator shall be an employee of the department and shall serve at the pleasure of the director,
2 or shall be a contractor who has a contract with the department and shall serve for the period
3 designated in the contract and in accordance with the terms of such contract.

4 (b) All state agencies and/or departments shall provide to the department any and all data
5 and other information necessary for the department to comply with federal and/or state reporting
6 requirements with respect to the establishment and/or operation of the RI 9-8-8 Suicide & Crisis
7 Lifeline.

8 SECTION 3. Sections 42-160-3 and 42-160-5 of the General Laws in Chapter 42-160
9 entitled "Rhode Island Pay for Success Act" are hereby amended to read as follows:

10 **42-160-3. Annual reporting.**

11 The executive office, in collaboration with the Rhode Island Coalition to End
12 Homelessness or other qualified organization as determined by the executive office, shall provide
13 yearly progress reports to the general assembly beginning no later than January 30, 2022, and
14 annually thereafter until January 30, ~~2027~~ 2028. These reports will include recommendations on a
15 proposed structure for entering into pay for success contracts, for administering the program, and
16 for any and all matters related thereto that the executive office deems necessary to administer future
17 pay for success projects at the conclusion of the pilot program in ~~2026~~ 2027. As a condition of this
18 project, HUD requires that a third party conduct a transparent and rigorous evaluation of the
19 intervention to determine whether the outcomes have indeed achieved success. The evaluation
20 results will be reported yearly to the governor and general assembly.

21 **42-160-5. Pilot program established.**

22 There is established a ~~five~~ six (6)-year ~~(5)~~ pay-for-success pilot program to be administered
23 by the Rhode Island executive office of health and human services. The pilot will follow the
24 proposal outlined in the 2016 pay-for-success grant proposal to HUD and 2017 feasibility study.
25 The pay-for-success project will provide a person-centered housing and supportive services
26 intervention (PSH) for one hundred twenty-five (125) persons in Rhode Island experiencing
27 homelessness who are high utilizers of the healthcare and justice systems. The pilot program will
28 leverage eight hundred seventy-five thousand dollars (\$875,000) of HUD/DOJ grant funds.
29 Contract agreements with the executive office of health and human services pursuant to this chapter
30 shall not exceed one million five hundred thousand dollars (\$1,500,000) per fiscal year or six
31 million dollars (\$6,000,000) in the aggregate over the ~~five (5)~~ six (6) years of the pilot program, as
32 determined by the department; provided, no agreements shall be entered by the department after
33 July 1, ~~2026~~ 2027, without further authorization by the general assembly.

34 SECTION 4. Section 42-166-2 of the General Laws in Chapter 42-166 entitled "The

1 Ladders to Licensure Program" is hereby amended to read as follows:

2 **42-166-2. Use of appropriated funds.**

3 Any appropriated funds shall be used to provide grants to ~~three (3) or four (4)~~ [at least two](#)
4 [\(2\)](#) grantee partnerships, consisting of multiple ~~private sector~~ health and human services employer
5 organizations and education grantee partnerships (with at least one focused on behavioral health
6 and one focused on nursing). Employers will be required to contribute a twenty-five percent (25%)
7 in-kind match and a ten percent (10%) cash match.

8 SECTION 5. This act shall take effect upon passage.

1 drug utilization review, the processing of drug prior authorization requests, the adjudication of
2 appeals or grievances related to prescription drug coverage contracting with network pharmacies,
3 and controlling the cost of covered prescription drugs.

4 (5) “Rebates” means all price concessions paid by a manufacturer to a Pharmacy Benefit
5 Manager or health carrier, including rebates, discounts, and other price concessions that are based
6 on actual or estimated utilization of a prescription drug. Rebates also include price concessions
7 based on the effectiveness of a drug as in a value-based or performance-based contract.

8 (6) “Spread Pricing” means any amount charged or claimed by a Pharmacy Benefit
9 Manager to a health carrier that is in excess of the amount the Pharmacy Benefit Manager paid to
10 the pharmacy that filled the prescription.

11 (7) “Trade Secrets” has the meaning found in § 6-41-1(4).

12 **27-84-3. Pharmacy Benefit Manager Transparency.**

13 (a) Beginning March 1, 2027, and annually thereafter, each Pharmacy Benefit Manager
14 shall submit a transparency report containing data from the prior calendar year to the health
15 insurance commissioner. The transparency report shall contain the following information:

16 (1) The aggregate amount of all rebates that the Pharmacy Benefit Manager received from
17 all pharmaceutical manufacturers for all health carrier clients and for each health carrier client;

18 (2) The aggregate administrative fees that the Pharmacy Benefit Manager received from
19 all manufacturers for all health carrier clients and for each health carrier client;

20 (3) The aggregate retained rebates that the Pharmacy Benefit Manager received from all
21 pharmaceutical manufacturers and did not pass through to health carriers;

22 (4) The aggregate retained rebate percentage as defined in section 27-84-2;

23 (5) The highest, lowest, and mean aggregate retained rebate percentage for all health
24 carrier clients and for each health carrier client; and

25 (6) A response to a set of standard questions developed by the health insurance
26 commissioner regarding business practices, including but not limited to, rebate pass through
27 practices, spread pricing, pharmacy network development, and utilization management.

28 (b) A Pharmacy Benefit Manager providing information under this section shall provide
29 complete information to the health insurance commissioner but may request that the health
30 insurance commissioner designate certain material as a trade secret with a factual and legal analysis
31 supporting such request. Disclosure, however, may be ordered by a court of this State for good
32 cause shown or made in a court filing.

33 (c) Within sixty (60) days of receipt of complete reports, the health insurance commissioner
34 shall publish the transparency report of each Pharmacy Benefit Manager on the agency’s website

1 in a form and manner that does not violate State trade secrets law.

2 (d) The health insurance commissioner may impose administrative penalties in accordance
3 with § 42-14-16 for violations of this section.

4 **27-84-4. Pharmacy Benefit Manager Study.**

5 (a) On or before October 1, 2027, the health insurance commissioner shall provide the
6 governor and the general assembly with an analysis of the reporting information furnished pursuant
7 to § 27-84-3. The report shall also include a review of the role of Pharmacy Benefit Managers in
8 the structure and cost of health insurance, a review of approaches to Pharmacy Benefit Manager
9 regulation in other states, and any recommended actions to improve the oversight of Pharmacy
10 Benefit Managers doing business in Rhode Island.

11 (b) The health insurance commissioner may contract with actuaries and other subject
12 matter experts to assist the commissioner in conducting the study required under this section. The
13 actuaries and other experts shall serve under the direction of the health insurance commissioner.
14 Health insurance companies doing business in this state, including, but not limited to, nonprofit
15 hospital service corporations and nonprofit medical service corporations established pursuant to
16 chapters 19 and 20 of title 27, and health maintenance organizations established pursuant to chapter
17 41 of title 27, shall bear the cost of these actuaries and subject matter experts according to a
18 schedule of their direct writing of health insurance in this state as determined by the health
19 insurance commissioner. The amount to be invoiced to and paid by the above-described health
20 insurance companies doing business in this state for the study conducted under this section shall
21 not exceed a total of one hundred seventy-five thousand dollars (\$175,000).

22 **27-84-5. Regulations.**

23 The health insurance commissioner may promulgate rules and regulations as are necessary
24 to carry out and effectuate the provisions of this chapter.

25 SECTION 2. Sections 31-36-7 and 31-36-20 of the General Laws in Chapter 31-36 entitled
26 “Motor Fuel Tax” are hereby amended to read as follows:

27 **31-36-7. Monthly report of distributors — Payment of tax.**

28 (a) State requirements.

29 (1) Every distributor shall, on or before the twentieth (20th) day of each month, render a
30 report to the tax administrator, upon forms to be obtained from the tax administrator, of the amount
31 (number of gallons) of fuels purchased, sold, or used by the distributor within this state and the
32 amount of fuels sold by the distributor without this state from fuels within this state during the
33 preceding calendar month, and, if required by the tax administrator as to purchases, the name or
34 names of the person or persons from whom purchased and the date and amount of each purchase,

1 and as to sales, the name or names of the person or persons to whom sold and the amount of each
2 sale, and shall pay at the same time to the administrator tax at the rate of thirty-two cents (\$0.32)
3 per gallon on all taxable gallons of fuel sold or used in this state for periods ending on or before
4 June 30, 2025.

5 (2) Every distributor shall, on or before the twentieth day of each month, render a report to
6 the tax administrator, upon forms to be obtained from the tax administrator, of the amount (number
7 of gallons) of fuels purchased, sold, or used by the distributor within this state and the amount of
8 fuels sold by the distributor without this state from fuels within this state during the preceding
9 calendar month, and, if required by the tax administrator as to purchases, the name or names of the
10 person or persons from whom purchased and the date and amount of each purchase, and as to sales,
11 the name or names of the person or persons to whom sold and the amount of each sale, and shall
12 pay at the same time to the administrator, tax at the rate of forty cents (\$0.40) per gallon on all
13 taxable gallons of fuel sold or used in this state for periods beginning on or after July 1, 2025 and
14 ending on or before June 30, 2026.

15 (3) Every distributor shall, on or before the twentieth day of each month, render a report to
16 the tax administrator, upon forms to be obtained from the tax administrator, of the amount (number
17 of gallons) of fuels purchased, sold, or used by the distributor within this state and the amount of
18 fuels sold by the distributor without this state from fuels within this state during the preceding
19 calendar month, and, if required by the tax administrator as to purchases, the name or names of the
20 person or persons from whom purchased and the date and amount of each purchase, and as to sales,
21 the name or names of the person or persons to whom sold and the amount of each sale, and shall
22 pay at the same time to the administrator, tax at the rate of thirty-eight cents (\$0.38) per gallon on
23 all taxable gallons of fuel sold or used in this state for periods beginning on or after July 1, 2026.

24 (b) Federal requirements. In the event the federal government requires a certain portion of
25 the gasoline tax to be dedicated for highway improvements, then the state controller is directed to
26 establish a restricted receipt account and deposit that portion of gasoline tax receipts which brings
27 the state into federal compliance.

28 (1) Beginning July 1, 2015, and every other year thereafter, through June 30, 2025, the
29 gasoline tax shall be adjusted by the percentage of increase in the Consumer Price Index for all
30 Urban Consumers (CPI-U) as published by the United States Bureau of Labor Statistics determined
31 as of September 30 of the prior calendar year; said adjustment shall be rounded to the nearest one
32 cent (\$.01) increment, provided that the total tax shall not be less than provided for in subsection
33 (a)(1).

34 (2) Beginning July 1, 2027, and every other year thereafter, the gasoline tax shall be

1 adjusted by the percentage of increase in the Consumer Price Index for all Urban Consumers (CPI-
2 U) as published by the United States Bureau of Labor Statistics determined as of September 30 of
3 the two (2) prior calendar years; said adjustment shall be rounded to the nearest one cent (\$0.01)
4 increment; provided that, the total tax shall not be less than provided for in subsection (a) ~~(2)~~(3).

5 **31-36-20. Disposition of proceeds.**

6 (a) Disposition of proceeds.

7 (1) Notwithstanding any other provision of law to the contrary, all moneys paid into the
8 general treasury under the provisions of this chapter or chapter 37 of this title, and title 46 shall be
9 applied to and held in a separate fund and be deposited in any depositories that may be selected by
10 the general treasurer to the credit of the fund, which fund shall be known as the Intermodal Surface
11 Transportation Fund; provided, that in fiscal year 2004 for the months of July through April six and
12 eighty-five hundredth cents (\$0.0685) per gallon of the tax imposed and accruing for the liability
13 under the provisions of § 31-36-7, less refunds and credits, shall be transferred to the Rhode Island
14 public transit authority as provided under § 39-18-21. For the months of May and June in fiscal
15 year 2004, the allocation shall be five and five hundredth cents (\$0.0505). Thereafter, until fiscal
16 year 2006, the allocation shall be six and twenty-five hundredth cents (\$0.0625). For fiscal years
17 2006 through FY 2008, the allocation shall be seven and twenty-five hundredth cents (\$0.0725);
18 provided, that expenditures shall include the costs of a market survey of non-transit users and a
19 management study of the agency to include the feasibility of moving the authority into the
20 department of transportation, both to be conducted under the auspices of the state budget officer.
21 The state budget officer shall hire necessary consultants to perform the studies, and shall direct
22 payment by the authority. Both studies shall be transmitted by the budget officer to the 2006 session
23 of the general assembly, with comments from the authority. For fiscal year 2009, the allocation
24 shall be seven and seventy-five hundredth cents (\$0.0775), of which one-half cent (\$0.005) shall
25 be derived from the one cent (\$0.01) per gallon environmental protection fee pursuant to § 46-12.9-
26 11. For fiscal years 2010 through fiscal year 2025, the allocation shall be nine and seventy-five
27 hundredth cents (\$0.0975), of which one-half cent (\$0.005) shall be derived from the one cent
28 (\$0.01) per gallon environmental protection fee pursuant to § 46-12.9-11. For fiscal years 2026 and
29 thereafter, the allocation shall be eleven and seventy-five hundredths cents (\$0.1175) of which one-
30 half cent (\$0.005) shall be derived from the one cent (\$0.01) per gallon environmental protection
31 fee pursuant to § 46-12.9-11. One cent (\$0.01) per gallon shall be transferred to the elderly/disabled
32 transportation program of the department of human services, and the remaining cents per gallon
33 shall be available for general revenue as determined by the following schedule:

34 (i) For the fiscal year 2000, three and one-fourth cents (\$0.0325) shall be available for

1 general revenue.

2 (ii) For the fiscal year 2001, one and three-fourth cents (\$0.0175) shall be available for
3 general revenue.

4 (iii) For the fiscal year 2002, one-fourth cent (\$0.0025) shall be available for general
5 revenue.

6 (iv) For the fiscal year 2003, two and one-fourth cent (\$0.0225) shall be available for
7 general revenue.

8 (v) For the months of July through April in fiscal year 2004, one and four-tenths cents
9 (\$0.014) shall be available for general revenue. For the months of May through June in fiscal year
10 2004, three and two-tenths cents (\$0.032) shall be available for general revenue, and thereafter,
11 until fiscal year 2006, two cents (\$0.02) shall be available for general revenue. For fiscal year 2006
12 through fiscal year 2009 one cent (\$0.01) shall be available for general revenue.

13 (2) All deposits and transfers of funds made by the tax administrator under this section,
14 including those to the Rhode Island public transit authority, the department of human services, the
15 Rhode Island turnpike and bridge authority, and the general fund, shall be made monthly and
16 credited and paid by the general treasurer to the designated fund in accordance with this section.

17 (3) Commencing in fiscal year 2004, the director of the Rhode Island department of
18 transportation is authorized to remit, on a monthly or less frequent basis as shall be determined by
19 the director of the Rhode Island department of transportation, or the director's designee, or at the
20 election of the director of the Rhode Island department of transportation, with the approval of the
21 director of the department of administration, to an indenture trustee, administrator, or other third-
22 party fiduciary, in an amount not to exceed two cents (\$0.02) per gallon of the gas tax imposed, in
23 order to satisfy debt service payments on aggregate bonds issued pursuant to a joint resolution and
24 enactment approving the financing of various department of transportation projects adopted during
25 the 2003 session of the general assembly, and approved by the governor.

26 (4) Commencing in fiscal year 2015, three and one-half cents (\$0.035) shall be transferred
27 to the Rhode Island turnpike and bridge authority to be used for maintenance, operations, capital
28 expenditures, and debt service on any of its projects as defined in chapter 12 of title 24 in lieu of a
29 toll on the Sakonnet River Bridge. The Rhode Island turnpike and bridge authority is authorized to
30 remit to an indenture trustee, administrator, or other third-party fiduciary any or all of the foregoing
31 transfers in order to satisfy and/or secure its revenue bonds and notes and/or debt service payments
32 thereon, including, but not limited to, the bonds and notes issued pursuant to the Joint Resolution
33 set forth in Section 3 of Article 6 of Chapter 23 of the Public Laws of 2010. Notwithstanding any
34 other provision of said joint resolution, the Rhode Island turnpike and bridge authority is expressly

1 authorized to issue bonds and notes previously authorized under said joint resolution for the
2 purpose of financing all expenses incurred by it for the formerly authorized tolling of the Sakonnet
3 River Bridge and the termination thereof.

4 (b) Notwithstanding any other provision of law to the contrary, all other funds in the fund
5 shall be dedicated to the department of transportation, subject to annual appropriation by the general
6 assembly. The director of transportation shall submit to the general assembly, budget office, and
7 office of the governor annually an accounting of all amounts deposited in and credited to the fund
8 together with a budget for proposed expenditures for the succeeding fiscal year in compliance with
9 §§ 35-3-1 and 35-3-4. On order of the director of transportation, the state controller is authorized
10 and directed to

11 draw their orders upon the general treasurer for the payments of any sum or portion of the
12 sum that may be required from time to time upon receipt of properly authenticated vouchers.

13 (c) At any time the amount of the fund is insufficient to fund the expenditures of the
14 department of transportation, not to exceed the amount authorized by the general assembly, the
15 general treasurer is authorized, with the approval of the governor and the director of administration,
16 in anticipation of the receipts of monies enumerated in this section to advance sums to the fund, for
17 the purposes specified in this section, any funds of the state not specifically held for any particular
18 purpose. However, all the advances made to the fund shall be returned to the general fund
19 immediately upon the receipt by the fund of proceeds resulting from the receipt of monies to the
20 extent of the advances.

21 SECTION 3. Section 39-1-27.7 of the General Laws in Chapter 39-1 entitled "Public
22 Utilities Commission" is hereby amended to read as follows:

23 **39-1-27.7. System reliability and least-cost procurement.**

24 (a) Least-cost procurement shall comprise system reliability and energy efficiency and
25 conservation procurement, as provided for in this section, and supply procurement, as provided for
26 in § 39-1-27.8, as complementary but distinct activities that have as common purpose meeting
27 electrical and natural gas energy needs in Rhode Island, in a manner that is optimally cost-effective,
28 reliable, prudent, and environmentally responsible.

29 (b) The commission shall establish not later than June 1, 2008, standards for system
30 reliability and energy efficiency and conservation procurement that shall include standards and
31 guidelines for:

32 (1) System reliability procurement, including but not limited to:

33 (i) Procurement of energy supply from diverse sources, including, but not limited to,
34 renewable energy resources as defined in chapter 26 of this title;

1 (ii) Distributed generation, including, but not limited to, renewable energy resources and
2 thermally leading combined heat and power systems, that is reliable and is cost-effective, with
3 measurable, net system benefits;

4 (iii) Demand response, including, but not limited to, distributed generation, back-up
5 generation, and on-demand usage reduction, that shall be designed to facilitate electric customer
6 participation in regional demand response programs, including those administered by the
7 independent service operator of New England (“ISO-NE”), and/or are designed to provide local
8 system reliability benefits through load control or using on-site generating capability;

9 (iv) To effectuate the purposes of this division, the commission may establish standards
10 and/or rates (A) For qualifying distributed generation, demand response, and renewable energy
11 resources; (B) For net metering; (C) For back-up power and/or standby rates that reasonably
12 facilitate the development of distributed generation; and (D) For such other matters as the
13 commission may find necessary or appropriate.

14 (2) Least-cost procurement, which shall include procurement of energy efficiency and
15 energy conservation measures that are prudent and reliable and when such measures are lower cost
16 than acquisition of additional supply, including supply for periods of high demand.

17 (c) The standards and guidelines provided for by subsection (b) shall be subject to periodic
18 review and as appropriate amendment by the commission, which review will be conducted not less
19 frequently than every three (3) years after the adoption of the standards and guidelines.

20 (d) To implement the provisions of this section:

21 (1) The commissioner of the office of energy resources and the energy efficiency and
22 resources management council, either jointly or separately, shall provide the commission findings
23 and recommendations with regard to system reliability and energy efficiency and conservation
24 procurement on or before March 1, 2008, and triennially on or before March 1 thereafter through
25 ~~March 1, 2028~~ March 1, 2038. The report shall be made public and be posted electronically on the
26 website of the office of energy resources.

27 (2) The commission shall issue standards not later than June 1, 2008, with regard to plans
28 for system reliability and energy efficiency and conservation procurement, which standards may
29 be amended or revised by the commission as necessary and/or appropriate.

30 ~~(3) The energy efficiency and resources management council shall prepare by July 15,~~
31 ~~2008, a reliability and efficiency procurement opportunity report that shall identify opportunities~~
32 ~~to procure efficiency, distributed generation, demand response, and renewables and that shall be~~
33 ~~submitted to the electrical distribution company, the commission, the office of energy resources,~~
34 ~~and the joint committee on energy.~~

1 ~~(4)~~ (3) Each electric~~a~~ and natural gas distribution company shall submit to the commission
2 on or before September 1, 2008, and triennially on or before September 1 thereafter through
3 September 1, ~~2028~~ 2038, a plan for system reliability and energy efficiency and conservation
4 procurement. In developing the plan, the distribution company may ~~seek the advice of~~ consult with
5 the division, the commissioner and the council. The plan shall include measurable goals and target
6 percentages for each energy resource, pursuant to standards established by the commission,
7 including efficiency, distributed generation, demand response, combined heat and power, and
8 renewables. The plan shall be made public and be posted electronically on the website of the office
9 of energy resources, and shall also be submitted to the general assembly.

10 ~~(5)~~ (4) The commission shall issue an order approving all energy-efficiency measures that
11 are cost-effective and lower cost than acquisition of additional supply, with regard to the plan from
12 the electrical and natural gas distribution company, and reviewed and approved by the energy
13 efficiency and resources management council, and any related ~~annual~~ triennial plans, and shall
14 approve a fully reconciling funding mechanism to annually fund investments in all efficiency
15 measures that are cost-effective and lower cost than acquisition of additional supply, not greater
16 than sixty (60) days after it is filed with the commission.

17 ~~(6)(i) Each electrical and natural gas distribution company shall provide a status report,~~
18 ~~which shall be public, on the implementation of least cost procurement on or before December 15,~~
19 ~~2008, and on or before February 1, 2009, to the commission, the division, the commissioner of the~~
20 ~~office of energy resources, and the energy efficiency and resources management council which~~
21 ~~may provide the distribution company recommendations with regard to effective implementation~~
22 ~~of least cost procurement. The report shall include the targets for each energy resource included in~~
23 ~~the order approving the plan and the achieved percentage for energy resource, including the~~
24 ~~achieved percentages for efficiency, distributed generation, demand response, combined heat and~~
25 ~~power, and renewables, as well as the current funding allocations for each eligible energy resource~~
26 ~~and the businesses and vendors in Rhode Island participating in the programs. The report shall be~~
27 ~~posted electronically on the website of the office of energy resources.~~

28 (5)(ii) Beginning on November 1, 2012, or before, each electric distribution company shall
29 support the installation and investment in clean and efficient combined heat and power installations
30 at commercial, institutional, municipal, and industrial facilities. This support shall be documented
31 ~~annually~~ triennially in the electric distribution company's energy-efficiency program plans. In
32 order to effectuate this provision, the energy efficiency and resource management council shall
33 seek input from the public, the gas and electric distribution company, the commerce corporation,
34 and commercial and industrial users, and make recommendations regarding services to support the

1 development of combined heat and power installations in the electric distribution company's ~~annual~~
2 ~~and~~ triennial energy-efficiency program plans.

3 (ii) The energy-efficiency ~~annual-triennial~~ plan shall include, but not be limited to, a plan
4 for identifying and recruiting qualified combined heat and power projects, incentive levels, contract
5 terms and guidelines, and achievable megawatt targets for investments in combined heat and power
6 systems. In the development of the plan, the energy efficiency and resource management council
7 and the electric distribution company shall factor into the combined heat and power plan and
8 program, the following criteria: (A) Economic development benefits in Rhode Island, including
9 direct and indirect job creation and retention from investments in combined heat and power
10 systems; (B) Energy and cost savings for customers; (C) Energy supply costs; (D) Greenhouse gas
11 emissions standards and air quality benefits; and (E) System reliability benefits.

12 (~~iv~~ iii) The energy efficiency and resource management council shall conduct at least one
13 public review meeting ~~annually~~ triennially, to discuss and review the combined heat and power
14 program, with at least seven (7) business days' notice, prior to the electric and gas distribution
15 utility submitting the plan to the commission. The commission shall evaluate the submitted
16 combined heat and power program as part of the ~~annual~~ triennial energy-efficiency plan. The
17 commission shall issue an order approving the energy-efficiency plan and programs within sixty
18 (60) days of the filing.

19 (e) If the commission shall determine that the implementation of system reliability and
20 energy efficiency and conservation procurement has caused, or is likely to cause, under or over-
21 recovery of overhead and fixed costs of the company implementing the procurement, the
22 commission may establish a mandatory rate-adjustment clause for the company so affected in order
23 to provide for full recovery of reasonable and prudent overhead and fixed costs.

24 (f) The commission shall conduct a contested case proceeding to establish a performance-
25 based incentive plan that allows for additional compensation for each electric distribution company
26 and each company providing gas to end-users and/or retail customers based on ~~the level of its~~
27 ~~success in mitigating the cost and variability of electric and gas services through procurement~~
28 ~~portfolios~~ the sharing of net benefits based on a set of prioritized benefit categories that maximizes
29 electric and gas ratepayer savings.

30 (g) Any cumulative direct bill charge to fund the triennial program for the 2027 through
31 2029 electric and gas energy efficiency plan shall not exceed seventy-five million dollars
32 (\$75,000,000) in each year of the plan. In the years following the adoption of the 2027–2029
33 triennial plan, the Commission may adjust the direct bill charge amounts approved in such plan;
34 provided, however, that any such adjustment shall not exceed the seasonally-adjusted percentage

1 change for the third year of the immediately preceding triennial plan for the energy expenditure
2 category in the Consumer Price Index for All Urban Consumers (CPI-U) as published by the United
3 States Bureau of Labor Statistics, over the applicable three-year planning period.

4 ~~(g)(1) The office of energy resources shall conduct a study and analysis of the electric and~~
5 ~~gas distribution company's state energy efficiency programs that will examine implemented~~
6 ~~program and planned conservation measures and review and confirm the claimed energy savings.~~
7 ~~In carrying out this study, the office shall utilize a representative sample of different customer~~
8 ~~classes and measures that have and/or will be participating in the state energy efficiency programs.~~
9 ~~At a minimum, the study performed by the office of energy resources shall include the following~~
10 ~~in its scope of work:~~

11 ~~(i) Independently review and summarize the electric and gas distribution company process~~
12 ~~for incorporating results from completed evaluation studies into ongoing energy efficiency program~~
13 ~~reporting and implementation.~~

14 ~~(ii) Conduct an independent review of gas and electricity efficiency programs, which may~~
15 ~~include billing analysis techniques. The scope and subjects of this analysis will be decided by the~~
16 ~~working group with input and advice from an independent consultant. The analysis will be~~
17 ~~conducted by a qualified independent consultant using industry accepted methods.~~

18 ~~(iii) Review the data collection practices, including metering equipment used; sampling~~
19 ~~frequency; sample sizes; and data validation procedures, and the methods for data analysis~~
20 ~~employed, as deemed appropriate by the independent evaluator.~~

21 ~~(iv) Study results and recommendations will be presented to the public utilities commission~~
22 ~~and the energy efficiency and resource management council.~~

23 ~~(2) The office of energy resources shall consult with the working group in development of~~
24 ~~the request for proposals (RFP), and during the course of the study, including the preliminary study~~
25 ~~results. The working group shall be comprised of one representative from each of the following~~
26 ~~groups chosen by the office of energy resources:~~

27 ~~(i) Large commercial and industrial energy users;~~

28 ~~(ii) Small business energy users;~~

29 ~~(iii) Residential energy users;~~

30 ~~(iv) Municipal and state energy users;~~

31 ~~(v) Low income energy users;~~

32 ~~(vi) Electric and gas distribution company; and~~

33 ~~(vii) Energy efficiency and resource management council.~~

34 ~~(3) The office of energy resources, in consultation with the electric and gas distribution~~

1 ~~company and representatives referenced in subsection (g)(2), shall be authorized to hire an energy~~
2 ~~consulting company or firm to carry out the energy efficiency verification study. The costs~~
3 ~~associated with this study, including, but not limited to, those associated with the consultant or firm~~
4 ~~contract and reasonable administrative costs incurred by the office in the execution of subsection~~
5 ~~(g) of this section, shall be recoverable through the system benefit charge subject to commission~~
6 ~~approval. Funding shall be transferred from the electric and gas distribution utility to the office of~~
7 ~~energy resources upon request by the office.~~

8 ~~(4) The office of energy resources shall submit this report on or before October 30, 2019,~~
9 ~~to the governor, the president of the senate, and the speaker of the house. The office and its selected~~
10 ~~energy consulting company or firm shall host two (2) public presentations on the preliminary and~~
11 ~~final results of the study.~~

12 SECTION 4. Chapter 39-2 of the General Laws entitled "Duties of Utilities and Carriers"
13 is hereby amended by adding thereto the following section:

14 **39-2-29. In-state transmission owner required to participate in the regional**
15 **independent system operator.**

16 On and after the effective date of this section, no electric distribution company, as defined
17 in § 39-1-2, shall own, operate, or control a transmission facility, as defined in § 39-1-2, located in
18 the state unless such company joins or is a member of ISO New England, Inc. or its successor
19 organization as approved by the federal energy regulatory commission.

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

22 **39-2-1.2. Utility base rate — Advertising, demand-side management, and renewables.**

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

34 (b) Effective as of January 1, 2008, and for a period of ~~twenty (20)~~ thirty (30) years

1 thereafter, each electric distribution company shall include a charge per kilowatt-hour delivered to
2 fund demand-side management programs. The 0.3 mills per kilowatt-hour delivered to fund
3 renewable energy programs shall remain in effect until December 31, ~~2028~~ [2031](#). The electric
4 distribution company shall establish and, after July 1, 2007, maintain, two (2) separate accounts,
5 one for demand-side management programs (the “demand-side account”), which shall be funded
6 by the electric demand-side charge and administered and implemented by the distribution company,
7 subject to the regulatory reviewing authority of the commission, and one for renewable energy
8 programs, which shall be administered by the Rhode Island commerce corporation pursuant to §
9 42-64-13.2 and shall be held and disbursed by the distribution company as directed by the Rhode
10 Island commerce corporation for the purposes of developing, promoting, and supporting renewable
11 energy programs.

12 During the time periods established in this subsection, the commission may, in its
13 discretion, after notice and public hearing, increase the sums for demand-side management and
14 renewable resources. In addition, the commission shall, after notice and public hearing, determine
15 the appropriate charge for these programs. The office of energy resources, and/or the administrator
16 of the renewable energy programs, may seek to secure for the state an equitable and reasonable
17 portion of renewable energy credits or certificates created by private projects funded through those
18 programs. As used in this section, “renewable energy resources” shall mean: (1) Power generation
19 technologies, as defined in § 39-26-5, “eligible renewable energy resources,” including off-grid
20 and on-grid generating technologies located in Rhode Island, as a priority; (2) Research and
21 development activities in Rhode Island pertaining to eligible renewable energy resources and to
22 other renewable energy technologies for electrical generation; or (3) Projects and activities directly
23 related to implementing eligible renewable energy resources projects in Rhode Island.
24 Technologies for converting solar energy for space heating or generating domestic hot water may
25 also be funded through the renewable energy programs. Fuel cells may be considered an energy
26 efficiency technology to be included in demand-side management programs. Special rates for low-
27 income customers in effect as of August 7, 1996, shall be continued, and the costs of all of these
28 discounts shall be included in the distribution rates charged to all other customers. Nothing in this
29 section shall be construed as prohibiting an electric distribution company from offering any special
30 rates or programs for low-income customers which are not in effect as of August 7, 1996, subject
31 to the approval by the commission.

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

- 1 (i) The feasibility of project completion;
- 2 (ii) The anticipated amount of renewable energy the project will produce;
- 3 (iii) The potential of the project to mitigate energy costs over the life of the project; and
- 4 (iv) The estimated cost per kilowatt-hour (KWh) of the energy produced from the project.

5 (c) [Deleted by P.L. 2012, ch. 241, art. 4, § 14.]

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

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

18 (f) Each gas company shall establish a separate account for demand-side management
19 programs (the “gas demand-side account”) that shall be funded by the gas demand-side charge and
20 administered and implemented by the distribution company, subject to the regulatory reviewing
21 authority of the commission. The commission may establish administrative mechanisms and
22 procedures that are similar to those for electric demand-side management programs administered
23 under the jurisdiction of the commission and that are designed to achieve cost-effectiveness and
24 high, life-time savings of efficiency measures supported by the program.

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

27 (1) Gas used for distribution generation; and

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

33 (h) The commission may provide for the coordinated and/or integrated administration of
34 electric and gas demand-side management programs in order to enhance the effectiveness of the

1 programs. Such coordinated and/or integrated administration may after March 1, 2009, upon the
2 recommendation of the office of energy resources, be through one or more third-party entities
3 designated by the commission pursuant to a competitive selection process.

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

13 (j) Effective January 1, 2016, the commission shall annually allocate from the
14 administrative funding amount allocated in subsection (i) from the demand-side management
15 program as described in subsection (i) as follows: (1) for the energy efficiency and resource
16 management council, no more than forty percent (40%) for the purposes identified in subsection (i)
17 and (2) sixty percent (60%) of three percent (3%) from the demand-side management gas and
18 electric funds annually to the office of energy resources for activities associated with planning,
19 management, and evaluation of energy-efficiency programs, renewable energy programs, system
20 reliability, least-cost procurement, and with regulatory proceedings, contested cases, and other
21 actions pertaining to the purposes, powers, and duties of the office of energy resources and shall
22 have exclusive authority to direct the use of the office administrative and programmatic funds.

23 (k) On ~~July 1~~ ~~April 15~~, of each year, the office and the council shall submit to the governor,
24 the president of the senate, and the speaker of the house of representatives, separate financial and
25 performance reports regarding the demand-side management programs, including the specific level
26 of funds that were contributed by the residential, municipal, and commercial and industrial sectors
27 to the overall programs; the businesses, vendors, and institutions that received funding from
28 demand-side management gas and electric funds used for the purposes in this section; and the
29 businesses, vendors, and institutions that received the administrative funds for the purposes in
30 subsections (i) and (j). These reports shall be posted electronically on the websites of the office of
31 energy resources and the energy efficiency and resources management council.

32 ~~(l) On or after August 1, 2015, at the request of the Rhode Island infrastructure bank, each~~
33 ~~electric distribution company, except for the Pascoag Utility District and Block Island Power~~
34 ~~Company, shall remit two percent (2%) of the amount of the 2014 electric demand side charge~~

1 ~~collections to the Rhode Island infrastructure bank.~~

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

5 ~~(+)~~ (l) Effective January 1, 202~~2~~7, the commission shall allocate, from demand-side
6 management gas and electric funds authorized pursuant to this section, ~~five million dollars~~
7 ~~(\$5,000,000)~~ two million five hundred thousand dollars (\$2,500,000) of such funds on an annual
8 basis to the Rhode Island infrastructure bank. Gas and electric demand-side funds transferred to the
9 Rhode Island infrastructure bank pursuant to this section shall be eligible to be used in any energy
10 efficiency, renewable energy, clean transportation, clean heating, energy storage, or demand-side
11 management project financing program administered by the Rhode Island infrastructure bank
12 notwithstanding any other restrictions on the use of such collections set forth in this chapter. The
13 infrastructure bank shall report annually to the commission within ninety (90) days of the end of
14 each calendar year how collections transferred under this section were utilized.

15 ~~(+)~~ (m) The Rhode Island office of energy resources, in coordination with the energy
16 efficiency and resource management council, and following consultation with the public utilities
17 commission and division of public utilities and carriers, shall issue a request for proposals for the
18 cost-effective administration and implementation of statewide energy efficiency programs funded
19 by this section no later than September 30, 2023. The draft request for proposals shall be reviewed
20 through at least one technical session at the public utilities commission prior to issuance. Public
21 utilities commission approval shall not be required. The Rhode Island office of energy resources,
22 in coordination with the energy efficiency and resource management council, shall evaluate
23 proposals and determine whether energy efficiency administration and implementation by the
24 electric and gas distribution company or a third party is likely to achieve the most net benefits for
25 electric and gas customers in Rhode Island. After January 1, 2025, the office of energy resources
26 may, periodically, and at its discretion, issue additional requests for proposals for the administration
27 and implementation of statewide energy efficiency programs funded through this chapter of an
28 electric distribution company as defined in § 39-1-2(a)(12) or gas distribution company included
29 as a public utility in § 39-1-2(a)(20) that has greater than one hundred thousand (100,000)
30 customers.

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

33 (2) If the office of energy resources, in coordination with the energy efficiency and resource
34 management council, determines that the use of a third-party administrator is likely to achieve the

1 most net benefits for electric and gas customers in Rhode Island, it shall file its recommendation
2 with the public utilities commission, which shall docket and rule on the matter pursuant to its
3 general statutory authorization.

4 (3) If the commission determines that the recommended third-party administrator is in the
5 interest of Rhode Island utility customers, it shall provide for the full cost recovery for the third-
6 party administrator consistent with the terms of the approved contract, and which shall reflect the
7 overall ~~annual~~ triennial budget approved by the commission. The third-party administrator shall be
8 subject to all the requirements set forth for the electric and gas distribution company per § 39-1-
9 27.7.

10 (4) If the commission determines that a third-party administrator will administer the state
11 energy efficiency programs on or after June 1, 2024, the commission shall direct the gas and electric
12 distribution company to annually collect and transfer the gas and electric energy efficiency funds
13 to the third-party administrator for each year of the ~~annual~~ triennial state energy efficiency program
14 beginning with the program year and thereafter for the remaining program years. The gas and
15 electric distribution company shall annually transfer the ~~annual~~ triennial administrative funds to the
16 office of energy resources and energy efficiency and resource management council.

17 (5) If a third-party administrator implements the ~~annual~~ triennial energy efficiency
18 programs then ~~they~~ it shall be required to develop and design the ~~annual~~ triennial state energy
19 efficiency program with the office of energy resources and energy efficiency and resource
20 management council, including a vote by the energy efficiency and resource management council
21 prior to the third-party administrator filing the ~~annual~~ triennial program plan ~~to~~ with the public
22 utilities commission for review and a decision.

23 (6) The third-party administrator shall file the ~~annual~~ triennial state energy efficiency
24 program plan ~~to~~ with the public utilities commission for review and approval no later than
25 ~~September~~ June 30, 2024, and ~~annually~~ triennially thereafter on such date.

26 (7) The third-party administrator shall provide all information requested by the office of
27 energy resources, energy efficiency and resource management council, division of public utilities
28 and carriers, and the public utilities commission, including responses to data requests, which are
29 necessary for the agencies to carry out their respective oversight roles, and shall be accountable to
30 the same standards as the utility with administering and implementing energy efficiency, system
31 reliability, and least-cost procurement standards and goals in accordance with § 39-1-27.7 and this
32 section.

33 (8) If the office does not recommend advancement of a third-party administrator, the
34 electric and gas distribution company shall continue to administer statewide energy efficiency

1 programs.

2 SECTION 6. Section 39-2.2-2 of the General Laws in Chapter 39-2.2 entitled "Rhode
3 Island Utility Fair Share Roadway Repair Act" is hereby amended to read as follows:

4 **39-2.2-2. Road repair by public utility or utility facility.**

5 (a) Any public utility as defined by § 39-1-2 or any utility facility as defined by chapter 8.1
6 of title 24 that shall alter, excavate, disrupt, or disturb a roadway shall be responsible for complete
7 repaving and repair of the roadway from curblineline to curblineline or as required in accordance with the
8 state or municipal utility permit requirements.

9 (b) Any public utility as defined by § 39-1-2 or any utility facility as defined by chapter
10 8.1 of title 24 shall recover all costs required of this chapter in accordance with generally accepted
11 accounting principles.

12 SECTION 7. Chapter 39-26 entitled "Renewable Energy Standard" is hereby amended by
13 adding thereto the following section:

14 **39-26-5.1. Zero-emission resources.**

15 (a) Zero-emission resources are:

16 (1) Nuclear energy resources, meaning electricity generated by a nuclear fission or nuclear
17 fusion facility that is licensed by the United States Nuclear Regulatory Commission or its successor,
18 and that produces no direct emissions of greenhouse gases or criteria air pollutants at the point of
19 generation.

20 (2) Large-scale hydroelectric facilities, meaning hydroelectric generation units that are not
21 "small hydro facilities" as defined in § 39-26-2, that generate electricity through the conversion of
22 the energy of flowing or falling water and that produce no direct emissions of greenhouse gases or
23 criteria air pollutants at the point of generation.

24 (b) For the purposes of the regulations promulgated under this chapter, eligible zero-
25 emission energy resources are generation units in the NEPOOL control area using zero-emission
26 energy resources as defined in this section.

27 (c) A generation unit located in an adjacent control area outside of the NEPOOL may
28 qualify as an eligible zero-emission energy resource, but the associated generation attributes shall
29 be applied to any zero-emission standard established under this chapter only to the extent that the
30 energy produced by the generation unit is actually delivered into NEPOOL for consumption by
31 New England customers. The delivery of the energy from the generation unit into NEPOOL must
32 be demonstrated by:

33 (1) A unit-specific bilateral contract for the sale and delivery of such energy into NEPOOL;
34 and

1 (2) Confirmation from ISO-New England that the zero-emission energy was actually
2 settled in the NEPOOL system; and

3 (3) Confirmation through the North American Electric Reliability Corporation tagging
4 system, or its successor, that the import of the energy into NEPOOL actually occurred; or

5 (4) Any such other requirements as the commission deems appropriate.

6 (d) NE-GIS certificates associated with energy production from off-grid generation and
7 customer-sited generation facilities certified by the commission as eligible zero-emission energy
8 resources may also be used to demonstrate compliance with any zero-emission standard.

9 SECTION 8. Sections 39-26-2, 39-26-4, 39-26-6, and 39-26-7 of the General Laws in
10 Chapter 39-2 entitled "Renewable Energy Standard" are hereby amended to read as follows:

11 **39-26-2. Definitions.**

12 When used in this chapter:

13 ~~(1) "Alternative compliance payment" means a payment to the renewable energy~~
14 ~~development fund of fifty dollars (\$50.00) per megawatt-hour of renewable energy obligation, in~~
15 ~~2003 dollars, adjusted annually up or down by the consumer price index, which may be made in~~
16 ~~lieu of standard means of compliance with this statute.~~

17 (1) "Alternative compliance payment" means a payment made in lieu standard means of
18 compliance with this statute, as follows:

19 (i) For new renewable energy and zero-emission resources, an alternative compliance
20 payment of forty dollars (\$40.00) per megawatt-hour of renewable energy obligation.

21 (ii) For existing renewable energy and zero-emission resources, an alternative compliance
22 payment of eleven dollars (\$11.00) per megawatt-hour of renewable energy obligation.

23 (iii) All such payments shall be deposited into the renewable energy development fund and
24 distributed in accordance with § 39-26-7(10).

25 (2) "Commission" means the Rhode Island public utilities commission.

26 (3) "Compliance year" means a calendar year beginning January 1 and ending December
27 31, for which an obligated entity must demonstrate that it has met the requirements of this statute.

28 (4) "Customer-sited generation facility" means a generation unit that is interconnected on
29 the end-use customer's side of the retail electricity meter in such a manner that it displaces all or
30 part of the metered consumption of the end-use customer.

31 (5) "Electrical energy product" means an electrical energy offering, including, but not
32 limited to, last-resort and standard-offer service, that can be distinguished by its generation
33 attributes or other characteristics, and that is offered for sale by an obligated entity to end-use
34 customers.

1 (6) “Eligible biomass fuel” means fuel sources including brush, stumps, lumber ends and
2 trimmings, wood pallets, bark, wood chips, shavings, slash, and other clean wood that is not mixed
3 with other solid wastes; agricultural waste, food, and vegetative material; energy crops; landfill
4 methane; biogas; or neat biodiesel and other neat liquid fuels that are derived from such fuel
5 sources.

6 (7) “Eligible renewable energy [and zero-emission](#) resource” means resources as defined in
7 § 39-26-5 [and § 39-26-5.1](#).

8 (8) “End-use customer” means a person or entity in Rhode Island that purchases electrical
9 energy at retail from an obligated entity.

10 (9) “Existing renewable energy [and zero-emission](#) resources” means generation units using
11 eligible renewable energy [and zero-emission](#) resources and first going into commercial operation
12 before December 31, 1997.

13 (10) “Generation attributes” means the nonprice characteristics of the electrical energy
14 output of a generation unit including, but not limited to, the unit’s fuel type, emissions, vintage,
15 and policy eligibility.

16 (11) “Generation unit” means a facility that converts a fuel or an energy resource into
17 electrical energy.

18 (12) “High-heat medical waste processing facility” means a facility that:

19 (i) Generates electricity from the combustion, gasification, or pyrolysis of regulated
20 medical waste;

21 (ii) Generates electricity from the combustion of fuel derived from the gasification or
22 pyrolysis of regulated medical waste; or

23 (iii) Disposes of, processes, or treats regulated medical waste through combustion,
24 gasification, pyrolysis, or any process that exposes waste to temperatures above four hundred
25 degrees Fahrenheit (400°F).

26 (13) “NE-GIS” means the generation information system operated by NEPOOL, its
27 designee or successor entity, that includes a generation information database and certificate system,
28 and that accounts for the generation attributes of electrical energy consumed within NEPOOL.

29 (14) “NE-GIS certificate” means an electronic record produced by the NE-GIS that
30 identifies the relevant generation attributes of each megawatt-hour accounted for in the NE-GIS.

31 (15) “NEPOOL” means the New England Power Pool or its successor.

32 (16) “New renewable energy [and zero-emission](#) resources” means generation units using
33 eligible renewable energy [and zero-emission](#) resources and first going into commercial operation
34 after December 31, 1997; or the incremental output of generation units using eligible renewable

1 energy [and zero-emission](#) resources that have demonstrably increased generation in excess of ten
2 percent (10%) using eligible renewable energy [and zero-emission](#) resources through capital
3 investments made after December 31, 1997; but in no case involve any new impoundment or
4 diversion of water with an average salinity of twenty (20) parts per thousand or less.

5 (17) “Obligated entity” means a person or entity who or that sells electrical energy to end-
6 use customers in Rhode Island, including, but not limited to: nonregulated power producers and
7 electric utility distribution companies, as defined in § 39-1-2, supplying standard-offer service, last-
8 resort service, or any successor service to end-use customers, including Narragansett Electric, but
9 not to include Block Island Power Company as described in § 39-26-7 or Pascoag Utility District.

10 (18) “Off-grid generation facility” means a generation unit that is not connected to a utility
11 transmission or distribution system.

12 (19) “Renewable energy [and zero-emission](#) resource” means any one or more of the
13 renewable energy [and zero-emission](#) resources described in § 39-26-5(a) [and § 39-26-5.1](#).

14 (20) “Reserved certificate” means a NE-GIS certificate sold independent of a transaction
15 involving electrical energy, pursuant to Rule 3.4 or a successor rule of the operating rules of the
16 NE-GIS.

17 (21) “Reserved certificate account” means a specially designated account established by
18 an obligated entity, pursuant to Rule 3.4 or a successor rule of the operating rules of the NE-GIS,
19 for transfer and retirement of reserved certificates from the NE-GIS.

20 (22) “Self-generator” means an end-use customer in Rhode Island that displaces all or part
21 of its retail electricity consumption, as metered by the distribution utility to which it interconnects,
22 through the use of a customer-sited generation facility, and the ownership of any such facility shall
23 not be considered an obligated entity as a result of any such ownership arrangement.

24 (23) “Small hydro facility” means a facility employing one or more hydroelectric turbine
25 generators and with an aggregate capacity not exceeding thirty megawatts (30 MW). For purposes
26 of this definition, “facility” shall be defined in a manner consistent with Title 18 of the Code of
27 Federal Regulations, section 292.204; provided, however, that the size of the facility is limited to
28 thirty megawatts (30 MW), rather than eighty megawatts (80 MW).

29 **[39-26-4. Renewable energy standard.](#)**

30 (a) Starting in compliance year 2007, all obligated entities shall obtain at least three percent
31 (3%) of the electricity they sell at retail to Rhode Island end-use customers, adjusted for electric
32 line losses, from eligible renewable energy [and zero-emission](#) resources, escalating, according to
33 the following schedule:

34 (1) At least three percent (3%) of retail electricity sales in compliance year 2007;

1 (2) An additional one-half of one percent (0.5%) of retail electricity sales in each of the
2 following compliance years 2008, 2009, 2010;

3 (3) An additional one percent (1%) of retail electricity sales in each of the following
4 compliance years 2011, 2012, 2013, 2014, provided that the commission has determined the
5 adequacy, or potential adequacy, of renewable and zero-emission energy supplies to meet these
6 percentage requirements;

7 (4) An additional one and one-half percent (1.5%) of retail electricity sales in each of the
8 following compliance years 2015, 2016, 2017, 2018, 2019, 2020, 2021, and 2022;

9 (5) [Deleted by P.L. 2016, ch. 144, § 1 and P.L. 2016, ch. 155, § 1.]

10 (6) An additional four percent (4%) of retail electricity sales in 2023;

11 (7) An additional five percent (5%) of retail electricity sales in 2024;

12 (8) An additional six percent (6%) of retail electricity sales in 2025;

13 (9) An additional seven percent (7%) of retail electricity sales in 2026 ~~and 2027~~;

14 ~~(10) An additional seven and one-half percent (7.5%) of retail electricity sales in 2028;~~

15 ~~(11) An additional eight percent (8%) of retail electricity sales in 2029;~~

16 ~~(12) An additional eight and one-half percent (8.5%) of retail electricity sales in 2030;~~

17 ~~(13) An additional nine percent (9%) of retail electricity sales in 2031; and~~

18 ~~(14) An additional nine and one-half percent (9.5%) of retail electricity sales in 2032 and~~
19 ~~2033 to achieve the goal that one hundred percent (100%) of Rhode Island's electricity demand is~~
20 ~~from renewable energy by 2033 and each year thereafter.~~

21 (10) Starting in compliance year 2027, all obligated entities shall obtain at least thirty-five
22 percent (35%) of the electricity they sell at retail to Rhode Island end-use customers, adjusted for
23 electric line losses, from eligible renewable energy and zero-emission resources, escalating,
24 according to the following schedule:

25 (11) An additional one percent (1%) of retail electricity sales in each of compliance years
26 2028, 2029, 2030, and 2031;

27 (12) An additional two percent (2%) of retail electricity sales in each of compliance years
28 2032, 2033, 2034, 2035, and 2036;

29 (13) An additional three percent (3%) of retail electricity sales in each of compliance years
30 2037, 2038, 2039, 2040, 2041, 2042, and 2043;

31 (13) An additional four percent (4%) of retail electricity sales in each of compliance years
32 2044, 2045, 2046, 2047, and 2048;

33 (14) An additional five percent (5%) of retail electricity sales in each of compliance years
34 2049 and 2050 to achieve one hundred percent (100%) of Rhode Island's electricity demand is

1 [from renewable energy and zero-emission resources by 2050 and each year thereafter.](#)

2 (b) For each obligated entity and in each compliance year, the amount of retail electricity
3 sales used to meet obligations under this statute that are derived from existing renewable energy
4 [and zero-emission](#) resources shall not exceed ~~two percent (2%)~~ [twenty-five percent \(25%\)](#) of total
5 retail electricity sales.

6 (c) The minimum renewable energy percentages set forth in subsection (a) shall be met for
7 each electrical energy product offered to end-use customers, in a manner that ensures that the
8 amount of renewable energy of end-use customers voluntarily purchasing renewable energy is not
9 counted toward meeting such percentages. Notwithstanding the foregoing, municipalities engaged
10 in aggregation pursuant to § 39-3-1.2 may include in their aggregation plan terms that would allow
11 voluntary renewable energy products to be counted toward meeting such percentages. ~~In 2024, the
12 commission, with input from the office of energy resources, division of public utilities and carriers,
13 obligated entities, other market participants, and the public, shall assess the impact of allowing
14 voluntary renewable energy purchases to be counted toward meeting the annual percentages. The
15 commission shall submit a report of its findings and recommendations to the governor, speaker of
16 the house, and senate president no later than September 1, 2024.~~

17 (d) To the extent consistent with the requirements of this chapter, compliance with the
18 renewable energy standard may be demonstrated through procurement of NE-GIS certificates
19 relating to generating units certified by the commission as using eligible renewable energy [and](#)
20 [zero-emission](#) sources, as evidenced by reports issued by the NE-GIS administrator. Procurement
21 of NE-GIS certificates from off-grid and customer-sited generation facilities, verified by the
22 commission as eligible renewable energy [and zero-emission](#) resources, may also be used to
23 demonstrate compliance. With the exception of contracts for generation supply entered into prior
24 to 2002, initial title to NE-GIS certificates from off-grid and customer-sited generation facilities
25 and from all other eligible renewable energy [and zero-emission](#) resources, shall accrue to the owner
26 of such a generation facility, unless such title has been explicitly deemed transferred pursuant to
27 contract or regulatory order.

28 (e) In lieu of providing NE-GIS certificates pursuant to subsection (d) of this section, an
29 obligated entity may also discharge all or any portion of its compliance obligations by making an
30 alternative compliance payment to the renewable energy development fund established pursuant to
31 § 39-26-7.

32 (f) Retail electricity sales pursuant to a nonregulated power producer's supply contract that
33 was executed prior to July 1, 2022, shall be required to obtain an additional one and one-half percent
34 (1.5%) of retail electricity sales each year and are exempted from the requirements of subsections

1 (a)(6) through (a)(14) of this section until the end date of the term of the nonregulated power
2 producer's supply contract.

3 **39-26-6. Duties of the commission.**

4 (a) The commission shall:

5 (1) Develop and adopt regulations on or before December 31, 2005, for implementing a
6 renewable energy standard, which regulations shall include, but be limited to, provisions for:

7 (i) Verifying the eligibility of renewable energy and zero-emission generators and the
8 production of energy from such generators, including requirements to notify the commission in the
9 event of a change in a generator's eligibility status;

10 (ii) Standards for contracts and procurement plans for renewable energy and zero-emission
11 resources to achieve the purposes of this chapter;

12 (iii) Flexibility mechanisms for the purposes of easing compliance burdens; facilitating
13 bringing new renewable and zero-emission resources on-line; and avoiding and/or mitigating
14 conflicts with state-level source disclosure requirements and green marketing claims throughout
15 the region; which flexibility mechanisms shall allow obligated entities to: (A) Demonstrate
16 compliance over a compliance year; and (B) Bank excess compliance for ~~two (2)~~ three (3)
17 subsequent compliance years, ~~capped at thirty percent (30%) of the current year's obligation~~; and

18 (iv) Annual compliance filings to be made by all obligated entities within one month after
19 NE-GIS reports are available for the fourth (4th) quarter of each calendar year. All electric-utility-
20 distribution companies shall cooperate with the commission in providing data necessary to assess
21 the magnitude of obligation and verify the compliance of all obligated entities.

22 (2) Authorize rate recovery by electric-utility-distribution companies of all prudent
23 incremental costs arising from the implementation of this chapter, including, without limitation:
24 the purchase of NE-GIS certificates, including certificates from zero-emission resources; the
25 payment of alternative compliance payments; required payments to support the NE-GIS;
26 assessments made pursuant to § 39-26-7(c); and the incremental costs of complying with energy
27 source disclosure requirements.

28 (3) Certify eligible renewable energy and zero-emission resources by issuing statements of
29 qualification within ninety (90) days of application. The commission shall provide prospective
30 reviews for applicants seeking to determine whether a facility would be eligible.

31 (4) [Deleted by P.L. 2022, ch. 218, § 1 and P.L. 2022, ch. 226, § 1.]

32 (5) Establish sanctions for those obligated entities that, after investigation, have been found
33 to fail to reasonably comply with the commission's regulations. No sanction or penalty shall relieve
34 or diminish an obligated entity from liability for fulfilling any shortfall in its compliance obligation;

1 provided, however, that no sanction shall be imposed if compliance is achieved through alternative
2 compliance payments. The commission may suspend or revoke the certification of generation units,
3 certified in accordance with subsection (a)(3) of this section, that are found to provide false
4 information or that fail to notify the commission in the event of a change in eligibility status or
5 otherwise comply with its rules. Financial penalties resulting from sanctions from obligated entities
6 shall not be recoverable in rates.

7 (6) Report, by February 15, 2006, and by February 15 each year thereafter, to the governor,
8 the speaker of the house, and the president of the senate on the status of the implementation of the
9 renewable energy standards in Rhode Island and other states, and which report shall include in
10 2009, and each year thereafter, the level of use of renewable energy certificates by eligible
11 renewable energy [and zero-emission](#) resources, and the portion of renewable energy standards met
12 through alternative compliance payments, and the amount of rate increases authorized pursuant to
13 subsection (a)(2) of this section.

14 (b) Consistent with the public policy objective of developing renewable [and zero-emission](#)
15 generation as an option in Rhode Island, and subject to the review and approval of the commission,
16 the electric distribution company is authorized to propose and implement pilot programs to own
17 and operate no more than fifteen megawatts (15 MW) of renewable- [and zero-emission](#) generation
18 demonstration projects in Rhode Island and may include the costs and benefits in rates to
19 distribution customers. At least two (2) demonstration projects shall include renewable generation
20 installed at, or in the vicinity of nonprofit, affordable-housing projects where energy savings
21 benefits are provided to reduce electric bills of the customers at the nonprofit, affordable-housing
22 projects. Any renewable- [and zero-emission](#) generation proposals shall be subject to the review and
23 approval of the commission. The commission shall annually make an adjustment to the minimum
24 amounts required under the renewable energy standard under this chapter in an amount equal to the
25 kilowatt hours generated by such units owned by the electric distribution company. The electric
26 and gas distribution company shall also be authorized to propose and implement smart-metering
27 and smart-grid demonstration projects in Rhode Island, subject to the review and approval of the
28 commission, in order to determine the effectiveness of such new technologies for reducing and
29 managing energy consumption, and may include the costs of such demonstration projects in
30 distribution rates to electric customers to the extent the project pertains to electricity usage and in
31 distribution rates to gas customers to the extent the project pertains to gas usage.

32 **[39-26-7. Renewable energy development fund.](#)**

33 (a) There is hereby authorized and created within the Rhode Island commerce corporation
34 a renewable energy development fund for the purpose of increasing the supply of NE-GIS

1 certificates available for compliance in future years by obligated entities with renewable energy
2 standard requirements, as established in this chapter. The fund shall be located at the Rhode Island
3 commerce corporation. The Rhode Island commerce corporation shall administer the fund and
4 adopt plans and guidelines for the management and use of the fund in coordination with the office
5 of energy resources ~~and the Rhode Island infrastructure bank.~~

6 (b) The Rhode Island commerce corporation shall enter into agreements with obligated
7 entities to accept alternative compliance payments, consistent with rules of the commission and the
8 purposes set forth in this section; and alternative compliance payments received pursuant to this
9 section shall be trust funds to be held and applied solely for the purposes set forth in this section.

10 (c) The uses of the fund shall include but not be limited to:

11 (1) Stimulating investment in renewable energy development by entering into agreements,
12 including multiyear agreements, for renewable energy certificates;

13 (2) Establishing and maintaining a residential renewable energy program using eligible
14 technologies in accordance with § 39-26-5;

15 (3) Providing technical and financial assistance to municipalities for interconnection and
16 feasibility studies, and/or the installation of renewable energy projects;

17 (4) Implementing and supporting commercial and residential property assessed clean-
18 energy projects;

19 (5) Clean transportation, including electric vehicles and charging infrastructure stations;

20 (6) Energy storage projects;

21 ~~(5)~~ (7) Issuing assurances and/or guarantees to support the acquisition of renewable energy
22 certificates and/or the development of new renewable energy sources for Rhode Island;

23 ~~(6)~~ (8) Establishing escrows, reserves, and/or acquiring insurance for the obligations of the
24 fund;

25 ~~(7)~~ (9) Paying administrative costs of the fund incurred by the Rhode Island commerce
26 corporation, ~~the Rhode Island infrastructure bank,~~ and the office of energy resources, not to exceed
27 ten percent (10%) of the income of the fund, including, but not limited to, alternative compliance
28 payments. All funds transferred from the Rhode Island commerce corporation to support the office
29 of energy resources' administrative costs shall be deposited as restricted receipts.

30 (d) All applications received for the use of the fund shall be reviewed by the Rhode Island
31 commerce corporation in consultation with the office of energy resources ~~and the Rhode Island~~
32 ~~infrastructure bank.~~

33 (e) NE-GIS certificates acquired through the fund may be conveyed to obligated entities or
34 may be credited against the renewable energy standard for the year of the certificate provided that

1 the commission assesses the cost of the certificates to the obligated entity, or entities, benefiting
2 from the credit against the renewable energy standard, which assessment shall be reduced by
3 previously made alternative compliance payments and shall be paid to the fund.

4 (10) Effective January 1, 2027, fifty percent (50%) of all alternative compliance payment
5 revenues shall be transferred to the electric distribution company, with oversight and approval of
6 the office of energy resources, for the purpose of providing direct rate relief, to be applied as bill
7 credits to all ratepayer accounts. The electric distribution company shall file a proposed direct rate
8 relief plan with the Public Utilities Commission for review and approval no later than sixty (60)
9 days after receipt of such funds.

10 (11) All expenditures, contracts, grants, and other programmatic activities undertaken
11 using monies pursuant to this section shall be subject to the prior review and approval of the office
12 of energy resources.

13 SECTION 9. Section 39-26.1-4 of the General Laws in Chapter 39-26.1 entitled "Long-
14 Term Contracting Standard for Renewable Energy" is hereby repealed.

15 **39-26.1-4. Financial remuneration and incentives.**

16 ~~In order to achieve the purposes of this chapter, electric distribution companies shall be~~
17 ~~entitled to financial remuneration and incentives for long term contracts for newly developed~~
18 ~~renewable energy resources, which are over and above the base rate revenue requirement~~
19 ~~established in its cost of service for distribution ratemaking. Such remuneration and incentives shall~~
20 ~~compensate the electric distribution company for accepting the financial obligation of the long-~~
21 ~~term contracts. The financial remuneration and incentives described in this section shall apply only~~
22 ~~to long term contracts for newly developed renewable energy resources. For long term contracts~~
23 ~~approved pursuant to this chapter before January 1, 2022, the financial remuneration and incentives~~
24 ~~shall be in the form of annual compensation, equal to two and three quarters percent (2.75%) of the~~
25 ~~actual annual payments made under the contracts for those projects that are commercially~~
26 ~~operating, unless determined otherwise by the commission at the time of approval. For long term~~
27 ~~contracts approved pursuant to this chapter on or after January 1, 2022, including contracts above~~
28 ~~the minimum long term contract capacity, the financial remuneration and incentives shall be in the~~
29 ~~form of annual compensation up to one percent (1.0%) of the actual annual payments made under~~
30 ~~the contracts through December 31, 2026, for those projects that are commercially operating. For~~
31 ~~all long term contracts approved pursuant to this chapter on or after January 1, 2027, financial~~
32 ~~remuneration and incentives shall not be applied, unless otherwise granted by the commission. For~~
33 ~~any calendar year in which the electric distribution company's actual return on equity exceeds the~~
34 ~~return on equity allowed by the commission in the electric distribution company's last general rate~~

~~1 case, the commission shall have the authority to adjust any or all remuneration paid to the electric
2 distribution company pursuant to this section in order to assure that such remuneration does not
3 result in or contribute toward the electric distribution company earning above its allowed return for
4 such calendar year.~~

5 SECTION 10. Section 39-26.4-2 of the General Laws in Chapter 39-26.4 entitled "Net
6 Metering" is hereby amended to read as follows:

7 **39-26.4-2. Definitions.**

8 Terms not defined in this section herein shall have the same meaning as contained in
9 chapter 26 of this title. When used in this chapter:

10 (1) "Community remote net-metering system" means a facility generating electricity using
11 an eligible net-metering resource that allocates net-metering credits to a minimum of one account
12 for a system associated with low- or moderate-income housing eligible credit recipients, or three
13 (3) eligible credit-recipient customer accounts, provided that no more than fifty percent (50%) of
14 the credits produced by the system are allocated to one eligible credit recipient, and provided further
15 at least fifty percent (50%) of the credits produced by the system are allocated to the remaining
16 eligible credit recipients in an amount not to exceed that which is produced annually by twenty-
17 five kilowatt (25 KW) AC capacity. The community remote net-metering system may transfer
18 credits to eligible credit recipients in an amount that is equal to or less than the sum of the usage of
19 the eligible credit recipient accounts measured by the three-year (3) average annual consumption
20 of energy over the previous three (3) years. A projected annual consumption of energy may be used
21 until the actual three-year (3) average annual consumption of energy over the previous three (3)
22 years at the eligible credit recipient accounts becomes available for use in determining eligibility
23 of the generating system. The community remote net-metering system may be owned by the same
24 entity that is the customer of record on the net-metered account or may be owned by a third party.

25 (2) "Core forest" refers to unfragmented forest blocks of single or multiple parcels totaling
26 two hundred fifty (250) acres or greater unbroken by development and at least twenty-five (25)
27 yards from mapped roads, with eligibility questions to be resolved by the director of the department
28 of environmental management. Such determination shall constitute a contested case as defined in
29 § 42-35-1.

30 (3) "Electric distribution company" shall have the same meaning as § 39-1-2, but shall not
31 include Block Island Power Company or Pascoag Utility District, each of whom shall be required
32 to offer net metering to customers through a tariff approved by the public utilities commission after
33 a public hearing. Any tariff or policy on file with the public utilities commission on the date of
34 passage of this chapter shall remain in effect until the commission approves a new tariff.

1 (4) "Eligible credit recipient" means one of the following eligible recipients in the electric
2 distribution company's service territory whose electric service account or accounts may receive
3 net-metering credits from a community remote net-metering system. Eligible credit recipients
4 include the following definitions:

5 (i) Residential accounts in good standing.

6 (ii) "Low- or moderate-income housing eligible credit recipient" means an electric service
7 account or accounts in good standing associated with any housing development or developments
8 owned or operated by a public agency, nonprofit organization, limited-equity housing cooperative,
9 or private developer that receives assistance under any federal, state, or municipal government
10 program to assist the construction or rehabilitation of housing affordable to low- or moderate-
11 income households, as defined in the applicable federal or state statute, or local ordinance,
12 encumbered by a deed restriction or other covenant recorded in the land records of the municipality
13 in which the housing is located, that:

14 (A) Restricts occupancy of no less than fifty percent (50%) of the housing to households
15 with a gross, annual income that does not exceed eighty percent (80%) of the area median income
16 as defined annually by the United States Department of Housing and Urban Development (HUD);

17 (B) Restricts the monthly rent, including a utility allowance, that may be charged to
18 residents, to an amount that does not exceed thirty percent (30%) of the gross, monthly income of
19 a household earning eighty percent (80%) of the area median income as defined annually by HUD;

20 (C) Has an original term of not less than thirty (30) years from initial occupancy.

21 Electric service account or accounts in good standing associated with housing
22 developments that are under common ownership or control may be considered a single low- or
23 moderate-income housing eligible credit recipient for purposes of this section. The value of the
24 credits shall be used to provide benefits to tenants.

25 (iii) "Educational institutions" means public and private schools at the primary, secondary,
26 and postsecondary levels.

27 (iv) "Commercial or industrial customers" means any nonresidential customer of the
28 electric distribution company.

29 (5) "Eligible net-metering resource" means eligible renewable energy resource, as defined
30 in § 39-26-5 including biogas created as a result of anaerobic digestion, but, specifically excluding
31 all other listed eligible biomass fuels.

32 (6) "Eligible net-metering system" means a facility generating electricity using an eligible
33 net-metering resource that, for any system with a nameplate capacity in excess of twenty-five
34 kilowatts (25 KW), is reasonably designed and sized to annually produce electricity in an amount

1 that is equal to, or less than, the renewable self-generator's usage at the eligible net-metering system
2 site measured by the three-year (3) average annual consumption of energy over the previous three
3 (3) years at the electric distribution account(s) located at the eligible net-metering system site. A
4 projected annual consumption of energy may be used until the actual three-year (3) average annual
5 consumption of energy over the previous three (3) years at the electric distribution account(s)
6 located at the eligible net-metering system site becomes available for use in determining eligibility
7 of the generating system. For any system with a nameplate capacity equal to or less than twenty-
8 five kilowatts (25 KW), eligibility shall not be restricted based on prior consumption. The eligible
9 net-metering system may be owned by the same entity that is the customer of record on the net-
10 metered accounts or may be owned by a third party that is not the customer of record at the eligible
11 net-metering system site and which may offer a third-party, net-metering financing arrangement or
12 net-metering financing arrangement, as applicable. Notwithstanding any other provisions of this
13 chapter, any eligible net-metering resource: (i) Owned by a public entity, educational institution,
14 hospital, nonprofit, or multi-municipal collaborative; or (ii) Owned and operated by a renewable-
15 generation developer on behalf of a public entity, educational institution, hospital, nonprofit, or
16 multi-municipal collaborative through a net-metering financing arrangement shall be treated as an
17 eligible net-metering system and all accounts designated by the public entity, educational
18 institution, hospital, nonprofit, or multi-municipal collaborative for net metering shall be treated as
19 accounts eligible for net metering within an eligible net-metering system site; or (iii) Owned and
20 operated by a renewable-generation developer on behalf of one or more commercial or industrial
21 customer(s) through net-metering financing arrangement(s) shall be treated as an eligible net-
22 metering system within an eligible net-metering system site. Notwithstanding any other provision
23 to the contrary, effective July 1, 2060, an eligible net-metering system means a facility generating
24 electricity using an eligible net-metering resource that is interconnected behind the same meter as
25 the net-metering customer's load.

26 (7) "Eligible net-metering system site" means the site where the eligible net-metering
27 system or community remote net-metering system is located or is part of the same campus or
28 complex of sites contiguous to one another and the site where the eligible net-metering system or
29 community remote net-metering system is located or a farm on which the eligible net-metering
30 system or community remote net-metering system is located. Except for an eligible net-metering
31 system owned by or operated on behalf of a public entity, educational institution, hospital,
32 nonprofit, or multi-municipal collaborative or for a commercial or industrial customer through a
33 net-metering financing arrangement, the purpose of this definition is to reasonably assure that
34 energy generated by the eligible net-metering system is consumed by net-metered electric service

1 account(s) that are actually located in the same geographical location as the eligible net-metering
2 system. All energy generated from any eligible net-metering system is, and will be considered,
3 consumed at the meter where the renewable energy resource is interconnected for valuation
4 purposes. Except for an eligible net-metering system owned by, or operated on behalf of, a public
5 entity, educational institution, hospital, nonprofit, or multi-municipal collaborative, or for a
6 commercial or industrial customer through a net-metering financing arrangement, or except for a
7 community remote net-metering system, all of the net-metered accounts at the eligible net-metering
8 system site must be the accounts of the same customer of record and customers are not permitted
9 to enter into agreements or arrangements to change the name on accounts for the purpose of
10 artificially expanding the eligible net-metering system site to contiguous sites in an attempt to avoid
11 this restriction. However, a property owner may change the nature of the metered service at the
12 accounts at the site to be master metered in the owner's name, or become the customer of record
13 for each of the accounts, provided that the owner becoming the customer of record actually owns
14 the property at which the account is located. As long as the net-metered accounts meet the
15 requirements set forth in this definition, there is no limit on the number of accounts that may be net
16 metered within the eligible net-metering system site.

17 (8) "Excess renewable net-metering credit" means a credit that applies to an eligible net-
18 metering system or community remote net-metering system for that portion of the production of
19 electrical energy beyond one hundred percent (100%) and no greater than one hundred twenty-five
20 percent (125%), except for any system with a nameplate capacity equal to or less than twenty-five
21 kilowatts (25 KW) for which excess renewable net-metering credit applies to all production of
22 electrical energy beyond one hundred percent (100%) of the renewable self-generator's own
23 consumption at the eligible net-metering system site or the sum of the usage of the eligible credit
24 recipient accounts associated with the community remote net-metering system during the
25 applicable billing period.

26 For electrical energy produced greater than one hundred percent (100%) of the renewable
27 self-generator's own electricity consumption at the eligible net-metering system site or the sum of
28 the usage of the eligible credit recipient accounts associated with the community remote net-
29 metering system during the applicable billing period, excess renewable net-metering credits shall
30 be equal to the wholesale electricity rate, which is hereby declared to be the ISO-New England
31 energy clearing price. When applying the ISO-New England energy clearing price to calculate the
32 value of excess renewable net-metering credits, the electric distribution company, subject to
33 commission approval and subject to amendment from time to time, may use an annual average,
34 monthly average, or other time increment and may use Rhode Island zone pricing or other

1 applicable locational pricing. The commission shall have the authority to make determinations as
2 to the applicability of this credit to specific generation facilities to the extent there is any uncertainty
3 or disagreement.

4 (9) "Farm" shall be defined in accordance with § 44-27-2, except that all buildings
5 associated with the farm shall be eligible for net-metering credits as long as: (i) The buildings are
6 owned by the same entity operating the farm or persons associated with operating the farm; and (ii)
7 The buildings are on the same farmland as the project on either a tract of land contiguous with, or
8 reasonably proximate to, such farmland or across a public way from such farmland.

9 (10) "Grid access fee" means a monthly fee, determined by the commission, that an electric
10 distribution company must use to offset distribution costs associated with net metering systems that
11 otherwise would be paid by ratepayers. The grid access fee shall be assessed to all eligible net-
12 metering systems and or community remote net-metering systems with a nameplate capacity equal
13 to or greater than one (1) megawatt of capacity. For systems with a nameplate capacity of less than
14 one (1) megawatt, the fee shall be zero. The commission shall determine the grid access fee
15 applicable to systems described herein and shall establish a process by which the electric
16 distribution company must apply the grid access fee to offset distribution costs. Beginning January
17 1, 2027, the initial monthly grid access fee established by the commission must be: a) for a system
18 with a nameplate capacity of one (1) megawatt or more and less than three (3) megawatts, \$1.40
19 multiplied by the nameplate capacity of the system in kilowatts; b) for a system with a nameplate
20 capacity of three (3) megawatts or more and less than five (5) megawatts, \$3.00 multiplied by the
21 nameplate capacity of the system in kilowatts; and c) for systems with a nameplate capacity of five
22 (5) megawatts or more, \$4.49 multiplied by the nameplate capacity of the system in kilowatts. The
23 commission shall periodically review the initial grid access fee to account for increases in
24 transmission and distribution rates.

25 ~~(10)~~ (11) "Hospital" means and shall be defined and established as set forth in chapter 17
26 of title 23.

27 ~~(11)~~ (12) "Multi-municipal collaborative" means a group of towns and/or cities that enter
28 into an agreement for the purpose of co-owning a renewable-generation facility or entering into a
29 financing arrangement pursuant to subsection (15).

30 ~~(12)~~ (13) "Municipality" means any Rhode Island town or city, including any agency or
31 instrumentality thereof, with the powers set forth in title 45.

32 ~~(13)~~ (14) "Net metering" means using electrical energy generated by an eligible net-
33 metering system for the purpose of self-supplying electrical energy and power at the eligible net-
34 metering system site, or with respect to a community remote net-metering system, for the purpose

1 of generating net-metering credits to be applied to the electric bills of the eligible credit recipients
2 associated with the community net-metering system. The amount so generated will thereby offset
3 consumption at the eligible net-metering system site through the netting process established in this
4 chapter, or with respect to a community remote net-metering system, the amounts generated in
5 excess of that amount will result in credits being applied to the eligible credit-recipient accounts
6 associated with the community remote net-metering system.

7 ~~(14)~~ (15) “Net-metering customer” means a customer of the electric distribution company
8 receiving and being billed for distribution service whose distribution account(s) are being net
9 metered.

10 ~~(15)~~ (16) “Net-metering financing arrangement” means arrangements entered into by a
11 public entity, educational institution, hospital, nonprofit, multi-municipal collaborative, or a
12 commercial or industrial customer with a private entity to facilitate the financing and operation of
13 a net-metering resource, in which the private entity owns and operates an eligible net-metering
14 resource on behalf of a public entity, educational institution, hospital, nonprofit, multi-municipal
15 collaborative, or commercial or industrial customer, where: (i) The eligible net-metering resource
16 is located on property owned or controlled by the public entity, educational institution, hospital,
17 municipality, multi-municipal collaborative, or commercial or industrial customer as applicable;
18 and (ii) The production from the eligible net-metering resource and primary compensation paid by
19 the public entity, educational institution, hospital, nonprofit, multi-municipal collaborative, or
20 commercial or industrial customer to the private entity for such production is directly tied to the
21 consumption of electricity occurring at the designated net-metered accounts.

22 ~~(16)~~ (17) “Nonprofit” means a nonprofit corporation as defined and established through
23 chapter 6 of title 7, and shall include religious organizations that are tax exempt pursuant to 26
24 U.S.C. § 501(d).

25 ~~(17)~~ (18) “Person” means an individual, firm, corporation, association, partnership, farm,
26 town or city of the state of Rhode Island, multi-municipal collaborative, or the state of Rhode Island
27 or any department of the state government, governmental agency, or public instrumentality of the
28 state.

29 ~~(18)~~ (19) “Preferred site” means a location for a renewable energy system that has had prior
30 development, including, but not limited to: landfills, gravel pits and quarries, highway and major
31 road median strips, brownfields, superfund sites, parking lots or sites that are designated
32 appropriate for carports, and all rooftops including, but not limited to, residential, commercial,
33 industrial, and municipal buildings.

34 ~~(19)~~ (20) “Project” means a distinct installation of an eligible net-metering system or a

1 community remote net-metering system. An installation will be considered distinct if it is installed
2 in a different location, or at a different time, or involves a different type of renewable energy.
3 Subject to the safe-harbor provisions in § 39-26.4-3(a)(1), new and distinct projects cannot be
4 located on adjoining parcels of land within core forests, except for preferred sites.

5 ~~(20)~~ (21) “Public entity” means the federal government, the state of Rhode Island,
6 municipalities, wastewater treatment facilities, public transit agencies, or any water distributing
7 plant or system employed for the distribution of water to the consuming public within this state
8 including the water supply board of the city of Providence.

9 ~~(21)~~ (22) “Public entity net-metering system” means a system generating renewable energy
10 at a property owned or controlled by the public entity that is participating in a net-metering
11 financing arrangement where the public entity has designated accounts in its name to receive net-
12 metering credits.

13 ~~(22)~~ (23) “Renewable net-metering credit” means a credit that applies to an eligible net-
14 metering system or a community remote net-metering system up to one hundred percent (100%) of
15 either the renewable self-generator’s usage at the eligible net-metering system site or the sum of
16 the usage of the eligible credit-recipient accounts associated with the community remote net-
17 metering system over the applicable billing period. This credit shall be equal to the total kilowatt
18 hours of electrical energy generated up to the amount consumed on-site, and/or generated up to the
19 sum of the eligible credit-recipient account usage during the billing period multiplied by the sum
20 of the distribution company’s:

21 (i) Last resort service kilowatt-hour charge for the rate class applicable to the net-metering
22 customer, except that for remote public entity and multi-municipality collaborative net-metering
23 systems that submit an application for an interconnection study on or after July 1, 2017, and
24 community remote net-metering systems, the last resort service kilowatt-hour charge shall be net
25 of the renewable energy standard charge or credit;

26 (ii) Distribution kilowatt-hour charge;

27 (iii) Transmission kilowatt-hour charge; and

28 (iv) Transition kilowatt-hour charge.

29 For projects after April 15, 2023, subject to the allowable two hundred seventy-five
30 megawatts alternating current (275 MWac), under § 39-26.4-3(a)(1)(vi), the credit shall be reduced
31 by twenty percent (20%).

32 For all eligible net-metering systems with a nameplate capacity equal to or greater than one
33 (1) megawatt, and all community remote net-metering systems with a nameplate capacity equal to
34 or greater than one (1) megawatt, the net metering credit shall be calculated under § 39-26.4-

1 [2\(23\)\(i\)-\(iv\), based on the charges in effect on July 1, 2026.](#)

2 Notwithstanding the foregoing, except for systems that have requested an interconnection
3 study for which payment has been received by the distribution company, or if an interconnection
4 study is not required, a completed and paid interconnection application, by December 31, 2018, the
5 renewable net-metering credit for all remote public entity and multi-municipal collaborative net-
6 metering systems shall ~~not include the distribution kilowatt-hour charge~~ [be the wholesale rate as](#)
7 [defined in subsection \(8\)](#) commencing on January 1, ~~2060~~ [2045](#).

8 ~~(23)~~ [\(24\)](#) “Renewable self-generator” means an electric distribution service customer of
9 record for the eligible net-metering system or community remote net-metering system at the eligible
10 net-metering system site which system is primarily designed to produce electrical energy for
11 consumption by that same customer at its distribution service account(s), and/or, with respect to
12 community remote net-metering systems, electrical energy which generates net-metering credits to
13 be applied to offset the eligible credit-recipient account usage.

14 ~~(24)~~ [\(25\)](#) “Third party” means and includes any person or entity, other than the renewable
15 self-generator, who or that owns or operates the eligible net-metering system or community remote
16 net-metering system on the eligible net-metering system site for the benefit of the renewable self-
17 generator.

18 ~~(25)~~ [\(26\)](#) “Third-party, net-metering financing arrangement” means the financing of
19 eligible net-metering systems or community remote net-metering systems through lease
20 arrangements or power/credit purchase agreements between a third party and renewable self-
21 generator, except for those entities under a public entity net-metering financing arrangement. A
22 third party engaged in providing financing arrangements related to such net-metering systems with
23 a public or private entity is not a public utility as defined in § 39-1-2.

24 SECTION 11. Section 39-31-11 of the General Laws in Chapter 39-31 entitled "Affordable
25 Clean Energy Security Act" is hereby repealed.

26 ~~**39-31-11. Financial remuneration and incentives.**~~

27 ~~In order to achieve the purposes of this chapter, electric distribution companies shall be~~
28 ~~entitled to financial remuneration and incentives for long term contracts for newly developed~~
29 ~~renewable energy resources, which are over and above the base rate revenue requirement~~
30 ~~established in its cost of service for distribution ratemaking. Such remuneration and incentives shall~~
31 ~~compensate the electric distribution company for accepting the financial obligation of the long-~~
32 ~~term contracts. For long term contracts approved pursuant to this chapter on or after January 1,~~
33 ~~2022, the financial remuneration and incentives shall be in the form of annual compensation up to~~
34 ~~one percent (1.0%) of the actual annual payments made under the contracts through December 31,~~

~~2026, for those projects that are commercially operating. For long term contracts approved pursuant to this chapter on or after January 1, 2027, financial remuneration and incentives shall not be applied, unless otherwise granted by the commission. For any calendar year in which the electric distribution company's actual return on equity exceeds the return on equity allowed by the commission in the electric distribution company's last general rate case, the commission shall have the authority to adjust any or all remuneration paid to the electric distribution company pursuant to this section in order to assure that such remuneration does not result in or contribute toward the electric distribution company earning above its allowed return for such calendar year.~~

SECTION 12. Chapter 42-14.5 of the General Laws entitled "The Rhode Island Health Care Reform Act of 2004 — Health Insurance Oversight" is hereby amended by adding thereto the following section:

42-14.5-3.2. Health spending accountability and transparency program.

(a) The health insurance commissioner shall establish a health spending accountability and transparency program with the following goals that are designed to promote affordability and curb health care spending growth in Rhode Island:

(1) understand and create transparency around health care costs and the drivers of cost growth;

(2) create shared accountability for health care costs and cost growth among insurers, providers, and government by measuring performance against a cost growth target tied to one or more economic indicators; and

(3) lessen the negative impact of rising health care costs on Rhode Island residents, businesses, and government.

(b) The health insurance commissioner shall administer the health spending accountability and transparency program and shall convene and chair the following advisory bodies to provide input into the implementation of the program:

(1) An affordability advisory committee comprised of individuals without direct financial interests in the health care system, including but not limited to independent health policy experts, consumers or consumer representatives, employers or employer representatives, and representatives of organized labor. The affordability advisory committee shall consist of eight (8) members, as follows:

(i) two independent health policy expert members shall be appointed by the governor;

(ii) one consumer representative and one employer or organized labor representative shall be appointed by the president of the senate;

(iii) one consumer representative and one employer or organized labor representative shall

1 be appointed by the speaker of the house;

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

3 (v) the health insurance commissioner or their designee;

4 (2) A stakeholder advisory council that includes, but shall not be limited to, representatives
5 of hospitals, health insurers, providers, and pharmaceutical manufacturers, in addition to
6 independent health policy experts, consumers or consumer representatives, employers or employer
7 representatives, and representatives of organized labor, all of whom shall be appointed by the health
8 insurance commissioner.

9 (c) For calendar years 2026 and 2027, the health insurance commissioner shall establish
10 the annual health care cost growth targets pursuant to the 2023 Compact to Reduce the Growth in
11 Health Care Costs while Improving Health Care Access, Equity, Patient Experience, and Quality
12 in Rhode Island.

13 (d) Not later than July 1, 2027, and every five years thereafter, the health insurance
14 commissioner shall establish annual health care cost growth targets for the succeeding five calendar
15 years for payers and large provider entities. In developing the health care cost growth targets, the
16 commissioner shall minimally consider:

17 (1) historical and forecasted changes in median household income in the state;

18 (2) the growth rate of potential gross state product;

19 (3) the most recent annual report prepared by the health insurance commissioner, pursuant
20 to subsection (g) of this section;

21 (4) recommendations from the affordability advisory committee and stakeholder advisory
22 council established pursuant to subsections (b)(1) and (b)(2) of this section, including any
23 information and analyses used to inform such recommendations.

24 (e) Not later than July 1, 2027, and every five years thereafter, the health insurance
25 commissioner, in collaboration with the executive office of health and human services, shall
26 establish annual all-payer primary care investment targets for the succeeding five calendar years.
27 In developing the all-payer primary care investment targets, the commissioner shall consider
28 recommendations from the affordability advisory committee and stakeholder advisory council
29 pursuant to subsections (b)(1) and (b)(2) of this section.

30 (f) The health insurance commissioner shall establish requirements for payers to report data
31 and other information necessary to calculate and monitor health care cost growth; evaluate
32 performance against the health care cost growth target established under subsections (c) and (d) of
33 this section; evaluate performance against the all-payer primary care investment target established
34 under subsection (e) of this section; and measure quality, public health, and health equity

1 performance, as defined by the health insurance commissioner. Such data shall include but not be
2 limited to:

3 (1) total and per capita health care expenditures;
4 (2) total and per capita medical expenses;
5 (3) net cost of private health insurance;
6 (4) primary care expenditures;
7 (5) quality performance data from the office of the health insurance commissioner's
8 aligned measure set, as designated by the health insurance commissioner, with input from a
9 workgroup with expertise in quality measure alignment convened by the health insurance
10 commissioner; and

11 (6) performance on a set of public health and accountability measures, as designated by the
12 health insurance commissioner, with input from the executive office of health and human services,
13 the department of health, and a workgroup with expertise in public health convened by the health
14 insurance commissioner.

15 (g) The health insurance commissioner shall publish an annual report on health care
16 spending and quality in Rhode Island which includes, but is not limited to, the following:

17 (1) total and per capita health care spending trends at the statewide, insurance market,
18 individual payer, and large provider entity levels, including performance against the cost growth
19 target at each of these levels;

20 (2) net cost of private health insurance by insurance market and payer;
21 (3) primary care spending as a percentage of total medical expenses and annual primary
22 care spending growth, including progress toward meeting the all-payer primary care investment
23 target established in subsection (e) of this section;

24 (4) an analysis of the drivers of health care spending growth by service category, as well
25 as the relative contribution of utilization and price on the rate of growth, using data from the All-
26 Payer Claims Database;

27 (5) performance on select quality measures from the health insurance commissioner
28 commissioner's aligned measure set, pursuant to subsection (f)(5) of this section;

29 (6) performance on a set of public health and accountability measures pursuant to
30 subsection (f)(6) of this section;

31 (7) status of ongoing performance improvement plans, results of performance
32 improvement plans completed during the prior performance year, and any penalties imposed due
33 to non-compliance with developing or implementing a performance improvement plan pursuant to
34 subsection (i) of this section; and

1 (8) recommendations for policy changes that may include, but not be limited to, strategies
2 to improve affordability for Rhode Island residents, control health care spending growth while
3 maintaining high standards for quality health care, and improve the oversight, performance and
4 efficiency of Rhode Island’s health care system.

5 (h) (1) The health insurance commissioner shall convene an annual public hearing
6 following the release of the annual report required pursuant to subsection (g) of this section. Such
7 public hearing shall involve an examination of:

8 (i) the report most recently prepared by the health insurance commissioner pursuant to
9 subsection (g) of this section;

10 (ii) the expenditures of provider entities and payers, including, but not limited to, health
11 care cost trends, primary care spending as a percentage of total medical expenses, and the factors
12 contributing to such costs and expenditures; and

13 (iii) any other matters that the health insurance commissioner deems relevant for the
14 purposes of this section.

15 (2) The health insurance commissioner may require any payer or provider entity that, for
16 the performance year, is found to have exceeded the health care cost growth target or has failed to
17 meet the all-payer primary care investment target, to participate in such hearing. The health
18 insurance commissioner may further require any payer, provider entity, or other entity, including
19 but not limited to a pharmaceutical manufacturer or pharmacy benefit manager, that is found to
20 have significantly contributed to health care spending growth in the state, as determined by the
21 commissioner, to participate in such hearing. Each payer, provider entity, or other entity that is
22 required to participate in such hearing shall provide testimony on issues identified by the health
23 insurance commissioner and provide additional information on actions taken to reduce such payer’s
24 or entity’s contribution to future statewide health care spending or to increase such payer’s or
25 provider entity’s primary care spending as a percentage of total medical expenses.

26 (3) The health insurance commissioner shall allow representatives from consumer groups,
27 employers, organized labor, community organizations, members of the public, and other interested
28 parties to provide testimony as part of the annual public hearing.

29 (i)(1) The health insurance commissioner may require any commercial health insurer or
30 large provider entity that has commercial market spending growth that exceeds the health care cost
31 growth target in any two out of three performance years to develop and implement a performance
32 improvement plan. For the purposes of requiring a performance improvement plan, a large provider
33 entity must have at least 120,000 attributed member months across commercial health insurers.

34 (2) A performance improvement plan must:

1 (i) identify key spending drivers and include concrete strategies and steps a large provider
2 entity or commercial health insurer will take to address such spending drivers;

3 (ii) identify an appropriate timeline for implementation, including a timeframe by which
4 the large provider entity or commercial health insurer will be subject to an evaluation by the health
5 insurance commissioner; and

6 (iii) have clear measurements of success. The commissioner may provide guidance,
7 feedback, and additional recommendations to a commercial health insurer or large provider entity
8 in developing a performance improvement plan.

9 (3) The health insurance commissioner shall review and approve, modify, or reject all
10 performance improvement plans.

11 (4) The health insurance commissioner shall monitor implementation throughout the
12 duration of the performance improvement plan to assess compliance with the performance
13 improvement plan's terms and shall determine at the conclusion of the performance improvement
14 plan whether the entity has adequately addressed the targeted spending drivers.

15 (5) If the health insurance commissioner determines that the performance improvement
16 plan does not adequately meet the requirements in subsection (i)(2) of this section, or that an entity
17 has failed to comply with the terms of the performance improvement plan pursuant to subsection
18 (i)(4), the commissioner may impose a financial penalty on the commercial health insurer or large
19 provider entity. The health insurance commissioner shall develop criteria for imposing the
20 financial penalty based on factors that include, but are not limited to:

21 (i) the degree to which the large provider entity or commercial health insurer exceeded the
22 target;

23 (ii) the size of the large provider entity or commercial health insurer entity;

24 (iii) the good faith efforts of the large provider entity or commercial health insurer to
25 address health care spending growth; and

26 (iv) the financial condition of the large provider entity or commercial health insurer,
27 according to criteria adopted by the health insurance commissioner.

28 (6) The total cost of the health insurance commissioner's review of a performance
29 improvement plan pursuant to subsection (i)(3) of this section, monitoring implementation of a
30 performance improvement plan pursuant to subsection (i)(4) of this section, and determination of
31 compliance with a performance improvement plan pursuant to subsection (i)(4) of this section shall
32 be borne by the commercial health insurer or large provider entity subject to the performance
33 improvement plan, according to parameters defined by the health insurance commissioner.

34 (j) The health insurance commissioner may establish data sharing agreements with the

1 executive office of health and human services, department of health, and any other identified state
2 agency to meet the requirements of this section and ensure a comprehensive view of health care
3 spending trends.

4 (k) The health insurance commissioner shall adopt a schedule of civil penalties determined
5 by the severity of the violation for: (i) any payer that fails to submit required data, submits
6 incomplete data, or otherwise obstructs data reporting pursuant to subsection (f) of this section; and
7 (ii) any payer, provider, or other entity that fails to comply with the health insurance
8 commissioner’s request to provide testimony during the annual public hearing pursuant to
9 subsection (h) of this section.

10 SECTION 13. Section 42-14.5-2.1 of the General Laws in Chapter 42-14.5 entitled “The
11 Rhode Island Health Care Reform Act of 2004 — Health Insurance Oversight” is hereby amended
12 to read as follows:

13 **42-14.5-2.1. Definitions.**

14 As used in this chapter:

15 (1) “Accountability standards” means measures including service processes, client and
16 population outcomes, practice standard compliance, and fiscal integrity of social and human service
17 providers on the individual contractual level and service type for all state contracts of the state or
18 any subdivision or agency to include, but not limited to, the department of children, youth and
19 families (DCYF), the department of behavioral healthcare, developmental disabilities and hospitals
20 (BHDDH), the department of human services (DHS), the department of health (DOH), and
21 Medicaid. This may include mandatory reporting, consolidated, standardized reporting, audits
22 regardless of organizational tax status, and accountability dashboards of aforementioned state
23 departments or subdivisions that are regularly shared with the public.

24 (2) “Accountable Care Organization” means, for the purposes of § 42-14.5-3.2, a provider
25 organization contracted with one or more payers and held accountable for the quality of health care,
26 outcomes and total cost of care of an attributed commercial and/or Medicare population.

27 (3) “Accountable Entity” means, for the purposes of § 42-14.5-3.2, a provider organization
28 contracted with one or more Rhode Island Medicaid insurers and held accountable for the quality
29 of health care, outcomes and total cost of care of an attributed Medicaid population.

30 ~~(2)~~ (4) “Executive Office of Health and Human Services (EOHHS)” means the department
31 that serves as “principal agency of the executive branch of state government” (§ 42-7.2-2)
32 responsible for managing the departments and offices of: health (RIDOH), human services (DHS),
33 healthy aging (OHA), veterans services (VETS), children, youth and families (DCYF), and
34 behavioral healthcare, developmental disabilities and hospitals (BHDDH). EOHHS is also

1 designated as the single state agency with authority to administer the Medicaid program in Rhode
2 Island.

3 (5) “Health care cost growth target” means the targeted annual per capita growth rate for
4 Rhode Island’s total health care spending, expressed as the percentage growth from the prior year’s
5 per capita spending.

6 (6) “Large provider entity” means a provider organization contracted with one or more
7 payers that, at a minimum, includes professional providers to whom patients can be attributed, and
8 that collectively, during any given calendar year, has at least 60,000 attributed member months
9 across payers in the commercial, Medicaid or Medicare market, enabling the organization to
10 participate in total cost of care contracts, even if it is not engaged in a total cost of care contract as
11 an Accountable Care Organization or a Medicaid Accountable Entity.

12 (7) “Market” means the highest level of categorization of the health insurance market and
13 shall include Medicare Fee-For-Service and Medicare Managed Care, collectively referred to as
14 the “Medicare market;” Medicaid Fee-for-Service and Medicaid Managed Care, collectively
15 referred to as the “Medicaid market;” and individual, self-insured, small and large group markets
16 and student health insurance, collectively referred to as the “commercial market.”

17 (8) “Net cost of private health insurance” means the costs to Rhode Island residents
18 associated with the administration of private health insurance, including Medicare Managed Care
19 and Medicaid Managed Care. It is defined as the difference between health premiums earned and
20 benefits incurred, and consists of insurers’ costs of paying bills, advertising, sales commission and
21 other administrative costs, premium taxes, and profits (or contributions to reserves) or losses.

22 (9) “Payer” means any public payer, including Medicaid and Medicare; any health insurer
23 offering Medicaid Managed Care or Medicare Managed Care plans in Rhode Island; any
24 commercial health insurer, defined as an entity subject to the insurance laws and regulations of
25 Rhode Island, or subject to the jurisdiction of the health insurance commissioner, that contracts or
26 offers to contract to provide, deliver, arrange for, pay for, or reimburse any of the costs of health
27 care services, including, without limitation, an insurance company offering accident and sickness
28 insurance, a health maintenance organization, a non-profit hospital service corporation, a non-profit
29 medical service corporation, and a non-profit hospital and medical service corporation; and any
30 commercial health insurer that provides benefit administration for self-insured employers or labor
31 trusts, or both.

32 (10) “Pharmaceutical manufacturer” means any entity holding legal title to or possession
33 of a national drug code number issued by the Federal Food and Drug Administration.

34 (11) “Pharmacy Benefit Manager” has the same meaning as defined in § 27-19-26.2.

1 (12) “Primary care expenditures” means all claims-based and non-claims-based payments
2 by commercial health insurers, Medicaid, and Medicare directly to a primary care practice or
3 accountable care organization for primary care services delivered to Rhode Island residents at a
4 primary care site of care, which shall include a primary care outpatient setting, federally qualified
5 health center, school-based health center, or via telehealth, but shall not include a third-party
6 telehealth vendor that does not contract with such sites of care to deliver services. A primary care
7 site of care also does not include urgent care centers or retail pharmacy clinics.

8 ~~(3)~~(13) “Primary care services” means, for the purposes of reporting required under § 42-
9 14.5-3(t), professional services rendered by primary care providers at a primary care site of care,
10 including care management services performed in the context of team-based primary care.

11 (14) “Provider” has the same meaning as defined in § 27-18-1.1, § 27-19-1, and § 27-20-
12 1.

13 ~~(4)~~(15) “Rate review” means the process of reviewing and reporting of specific trending
14 factors that influence the cost of service that informs rate setting.

15 ~~(5)~~(16) “Rate setting” means the process of establishing rates for social and human service
16 programs that are based on a thorough rate review process.

17 ~~(6)~~(17) “Social and human service program” means a social, mental health, developmental
18 disability, child welfare, juvenile justice, prevention services, habilitative, rehabilitative, substance
19 use disorder treatment, residential care, adult or adolescent day services, vocational, employment
20 and training, or aging service program or accommodations purchased by the state.

21 ~~(7)~~(18) “Social and human service provider” means a provider of social and human service
22 programs pursuant to a contract with the state or any subdivision or agency to include, but not be
23 limited to, the department of children, youth and families (DCYF), the department of behavioral
24 healthcare, developmental disabilities and hospitals (BHDDH), the department of human services
25 (DHS), the department of health (DOH), and Medicaid.

26 ~~(8)~~(19) “State government and the provider network” refers to the contractual relationship
27 between a state agency or subdivision of a state agency and private companies the state contracts
28 with to provide the network of mandated and discretionary social and human services.

29 (20) “Total health care expenditures” means the total medical expense incurred by Rhode
30 Island residents for all health care services for all payers reporting to the office of the health
31 insurance commissioner, inclusive of prescription drugs, plus their net cost of private health
32 insurance.

33 (21) “Total medical expense” means the sum of the allowed amount of total claims and
34 total non-claims spending paid to providers, inclusive of prescription drugs, incurred by Rhode

1 [Island residents for all health care services.](#)

2 SECTION 14. Title 42 of the General Laws entitled "STATE AFFAIRS AND
3 GOVERNMENT" is hereby amended by adding thereto the following chapter:

4 CHAPTER 157.2

5 RHODE ISLAND MARKETPLACE AFFORDABILITY PROGRAM ACT OF 2026

6 **[42-157.2-1. Short title and purpose.](#)**

7 [\(a\) This chapter shall be known and may be cited as the "Rhode Island Marketplace](#)
8 [Affordability Program Act of 2026."](#)

9 [\(b\) The purpose of this chapter is to create a state affordability program to reduce health](#)
10 [insurance premiums for low- and moderate-income consumers enrolled in health insurance](#)
11 [coverage through the Rhode Island health benefit exchange.](#)

12 **[42-157.2-2. Definitions.](#)**

13 As used in this chapter:

14 [\(1\) "Exchange" means the Rhode Island health benefit exchange established within the](#)
15 [department of administration by § 42-157-1.](#)

16 [\(2\) "Health insurance coverage" has the same meaning as set forth in § 27-18.5-2.](#)

17 [\(3\) "Individual market" has the same meaning as set forth in § 27-18.5-2.](#)

18 [\(4\) "Insurer" has the same meaning as set forth in § 42-157-2.](#)

19 [\(5\) "Program" means the Rhode Island individual market affordability program](#)
20 [established by § 42-157.2-3.](#)

21 [\(6\) "State" means the State of Rhode Island.](#)

22 **[42-157.2-3. Establishment of the Rhode Island individual market affordability](#)**
23 **[program.](#)**

24 [\(a\) The exchange is authorized to establish and administer a state-based affordability](#)
25 [program, to be known as the Rhode Island individual market affordability program.](#)

26 [\(b\) The program is intended to mitigate the impact of high and rising healthcare costs for](#)
27 [low- and middle-income Rhode Islanders who purchase health insurance coverage through the](#)
28 [exchange.](#)

29 [\(c\) The program may provide state-based subsidies to individuals enrolled in health](#)
30 [insurance coverage through the exchange to make health insurance coverage more accessible and](#)
31 [affordable for individuals and households.](#)

32 **[42-157.2-4. General program parameters.](#)**

33 [\(a\) State-based subsidy amounts shall be based on annual affordability percentages,](#)
34 [following the methodology established by the exchange under § 42-157.2-5.](#)

1 (b) Any state-based subsidy provided by the program will be remitted by the exchange to
2 the insurer selected by the eligible enrollee.

3 (c) A state-based subsidy provided by the program shall be provided only to a Rhode Island
4 resident who is determined eligible by the exchange for the federal premium tax credit authorized
5 under § 36B of the internal revenue code and enrolled in health insurance coverage through the
6 exchange.

7 (1) A state-based subsidy may also be provided by the program to a Rhode Island resident
8 whose household income exceeds the limit set forth under § 36B of the internal revenue code but
9 meets all other eligibility criteria for the federal premium tax credit authorized under § 36B of the
10 internal revenue code, and is enrolled in health insurance coverage through the exchange.

11 **42-157.2-5. Adoption of methodology and annual affordability percentages.**

12 (a) Subject to appropriation, the exchange shall adopt by September 30th, and may amend,
13 annual affordability percentages for each upcoming coverage year to implement this chapter.

14 (b) Methodology for determining annual affordability percentages shall be set forth in
15 regulations promulgated by the exchange, consistent with the purposes of this chapter. The
16 exchange shall utilize this methodology to develop the annual affordability percentages.

17 (c) Annual affordability percentages, and any amendments thereto, shall be adopted by the
18 exchange after a duly noticed public meeting with advice from the exchange advisory board
19 established under § 42-157-7.

20 (1) The affordability percentages adopted for a coverage year shall be based on funds
21 appropriated to the program for that coverage year and consistent with the parameters specified in
22 § 42-157.2-4.

23 (i) All unexpended or unencumbered balances of appropriations at the end of any fiscal
24 year shall be reappropriated to the following fiscal year and made immediately available for same
25 purposes as the former appropriations.

26 (2) The exchange shall provide appropriate opportunities for stakeholders and the public
27 to consult in the adoption of the affordability percentages.

28 (3) The affordability percentages shall be tailored to maximize impact, targeting premium
29 assistance to enrollees based on their income and premium burden after accounting for other federal
30 and state assistance.

31 (i) For the year beginning January 1, 2027, the affordability percentages shall prioritize
32 households with incomes below 200% of the federal poverty level.

33 **42-157.2-6. Rules and regulations.**

34 (a) The exchange may promulgate regulations as necessary to carry out the purposes of this

1 [chapter.](#)

2 (b) The requirements of the administrative procedures act (chapter 35 of title 42) shall
3 apply for any rules or regulations established or issued by the exchange pursuant to this
4 chapter, except for the first implementation year of the program established under this chapter.

5 [\(1\) For the first implementation year, the exchange shall provide opportunities for](#)
6 [stakeholders and the public to provide input. This shall include, but is not limited to:](#)

7 [\(i\) A duly noticed public meeting with advice from the exchange advisory board](#)
8 [established under § 42-157-7;](#)

9 [\(ii\) A 30-day public comment period; and](#)

10 (iii) Presentation by the exchange to the public of accompanying explanatory
11 documentation outlining any proposed regulatory adoption, any significant changes thereto,
12 and the rationale for those decisions.

13 **42-157.2-7. Construction.**

14 [\(a\) This chapter shall not be construed to create an entitlement, medical assistance, or](#)
15 [public assistance program of any kind, to appropriate any funds, to require the general assembly to](#)
16 [appropriate any funds, or to increase or decrease taxes owed by a taxpayer.](#)

17 [\(b\) In construing this chapter, the regulations promulgated by the exchange pursuant to §](#)
18 [42-157-14 shall apply to the extent those regulations do not conflict with this chapter or regulations](#)
19 [promulgated by the exchange pursuant to § 42-157.2-6\(a\).](#)

20 **42-157.2-8. Severability.**

21 The provisions of this chapter are severable, and if any provision hereof shall be held
22 invalid in any circumstances, any invalidity shall not affect any other provisions or
23 circumstances.

24 SECTION 15. Section 2 shall take effect on July 1, 2026. The remainder of this article shall
25 take effect upon passage.

26

1

ARTICLE 12

2

RELATING TO EFFECTIVE DATE

3

SECTION 1. This act shall take effect as of July 1, 2026, except as otherwise provided herein.

4

SECTION 2. The article shall take effect upon passage.

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