

2026 -- H 7362

LC003718

STATE OF RHODE ISLAND

IN GENERAL ASSEMBLY

JANUARY SESSION, A.D. 2026

A N A C T

RELATING TO LABOR AND LABOR RELATIONS -- HEALTH AND SAFE FAMILIES
WORKPLACES ACT--WORKWEEK

Introduced By: Representatives Alzate, Cotter, Fogarty, Dawson, Speakman, Batista,
Morales, and Felix

Date Introduced: January 28, 2026

Referred To: House Labor

It is enacted by the General Assembly as follows:

SECTION 1. Chapter 28-57 of the General Laws entitled "Healthy and Safe Families and
Workplaces Act" is hereby amended by adding thereto the following section:

28-57-14.2. Workweek.

(a)(1) Eight (8) hours of labor constitutes a day's work. Any work in excess of eight (8)
hours in one workday and any work in excess of thirty-two (32) hours in any one workweek and
the first eight (8) hours worked on the seventh day of work in any one workweek shall be
compensated at the rate of no less than one and one-half (1½) times the regular rate of pay for an
employee. The compensation rate of pay at thirty-two (32) hours shall reflect the previous
compensation rate of pay at forty (40) hours, and an employer shall not reduce an employee's
regular rate of pay as a result of this reduced hourly workweek requirement.

(2) This section does not apply to an employer with less than five hundred (500) employees.
For an employer with less than five hundred (500) employees, eight (8) hours of labor constitutes
a day's work. Any work in excess of eight (8) hours in one workday, and any work in excess of
forty (40) hours in any one workweek, and the first eight (8) hours worked on the seventh day of
work in any one workweek, shall be compensated at the rate of no less than one and one-half (1½)
times the regular rate of pay for an employee.

(b) Nothing in this section shall require an employer to combine more than one rate of
overtime compensation in order to calculate the amount to be paid to an employee for any hour of

overtime work.

(c) Nothing in this section shall be construed in a manner to discourage or prohibit an employer from the adoption of a workweek policy that provides greater rights or benefits than those provided pursuant to this section.

(d) Nothing in this section shall be construed as diminishing the obligation of an employer to comply with any contract, collective bargaining agreement, or employment benefit plan.

(e) Time spent commuting to and from the first place at which an employee's presence is required by the employer shall not be considered to be a part of a day's work.

(f) This section does not affect, change, or limit an employer's liability under the workers' compensation law.

SECTION 2. Section 28-3-11 of the General Laws in Chapter 28-3 entitled "Employment of Children" is hereby amended to read as follows:

28-3-11. Hours of work for children.

(a) No children under sixteen (16) years of age shall be employed or permitted or suffered to work more than ~~forty (40)~~ thirty-two (32) hours in any one week in any business or mercantile establishment within this state, and in no case shall the hours of labor exceed eight (8) hours in any one day. No child under eighteen (18) years of age shall be employed or permitted or suffered to work in any factory, manufacturing, mechanical, business, or mercantile establishment within this state more than ~~forty-eight (48)~~ thirty-two (32) hours in any one workweek. In no case shall the hours of labor exceed nine (9) hours in any calendar day, except when ~~forty-eight (48)~~ thirty-two (32) hours are worked in five (5) days, in which case the hours of labor shall not exceed nine and three-fifths ($9\frac{3}{5}$) hours in any calendar day. There shall be an interval (or period of cessation from work) of not less than eight (8) hours between the ending of the period of work on one calendar day and the beginning of a period of work on the subsequent consecutive calendar day.

(b) No minor between the ages of sixteen (16) and eighteen (18) years of age regularly attending a public or approved private day school or institution of higher learning shall be employed or permitted or suffered to work in any factory, manufacturing, mechanical, business, or mercantile establishment within this state before 6:00 a.m. or after 11:30 p.m. of any one day preceding a regularly scheduled school day, except that the minor may be employed or permitted or suffered to work until 1:30 a.m. of any nonregularly scheduled school day.

(c) Any minor between the ages of sixteen (16) and eighteen (18) may be employed during school vacations without limitation as to the total hours to be worked in a given week or calendar day provided the provisions of all other applicable federal and state laws and regulations are complied with. This provision applies as long as it continues to be permitted by federal law and/or

1 regulation.

2 SECTION 3. Sections 28-12-4.1, 28-12-4.2 and 28-12-4.3 of the General Laws in Chapter
3 28-12 entitled "Minimum Wages" are hereby amended to read as follows:

4 **28-12-4.1. Overtime pay.**

5 (a) Except as otherwise provided in this chapter, no employer shall employ any employee
6 for a workweek longer than ~~forty (40)~~ thirty-two (32) hours unless the employee is compensated at
7 a rate of one and one-half (1½) times the regular rate at which he or she is employed for all hours
8 worked in excess of ~~forty (40)~~ thirty-two (32) hours per week. Provided, however, employers who
9 or that pay any delivery drivers or sales merchandisers an overtime rate of compensation for hours
10 worked in excess of ~~forty (40)~~ thirty-two (32) hours in any one week shall not calculate that
11 overtime rate of compensation by fluctuating workweek method of overtime payment under 29
12 C.F.R. § 778.114.

13 (b) In any workweek in which an employee of a retail business is employed on a Sunday
14 or a holiday, or both, at a rate of one and one-half (1½) times the regular rate at which he or she is
15 employed as provided in § 5-23-2, the hours worked on the Sunday or holiday, or both, shall be
16 excluded from the calculation of overtime pay as required by this section.

17 (c) No city, town, or fire district shall employ any "firefighter," as defined in § 28-9.1-3,
18 excluding however civilian employees, for an average workweek longer than ~~forty-two (42)~~ thirty-
19 two (32) hours unless the firefighter is compensated at the rate of one and one-half (1½) times his
20 or her regular rate for all hours worked in excess of ~~forty-two (42)~~ thirty-two (32) hours based upon
21 an average workweek. An average workweek shall be calculated utilizing the prior consecutive
22 eight-week (8) period, based upon a seven-day (7) workweek. For the purposes of this section,
23 "hours worked" shall include all paid leave.

24 **28-12-4.2. Biweekly overtime pay.**

25 Except as otherwise provided in this chapter, no employer shall employ any employee on
26 a biweekly basis with hours worked and hourly wages averaged over that period for longer than
27 ~~forty (40)~~ thirty-two (32) hours per week unless the employee is compensated at a rate of one and
28 one-half (1½) times the regular rate at which he or she is employed for all hours worked in excess
29 of ~~forty (40)~~ thirty-two (32) hours per week.

30 **28-12-4.3. Exemptions.**

31 (a) The provisions of §§ 28-12-4.1 and 28-12-4.2 do not apply to the following employees:

32 (1) Any employee of a summer camp when it is open no more than six (6) months of the
33 year;

34 (2) Police officer;

1 (3) Employees of the state or political subdivision of the state who may elect through a
2 collective bargaining agreement, memorandum of understanding, or any other agreement between
3 the employer and representatives of the employees, or if the employees are not represented by an
4 exclusive bargaining agent, through an agreement or understanding arrived at between the
5 employer and the employee prior to the performance of work, to receive compensatory time off for
6 hours worked in excess of ~~forty (40)~~ thirty-two (32) in a week. The compensatory hours shall at
7 least equal one and one-half (1½) times the hours worked over ~~forty (40)~~ thirty-two (32) in a week.
8 If compensation is paid to an employee for accrued compensatory time, the compensation shall be
9 paid at the regular rate earned by the employee at the time of payment. At the time of termination,
10 unused accrued compensatory time shall be paid at a rate not less than:

11 (i) The average regular rate received by the employee during the last three (3) years of the
12 employee's employment; or

13 (ii) The final regular rate received by the employee, whichever is higher;

14 (4) Any employee employed in a bona fide executive, administrative, or professional
15 capacity, as defined by the Fair Labor Standards Act of 1938, 29 U.S.C. § 201 et seq., compensated
16 for services on a salary basis of not less than two hundred dollars (\$200) per week;

17 (5) Any employee as defined in subsection (a)(4) of this section unless the wages of the
18 employee, if computed on an hourly basis, would violate the applicable minimum wage law;

19 (6) Any salaried employee of a nonprofit national voluntary health agency who elects to
20 receive compensatory time off for hours worked in excess of ~~forty (40)~~ thirty-two (32) hours per
21 week;

22 (7) Any employee, including drivers, driver's helpers, mechanics, and loaders of any motor
23 carrier, including private carriers, with respect to whom the United States Secretary of
24 Transportation has power to establish qualifications and maximum hours of service pursuant to the
25 provisions of 49 U.S.C. § 31502;

26 (8) Any employee who is a salesperson, parts person, or mechanic primarily engaged in
27 the sale and/or servicing of automobiles, trucks, or farm implements, and is employed by a non-
28 manufacturing employer primarily engaged in the business of selling vehicles or farm implements
29 to ultimate purchasers, to the extent that the employers are exempt under the Fair Labor Standards
30 Act of 1938, 29 U.S.C. § 213(b)(10); provided, that the employee's weekly, biweekly, or monthly
31 actual earnings exceed an amount equal to the employee's basic contractual hourly rate of pay times
32 the number of hours actually worked plus the employee's basic contractual hourly rate of pay times
33 one-half (½) the number of hours actually worked in excess of ~~forty (40)~~ thirty-two (32) hours per
34 week;

(9) Any employee employed in agriculture; however, this exemption applies to all agricultural enterprises that produce greenhouse crops, fruit and vegetable crops, herbaceous crops, sod crops, viticulture, viniculture, floriculture, feed for livestock, forestry, dairy farming, aquaculture, the raising of livestock, furbearing animals, poultry and eggs, bees and honey, mushrooms, and nursery stock. This exemption also applies to nursery workers; and

(10) Any employee of an air carrier subject to the provisions of 45 U.S.C. § 181 et seq., of the Railway Labor Act when the hours worked by that employee in excess of ~~forty (40)~~ thirty-two (32) in a workweek are not required by the air carrier, but are arranged through a voluntary agreement among employees to trade scheduled work hours.

(b) Nothing in this section exempts any employee who under applicable federal law is entitled to overtime pay or benefits related to overtime pay.

SECTION 4. Sections 28-44-69 and 28-44-70 of the General Laws in Chapter 28-44 entitled "Employment Security — Benefits" are hereby amended to read as follows:

28-44-69. Work-sharing benefits.

(a) Definitions. As used in this section, unless the context clearly requires otherwise:

(1) "Affected unit" means a specified plant, department, shift, or other definable unit consisting of two (2) or more employees to which an approved work-sharing plan applies.

(2) "Eligible employee" means an individual who usually works for the employer submitting a work-sharing plan.

(3) "Eligible employer" means any employer who or that has had contributions credited to the employer's account and benefits have been chargeable to this account, or who or that has elected to reimburse the fund in lieu of paying contributions, and who or that is not delinquent in the payment of contributions or reimbursements as required by chapters 42 — 44, inclusive of this title.

(4) "Fringe benefits" include, but are not limited to: health insurance, retirement benefits, paid vacation and holidays, sick leave, and similar advantages that are incidents of employment.

(5) "Intermittent employment" means employment that is not continuous but may consist of periodic intervals of weekly work and intervals of no weekly work.

(6) "Seasonal employment" means employment with an employer who or that displays a twenty percent (20%) difference between its highest level of employment and its lowest level of employment each year for the three (3) previous calendar years as reported to the department of labor and training, or as shown in the information that is available and satisfactory to the director.

(7) "Temporary employment" means employment where an employee is expected to remain in a position for only a limited period of time and/or is hired by a temporary agency to fill a gap in an employer's workforce.

1 (8) "Usual weekly hours of work" means the normal hours of work each week for an
2 employee in an affected unit when that unit is operating on a full-time basis, not to exceed ~~forty~~
3 ~~(40)~~ thirty-two (32) hours and not including overtime.

4 (9) "Work-sharing benefits" means benefits payable to employees in an affected unit under
5 an approved work-sharing plan.

6 (10) "Work-sharing employer" means an employer with an approved work-sharing plan in
7 effect.

8 (11) "Work-sharing plan" means a plan submitted by an employer under which there is a
9 reduction in the number of hours worked by the employees in the affected unit in lieu of layoffs of
10 some of the employees.

11 (b) Criteria for approval of a work-sharing plan. An employer wishing to participate in the
12 work-sharing program shall submit a signed, written work-sharing plan to the director for approval.
13 The director shall approve a work-sharing plan only if the following requirements are met:

14 (1) The plan identifies the affected unit, or units, and specifies the effective date of the
15 plan;

16 (2) The employees in the affected unit, or units, are identified by name; social security
17 number; the usual weekly hours of work; proposed wage and hour reduction; and any other
18 information that the director shall require;

19 (3) The plan certifies that the reduction in the usual weekly hours of work is in lieu of
20 layoffs that would have affected at least 10 percent (10%) of the employees in the affected unit, or
21 units, to which the plan applies and that would have resulted in an equivalent reduction in work
22 hours;

23 (4) The usual weekly hours of work for employees in the affected unit, or units, are reduced
24 by not less than 10 percent (10%) and not more than 50 percent (50%);

25 (5) If the employer provides health benefits and/or retirement benefits under a defined-
26 benefit plan as defined in 26 U.S.C. § 414(j) of the Internal Revenue Code or contributions under
27 a defined-contribution plan as defined in 26 U.S.C. § 414(i) of the Internal Revenue Code to any
28 employee whose workweek is reduced under the program, the employer certifies that these benefits
29 will continue to be provided to employees participating in the work-sharing program under the
30 same terms and conditions as though the workweek of such employee had not been reduced or to
31 the same extent as other employees not participating in the work-sharing program;

32 (6) In the case of employees represented by a collective bargaining agent or union, the plan
33 is approved in writing by the collective bargaining agents or unions that cover the affected
34 employees. In the absence of any collective bargaining agent or union, the plan must contain a

1 certification by the employer that the proposed plan, or a summary of the plan, has been made
2 available to each employee in the affected unit;

3 (7) The plan will not serve as a subsidy of seasonal employment during the off season, nor
4 as a subsidy for temporary or intermittent employment;

5 (8) The employer agrees to furnish reports relating to the proper conduct of the plan and
6 agrees to allow the director, or his or her authorized representatives, access to all records necessary
7 to verify the plan prior to approval and, after approval, to monitor and evaluate application of the
8 plan;

9 (9) The employer describes the manner in which the requirements of this section will be
10 implemented (including a plan for giving notice, where feasible, to an employee whose workweek
11 is to be reduced) together with an estimate of the number of layoffs that would have occurred absent
12 the ability to participate in the work-sharing program and such other information as the director of
13 the department of labor and training determines is appropriate;

14 (10) The employer attests that the terms of the employer's written plan and implementation
15 are consistent with the employer's obligations under applicable federal and state laws; and

16 (11) In addition to the matters previously specified in this section, the director shall take
17 into account any other factors that may be pertinent to proper implementation of the plan.

18 (c) Approval or rejection of the plan. The director shall approve or reject a plan in writing.
19 The reasons for rejection shall be final and not subject to appeal. The employer shall be allowed to
20 submit another plan for consideration and that determination will be made based upon the new data
21 submitted by the interested employer.

22 (d) Effective date and duration of the plan. A work-sharing plan shall be effective on the
23 date that is mutually agreed upon by the employer and the director, which shall be specified in the
24 notice of approval sent to the employer. It shall expire at the end of the twelfth, full-calendar month
25 after its effective date, or on the date specified in the plan if that date is earlier; provided that the
26 plan is not previously revoked by the director. If a plan is revoked by the director, it shall terminate
27 on the date specified in the director's written order of revocation.

28 (e) Revocation of approval. The director may revoke approval of a work-sharing plan for
29 good cause. The revocation order shall be in writing and shall specify the date the revocation is
30 effective and the reasons for it. The revocation order shall be final and not subject to appeal.

31 (1) Good cause shall include, but not be limited to: (i) Failure to comply with assurances
32 given in the plan; (ii) Unreasonable revision of productivity standards for the affected unit; (iii)
33 Conduct or occurrences tending to defeat the intent and effective operation of the plan; and (iv)
34 Violation of any criteria on which approval of the plan was based.

1 (2) The action may be taken at any time by the director on his or her own motion; on the
2 motion of any of the affected unit's employees; or on the motion of the collective bargaining agent
3 or agents. The director shall review the operation of each qualified employer plan at least once
4 during the period the plan is in effect to assure its compliance with the work-sharing requirements.

5 (f) Modification of the plan. An operational approved, work-sharing plan may be modified
6 by the employer with the consent of the collective bargaining agent or agents, if any, if the
7 modification is not substantial and is in conformity with the plan approved by the director, provided
8 the modifications are reported promptly to the director by the employer. If the hours of work are
9 increased or decreased substantially beyond the level in the original plan, or any other conditions
10 are changed substantially, the director shall approve or disapprove the modifications without
11 changing the expiration date of the original plan. If the substantial modifications do not meet the
12 requirements for approval, the director shall disallow that portion of the plan in writing. The
13 decision of the director shall be final and not subject to appeal.

14 (g) Eligibility for work-sharing benefits. An individual is eligible to receive work-sharing
15 benefits, subsequent to serving a waiting period as prescribed by the director, with respect to any
16 week only if, in addition to meeting other conditions of eligibility for regular benefits under this
17 title that are not inconsistent with this section, the director finds that:

18 (1) During the week, the individual is employed as a member of an affected unit under an
19 approved work-sharing plan that was approved prior to that week, and the plan is in effect with
20 respect to the week for which work-sharing benefits are claimed.

21 (2) The individual is able to work and is available for the normal workweek with the work-
22 sharing employer.

23 (3) Notwithstanding any other provisions of this chapter to the contrary, an individual is
24 deemed unemployed in any week for which remuneration is payable to him or her as an employee
25 in an affected unit for less than his or her normal weekly hours of work as specified under the
26 approved work-sharing plan in effect for the week.

27 (4) Notwithstanding any other provisions of this title to the contrary, an individual shall
28 not be denied work-sharing benefits for any week by reason of the application of provisions relating
29 to the availability for work and active search for work with an employer other than the work-sharing
30 employer.

31 (5) Notwithstanding any other provisions of this title to the contrary, eligible employees
32 may participate, as appropriate, in training (including employer-sponsored training or worker
33 training funded under United States Public Law 113-128, the Workforce Innovation and
34 Opportunity Act of 2014 (29 U.S.C. § 3101 et seq.)) to enhance job skills if such program has been

1 approved by the state agency.

2 (h) Work-sharing benefits.

3 (1) The work-sharing weekly benefit amount shall be the product of the regular, weekly
4 benefit rate, including any dependents' allowances, multiplied by the percentage reduction in the
5 individual's usual weekly hours of work as specified in the approved plan. If the work-sharing,
6 weekly benefit amount is not an exact multiple of one dollar (\$1.00), then the weekly benefit
7 amount shall be rounded down to the next, lower multiple of one dollar (\$1.00).

8 (2) An individual may be eligible for work-sharing benefits or regular unemployment
9 compensation, as appropriate, except that no individual shall be eligible for combined benefits in
10 any benefit year in an amount more than the maximum entitlement established for unemployment
11 compensation, nor shall an individual be paid work-sharing benefits for more than fifty-two (52)
12 weeks, whether or not consecutive, in any benefit year pursuant to an approved work-sharing plan.

13 (3) The work-sharing benefits paid shall be deducted from the maximum-entitlement
14 amount established for that individual's benefit year.

15 (4) If an employer approves time off and the worker has performed some work during the
16 week, the individual is eligible for work-sharing benefits based on the combined work and paid
17 leave hours for that week. If the employer does not grant time off, the question of availability must
18 be investigated.

19 (5) If an employee was sick and consequently did not work all the hours offered by the
20 work-sharing employer in a given week, the employee will be denied work-sharing benefits for that
21 week.

22 (6) Claims for work-sharing benefits shall be filed in the same manner as claims for
23 unemployment compensation or as prescribed in regulations by the director.

24 (7) Provisions applicable to unemployment compensation claimants shall apply to work-
25 sharing claimants to the extent that they are not inconsistent with the established work-sharing
26 provisions. An individual who files an initial claim for work-sharing benefits shall be provided, if
27 eligible for benefits, a monetary determination of entitlement to work-sharing benefits and shall
28 serve a waiting week.

29 (8) If an individual works in the same week for an employer other than the work-sharing
30 employer, the individual's work-sharing benefits shall be computed in the same manner as if the
31 individual worked solely with the work-sharing employer. If the individual is not able to work, or
32 is not available for the normal workweek with the work-sharing employer, then no work-sharing
33 benefits shall be payable to that individual for that week.

34 (9) An individual who performs no services during a week for the work-sharing employer

1 and is otherwise eligible shall be paid the full, weekly unemployment compensation amount. That
2 week shall not be counted as a week with respect to which work-sharing benefits were received.

3 (10) An individual who does not work for the work-sharing employer during a week, but
4 works for another employer and is otherwise eligible, shall be paid benefits for that week under the
5 partial unemployment compensation provisions of this chapter. That week shall not be counted as
6 a week with respect to which work-sharing benefits were received.

7 (11) Nothing in the section shall preclude an otherwise eligible individual from receiving
8 total or partial unemployment benefits when the individual's work-sharing benefits have been
9 exhausted.

10 (i) Benefit charges. Work-sharing benefits shall be charged to employer accounts in the
11 same manner as regular benefits in accordance with the provisions of §§ 28-43-3 and 28-43-29.
12 Notwithstanding the above, any work-sharing benefits paid on or after July 1, 2013, that are eligible
13 for federal reimbursement, shall not be chargeable to employer accounts and employers liable for
14 payments in lieu of contributions shall not be responsible for reimbursing the employment security
15 fund for any benefits paid to their employees on or after July 1, 2013, that are reimbursed by the
16 federal government.

17 (j) Extended benefits. An individual who has received all of the unemployment
18 compensation or combined unemployment compensation and work-sharing benefits available in a
19 benefit year shall be considered an exhaustee for purposes of extended benefits, as provided under
20 the provisions of § 28-44-62, and, if otherwise eligible under those provisions, shall be eligible to
21 receive extended benefits.

22 (k) Severability. If any provision of this section, or its application to any person or
23 circumstance, is held invalid under federal law, the remainder of the section and the application of
24 that provision to other persons or circumstances shall not be affected by that invalidity.

25 **28-44-70. Entrepreneurial training assistance program.**

26 (a) Definitions. As used in this section, unless the context clearly requires otherwise:

27 (1) "Emergency unemployment compensation" means benefits, including dependents'
28 allowances, payable to an individual as authorized by the Unemployment Compensation Extension
29 Act of 2008 and in accordance with regulations established by the Secretary of Labor.

30 (2) "Employment assistance activities" means activities, including entrepreneurial training,
31 business counseling, and technical assistance, approved by the director in which an individual
32 identified through a worker profiling system as likely to exhaust regular benefits participates for
33 the purpose of establishing a business and become self-employed.

34 (3) "Employment assistance allowance" means an allowance payable in lieu of regular

1 benefits from the fund or an allowance payable in lieu of emergency unemployment compensation
2 benefits to an individual participating in employment assistance activities who meets the
3 requirements of this section.

4 (4) “Entrepreneurial training assistance program” means a program administered by the
5 director under which an eligible individual may receive employment assistance allowances
6 pursuant to the provisions of this section.

7 (5) “Full-time basis” means that the individual is devoting such amount of time as is
8 customary to establish a business that will serve as a full-time occupation for that individual, but in
9 no case less than ~~thirty-five (35)~~ thirty-two (32) hours per week.

10 (6) “Regular benefits” means benefits, including dependents’ allowances, payable to an
11 individual under chapters 42 — 44 of this title, or under any other state law, including benefits
12 payable to federal civilian employees and to ex-servicepersons pursuant to 5 U.S.C. § 8501 et seq.,
13 other than additional and extended benefits.

14 (b) Eligibility requirements for employment assistance allowances. Employment assistance
15 allowances shall be payable to an individual at the same interval, on the same terms, and subject to
16 the same conditions as regular benefits under chapters 42 — 44 of this title, except that:

17 (1) The requirements of §§ 28-44-12 and 28-44-20 relating to availability for work, active
18 search for work, and refusal to accept suitable work are not applicable to the individual;

19 (2) The requirements of §§ 28-42-3(26), 28-42-3(28), and 28-44-7 relating to income are
20 not applicable to income earned from self-employment by the individual;

21 (3) An individual who meets the requirements of this section shall be considered to be
22 totally unemployed pursuant to § 28-42-3(28); and

23 (4) An individual who fails to participate in employment assistance activities or who fails
24 to actively engage on a full-time basis in activities, which may include training, relating to the
25 establishment of a business and becoming self-employed or who fails to provide information that
26 the director requires shall be disqualified for the week the failure occurs and for each subsequent
27 week until the individual shows to the satisfaction of the director that the individual meets the
28 requirements of this section.

29 (c) Amount of employment assistance allowance. The weekly allowance payable under this
30 section to an individual shall be an amount equal to the weekly benefit amount, including
31 dependents’ allowances, payable to the individual for a week of total unemployment during the
32 benefit year pursuant to § 28-44-6.

33 (1) For those individuals participating in the entrepreneurial training assistance program
34 while collecting regular benefits under chapters 42 — 44 of this title, the sum of the allowance paid

1 under this section and regular benefits paid under chapters 42 — 44 of this title to an individual
2 with respect to any benefit year shall not exceed the maximum potential regular benefits, including
3 dependents' allowances, payable to that individual under chapters 42 — 44 of this title with respect
4 to the benefit year.

5 (2) For those individuals participating in the entrepreneurial training assistance program
6 while collecting emergency unemployment compensation benefits under the Unemployment
7 Compensation Extension Act of 2008, the allowance paid under this section to an individual, with
8 respect to any benefit year, shall not exceed an amount equal to twenty-six (26) times the
9 individual's regular weekly benefit amount, including dependents' allowances, payable to that
10 individual under chapters 42 — 44 of this title, with respect to the benefit year. Any individual who
11 chooses to terminate his or her participation in the entrepreneurial training assistance program, or
12 who has completed participation in the program, and who continues to meet the emergency
13 unemployment compensation eligibility requirements, shall be permitted to receive his or her
14 emergency unemployment compensation benefits with respect to subsequent weeks of
15 unemployment.

16 (d) Termination from the entrepreneurial training assistance program. The director may
17 terminate any individual from the entrepreneurial training assistance program who fails to meet
18 requirements of the program for three (3) or more weeks. Individuals who are terminated from or
19 voluntarily leave the entrepreneurial training assistance program may receive, if otherwise eligible,
20 regular benefits with respect to the benefit year; provided, that the total amount of regular benefits
21 and employment assistance allowances paid to the individual shall not exceed the maximum
22 potential regular benefits, including dependents' allowances, payable to that individual under
23 chapters 42 — 44 of this title with respect to the benefit year.

24 (e) Limitation on receipt of employment assistance allowances.

25 (1) The aggregate number of individuals receiving employment assistance allowances
26 under this section and under the regular benefits program under chapter 42 — 44 of this title for
27 any week shall not exceed five percent (5.0%) of the total number of individuals receiving regular
28 benefits under chapters 42 — 44 of this title for that week. The director shall, through regulations,
29 prescribe any actions that are necessary to assure the requirements of this subsection are met.

30 (2) The aggregate number of individuals receiving employment assistance allowances
31 under this section and under the emergency unemployment compensation program for any week
32 shall not exceed one percent (1.0%) of the total number of individuals receiving emergency
33 unemployment compensation benefits.

34 (3) The director shall, through regulations, prescribe any actions that are necessary to

1 assure the requirements of this subdivision are met.

2 (f) Financing costs of employment assistance allowances. Notwithstanding any
3 inconsistent provisions of chapters 42 — 44 of this title, employment assistance allowances paid
4 pursuant to this section shall be paid with money drawn from the fund and the allowances shall be
5 charged in the same manner as provided for regular benefits paid under chapters 42 — 44 of this
6 title. Allowances attributable to federal military or federal civilian service or paid under the
7 Unemployment Compensation Extension Act of 2008 shall be charged to the appropriate federal
8 account.

9 (g) Effective date and termination date. The provisions of this section shall apply to weeks
10 beginning after June 22, 1994, or to weeks beginning after any plan required by the United States
11 Department of Labor is approved by the department, whichever date is later; provided, that nothing
12 contained in this section shall be construed to require the director to operate an entrepreneurial
13 training assistance program as allowed under this section. The authority provided by this section
14 shall terminate:

15 (1) As of the effective date of the withdrawal of approval of any plan required by the United
16 States Department of Labor; or

17 (2) As of the week containing the date when federal law no longer authorizes the provisions
18 of this section.

19 SECTION 5. Sections 28-57-5 and 28-57-14 of the General Laws in Chapter 28-57 entitled
20 "Healthy and Safe Families and Workplaces Act" are hereby amended to read as follows:

21 **28-57-5. Accrual of paid sick and safe leave time.**

22 (a) All employees employed by an employer of eighteen (18) or more employees in Rhode
23 Island shall accrue a minimum of one hour of paid sick and safe leave time for every thirty five
24 (35) hours worked up to a maximum of twenty-four (24) hours during calendar year 2018, thirty-
25 two (32) hours during calendar year 2019, and up to a maximum of ~~forty (40)~~ thirty-two (32) hours
26 per year thereafter, unless the employer chooses to provide a higher annual limit in both accrual
27 and use. In determining the number of employees who are employed by an employer for
28 compensation, all employees defined in § 28-57-3(7) shall be counted.

29 (b) Employees who are exempt from the overtime requirements under 29 U.S.C. §
30 213(a)(1) of the federal Fair Labor Standards Act, 29 U.S.C. § 201 et seq., will be assumed to work
31 ~~forty (40)~~ thirty-two (32) hours in each workweek for purposes of paid sick and safe leave time
32 accrual unless their normal workweek is less than ~~forty (40)~~ thirty-two (32) hours, in which case
33 paid sick and safe leave time accrues based upon that normal workweek.

34 (c) Paid sick and safe leave time as provided in this chapter shall begin to accrue at the

1 commencement of employment or pursuant to the law's effective date [July 1, 2018], whichever is
2 later. An employer may provide all paid sick and safe leave time that an employee is expected to
3 accrue in a year at the beginning of the year.

4 (d) An employer may require a waiting period for newly hired employees of up to ninety
5 (90) days. During this waiting period, an employee shall accrue earned sick time pursuant to this
6 section or the employer's policy, if exempt under § 28-57-4(b), but shall not be permitted to use
7 the earned sick time until after he or she has completed the waiting period.

8 (e) Paid sick and safe leave time shall be carried over to the following calendar year;
9 however, an employee's use of paid sick and safe leave time provided under this chapter in each
10 calendar year shall not exceed twenty-four (24) hours during calendar year 2018, and thirty-two
11 (32) hours during calendar year 2019, and ~~forty (40)~~ thirty-two (32) hours per year thereafter.
12 Alternatively, in lieu of carryover of unused earned paid sick and safe leave time from one year to
13 the next, an employer may pay an employee for unused earned paid sick and safe leave time at the
14 end of a year and provide the employee with an amount of paid sick and safe leave that meets or
15 exceeds the requirements of this chapter that is available for the employee's immediate use at the
16 beginning of the subsequent year.

17 (f) Nothing in this chapter shall be construed as requiring financial or other reimbursement
18 to an employee from an employer upon the employee's termination, resignation, retirement, or
19 other separation from employment for accrued paid sick and safe leave time that has not been used.

20 (g) If an employee is transferred to a separate division, entity, or location within the state,
21 but remains employed by the same employer as defined in 29 C.F.R. § 791.2 of the federal Fair
22 Labor Standards Act, 29 U.S.C. § 201 et seq., the employee is entitled to all paid sick and safe leave
23 time accrued at the prior division, entity, or location and is entitled to use all paid sick and safe
24 leave time as provided in this act. When there is a separation from employment and the employee
25 is rehired within one hundred thirty-five (135) days of separation by the same employer, previously
26 accrued paid sick and safe leave time that had not been used shall be reinstated. Further, the
27 employee shall be entitled to use accrued paid sick and safe leave time and accrue additional sick
28 and safe leave time at the re-commencement of employment.

29 (h) When a different employer succeeds or takes the place of an existing employer, all
30 employees of the original employer who remain employed by the successor employer within the
31 state are entitled to all earned paid sick and safe leave time they accrued when employed by the
32 original employer, and are entitled to use earned paid sick and safe leave time previously accrued.

33 (i) At its discretion, an employer may loan sick and safe leave time to an employee in
34 advance of accrual by such employee.

1 (j) Temporary employees shall be entitled to use accrued paid sick and safe leave time
2 beginning on the one hundred eightieth (180) calendar day following commencement of their
3 employment, unless otherwise permitted by the employer. On and after the one hundred eightieth
4 (180) calendar day of employment, employees may use paid sick and safe leave time as it is
5 accrued. During this waiting period, an employee shall accrue earned sick time pursuant to this
6 chapter, but shall not be permitted to use the earned sick time until after he or she has completed
7 the waiting period.

8 (k) Seasonal employees shall be entitled to use accrued paid sick and safe leave time
9 beginning on the one hundred fiftieth (150) calendar day following commencement of their
10 employment, unless otherwise permitted by the employer. On and after the one hundred fiftieth
11 (150) calendar day of employment, employees may use paid sick and safe leave time as it is
12 accrued. During this waiting period, an employee shall accrue earned sick time pursuant to this
13 chapter, but shall not be permitted to use the earned sick time until after he or she has completed
14 the waiting period.

15 **28-57-14. Allowable substitution of employers' paid sick and safe leave time.**

16 (a) Employers may have different paid leave policies for different groups of employees,
17 provided that all policies meet the minimum requirements of this chapter.

18 (b) Employers who or that prefer not to track accrual of paid sick and safe leave time over
19 the course of the benefit year may also use the following schedules for providing lump sums of sick
20 leave or paid time off to their employees. Employers using these schedules will be in compliance
21 even if an employee's hours vary from week to week. For employees working an average of:

22 (1) ~~Thirty-seven and one-half (37.5) to forty (40)~~ Thirty-two (32) hours per week, provide
23 eight (8) hours per month for five (5) months;

24 (2) Thirty (30) hours per week, provide five (5) hours per month for eight (8) months;

25 (3) Twenty-four (24) hours per week, provide four (4) hours per month for ten (10) months;

26 (4) Twenty (20) hours per week, provide four (4) hours per month for nine (9) months;

27 (5) Sixteen (16) hours per week, provide three (3) hours per month for ten (10) months;

28 (6) Ten (10) hours per week, provide two (2) hours per month for ten (10) months;

29 (7) Five (5) hours per week, provide one hour per month for ten (10) months.

30 (c) In the case of an employer whose regular work day for full-time employees is less than
31 eight (8) hours per day, if the employer provides five (5) days of paid sick and safe time leave
32 consisting of the number of hours per day that constitute that full-time employee's work day and
33 provides them at the beginning of the year, the employer shall be in compliance with this
34 subsection.

1 (d) Employers who or that provide forty (40) or more hours of paid time off or vacation to
2 employees that also may be used as paid sick and safe leave, consistent with this section, shall not
3 be required to provide additional sick leave to employees who use all their time for other purposes
4 and have need of paid sick and safe leave later in the year, provided that the employers' leave
5 policies make clear that additional time will not be provided.

6 SECTION 6. Section 28-59-2 of the General Laws in Chapter 28-59 entitled "Rhode Island
7 Noncompetition Agreement Act" is hereby amended to read as follows:

8 **28-59-2. Definitions.**

9 As used in this chapter:

10 (1) "Business entity" means any person as defined in § 43-3-6 and includes a corporation,
11 business trust, estate trust, partnership, association, joint venture, government, governmental
12 subdivision or agency, or any other legal or commercial entity.

13 (2) "Earnings" means wages or compensation paid to an employee in the first ~~forty (40)~~
14 thirty-two (32) hours of work in a given week, not inclusive of hours paid at an overtime, Sunday,
15 or holiday rate.

16 (3) "Employee" means an individual who works for hire, including an individual employed
17 in a supervisory, managerial, or confidential position, but shall not include an independent
18 contractor.

19 (4) "Employer" means any person, business entity, partnership, individual proprietorship,
20 joint venture, firm, company, or other similar legal entity who or that employs one or more
21 employees, and shall include the state and its instrumentalities and political subdivisions, public
22 corporations, and charitable organizations.

23 (5) "Forfeiture agreement" means an agreement that imposes adverse financial
24 consequences on a former employee as a result of the termination of an employment relationship,
25 regardless of whether the employee engaged in competitive activities, following cessation of the
26 employment relationship. Forfeiture agreements do not include forfeiture for competition
27 agreements.

28 (6) "Forfeiture for competition agreement" means an agreement that by its terms or through
29 the manner in which it is enforced, imposes adverse financial consequences on a former employee
30 as a result of the termination of an employment relationship if the employee engages in competitive
31 activities.

32 (7) "Low-wage employee" means an employee whose average annual earnings, as defined
33 in subsection (2), are not more than two hundred fifty percent (250%) of the federal poverty level
34 for individuals as established by the United States Department of Health and Human Services

1 federal poverty guidelines.

2 (8) "Noncompetition agreement" means an agreement between an employer and an
3 employee, or otherwise arising out of an existing or anticipated employment relationship, under
4 which the employee or expected employee agrees that he or she will not engage in certain specified
5 activities competitive with his or her employer after the employment relationship has ended.

6 Noncompetition agreements include forfeiture for competition agreements, but do not include:

7 (i) Covenants not to solicit or hire employees of the employer;

8 (ii) Covenants not to solicit or transact business with customers, clients, or vendors of the
9 employer;

10 (iii) Noncompetition agreements made in connection with the sale of a business entity or
11 all or substantially all of the operating assets of a business entity or partnership, or otherwise
12 disposing of the ownership interest of a business entity or partnership, or division or subsidiary of
13 any of the foregoing, when the party restricted by the noncompetition agreement is a significant
14 owner of, or member or partner in, the business entity who will receive significant consideration or
15 benefit from the sale or disposal;

16 (iv) Noncompetition agreements originating outside of an employment relationship;

17 (v) Forfeiture agreements;

18 (vi) Nondisclosure or confidentiality agreements;

19 (vii) Invention assignment agreements;

20 (viii) Noncompetition agreements made in connection with the cessation of or separation
21 from employment if the employee is expressly granted seven (7) business days to rescind
22 acceptance; or

23 (ix) Agreements by which an employee agrees to not reapply for employment to the same
24 employer after termination of the employee.

25 (9) "Trade secret" means information as defined in § 6-41-1.

26 SECTION 7. Section 21-27-11.1 of the General Laws in Chapter 21-27 entitled "Sanitation
27 in Food Establishments" is hereby amended to read as follows:

28 **21-27-11.1. Definitions applicable to §§ 21-27-11 — 21-27-11.13.**

29 As used in §§ 21-27-11 — 21-27-11.13:

30 (1) "Bed and breakfast" establishment means an owner-occupied residence providing
31 accommodations for a charge to the public in operation for more than ten (10) nights in a twelve
32 (12) month period. Breakfast may be provided only to guests. The total number of individuals
33 served shall not exceed twelve (12), including the owner and any other individuals living or eating
34 on the premises. Bed and breakfast establishments shall not include motels, hotels, or boarding

1 houses.

2 (2) “Director” refers to the director of the department of health.

3 (3) “Division” means the division of food protection, the department of health.

4 (4) “Employee” means any person who works with or without pay in a food establishment.

5 (5) “Food establishment” means any place where food is prepared and intended for
6 individual portion service, and includes the site at which individual portions are provided. The term
7 includes any such place regardless of whether consumption is on or off the premises and regardless
8 of whether there is a charge for the food. The term includes, but is not limited to, restaurants,
9 caterers, nursing and retirement homes, hospitals, private clubs, industrial cafeterias, public and
10 private educational institutions, and delicatessens in retail food stores that cook and offer prepared
11 food in individual service portions.

12 (6) “Full-time equivalent” means ~~forty (40)~~ thirty-two (32) hours a week.

13 (7) “Itinerant vendor” means a food vending business serving food or drink from any
14 establishment or conveyance without fixed locations and without connection to water supply and
15 sewage disposal systems.

16 (8) “Manager certified in food safety” means a person certified in this state in accordance
17 with the requirements in this chapter.

18 (9) “Potentially hazardous foods” means any food or food ingredient, natural or synthetic
19 in a form capable of supporting: (i) the rapid and progressive growth of infectious or toxigenic
20 microorganisms, or (ii) the slower growth of *Clostridium botulinum*.

21 SECTION 8. Section 36-3.1-3 of the General Laws in Chapter 36-3.1 entitled "Alternative
22 Work Schedules" is hereby amended to read as follows:

23 **36-3.1-3. Definitions.**

24 As used in this chapter:

25 (1) “Alternative work schedules” means a plan of employment which varies the workday,
26 workweek, and work schedules as an alternative to the conventional workweek, while still working
27 the total basic number of hours required of their job. Alternative work schedules include flexitime,
28 compressed workweeks, jobsharing, permanent part-time, and other alternative work plans.
29 Alternative work schedules must first be approved by the appointing authority and reviewed by the
30 personnel administrator.

31 (2) “Compressed workweek” means a working schedule which compresses the biweekly
32 pay period into less than ten (10) working days.

33 (3) “Flexible-time employment” or “flexitime” as used in this chapter means employment
34 in which the workday of a full-time employee consists of at least four (4) work hours worked

1 between hours which are specified and known as “core time”, and the remaining hours of which
2 may be worked by the employee, as approved by the supervisor from among hours which are
3 specified as the earliest time an employee may normally start work and the latest time an employee
4 may normally stop work without special arrangements made in advance and known as the
5 “bandwidth” of the workday.

6 (4) “Job-sharing” means a work plan in which two (2) or more persons share one job,
7 jointly assuming responsibility for the job’s output.

8 (5) “Permanent part-time” means a work schedule which provides for less than ~~thirty-five~~
9 ~~(35)~~ thirty-two (32) hours per week on a nontemporary basis.

10 SECTION 9. Section 36-4-63 of the General Laws in Chapter 36-4 entitled "Merit System"
11 is hereby amended to read as follows:

12 **36-4-63. Sick leave and other leave — Effect of discharging upon overtime work and**
13 **overtime compensation.**

14 (a) For each discharge with pay of three (3) consecutive days of sick leave, an employee’s
15 appointing authority shall require a physician’s certificate or other evidence satisfactory to the
16 appointing authority. Sick leave is hereby defined to mean a necessary absence or absences from
17 duty due to an employee’s illness, injury, or exposure to contagious disease. In the event that the
18 required evidence satisfactory to the appointing authority is not presented by the employee prior to
19 or upon the conclusion of that leave, no payment of any compensation to which the employee would
20 otherwise be entitled shall be made and the employee shall be considered for all purposes as having
21 been absent without leave.

22 (b) In any given pay period in the event that an employee discharges any sick leave or leave
23 of a type referred to in subsection (a) of this section, either with pay or without pay, he or she shall
24 be permitted to work overtime only after he or she has worked his or her full ~~thirty-five (35)~~ thirty-
25 two (32) or forty (40) hours, whichever is appropriated for the job classification. This subsection
26 shall also apply to leave without pay which is taken by an employee for purposes other than those
27 purposes referred to in subsection (a) of this section excluding, specifically, planned vacation days,
28 personal days, and leave for death in employee’s immediate family.

29 (c) Overtime, for purposes of this section, shall mean the performance of hours of work in
30 any work week which are in excess of an employee’s established work week schedule, or when
31 requested by the employer. Hours which are paid for but not actually worked except planned
32 vacation days, personal days, jury duty, and leave for death in the employee’s immediate family
33 shall not be counted as hours worked nor shall they otherwise be used in computing overtime
34 compensation.

1 (d) The provisions of subsection (b) of this section shall not be applicable to employees in
2 the nonstandard category.

3 (e) Notwithstanding other subsections of this section, an employee who is granted leave
4 with or without pay for the purpose of fulfilling a military obligation shall be eligible to perform
5 overtime work.

6 (f) Notwithstanding the provisions of any other law, it shall be unlawful for any state
7 agency or any person or persons acting on behalf of the agency, to agree to, or enter into any
8 agreement including a collective bargaining agreement or any amendment, modification, extension,
9 or replacement thereof, whether verbal or written, which contains provisions that are inconsistent
10 with the provisions of this section and the inconsistent provisions shall be null and void, whether
11 the provisions result from agreement or the award of an arbitrator or arbitration panel under the
12 provisions of chapter 11 of this title.

13 SECTION 10. Section 37-13-10 of the General Laws in Chapter 37-13 entitled "Labor and
14 Payment of Debts by Contractors" is hereby amended to read as follows:

15 **37-13-10. Overtime compensation.**

16 Labor performed under the provisions of §§ 37-13-1 — 37-13-16, during the period of
17 ~~thirty-five (35)~~ thirty-two (32) hours in any one week and during the period of eight (8) hours in
18 any one day, shall be considered a legal week's work or a legal day's work, as the case may be, and
19 any number of hours of employment in any one week greater than the number of ~~thirty-five (35)~~
20 thirty-two (32) hours or in any one day greater than the number of eight (8) hours shall be
21 compensated at the prevailing rate of wages for overtime employment; provided, however, when
22 the director of labor and training has determined in the investigation provided for in §§ 37-13-7
23 and 37-13-8 that there is a prevailing practice in a city, town, or other appropriate political
24 subdivision to pay an overtime rate of wages for work of any craft, mechanic, teamster, laborer, or
25 type of worker needed to execute the work other than hours worked in any one week greater than
26 the number of ~~thirty-five (35)~~ thirty-two (32) or in hours worked in any one day greater than the
27 number of eight (8), then the prevailing practice shall determine the legal workday and the legal
28 workweek in the city or town for the work and the prevailing rate of overtime wages shall be paid
29 for such work in excess of that legal workday or week, as the case may be.

30 SECTION 11. Section 37-26-4 of the General Laws in Chapter 37-26 entitled "Building
31 Service Work" is hereby amended to read as follows:

32 **37-26-4. Overtime compensation.**

33 Any hours worked in any one week beyond ~~thirty-five (35)~~ thirty-two (32) hours, or in any
34 one day beyond eight (8) hours, for work subject to the provisions of this chapter shall be

1 compensated at the rate of one and one-half (1½) of the standard wage, in addition to the standard
2 benefit and standard paid leave.

3 SECTION 12. Sections 40-5.2-12 and 40-5.2-23 of the General Laws in Chapter 40-5.2
4 entitled "The Rhode Island Works Program" are hereby amended to read as follows:

5 **40-5.2-12. Work requirements for receipt of cash assistance.**

6 (a) The department of human services and the department of labor and training shall assess
7 the applicant/parent or non-parent caretaker relative's work experience, educational, and vocational
8 abilities, and the department, together with the parent, shall develop and enter into a mandatory,
9 individual employment plan in accordance with § 40-5.2-10(e).

10 (b) In the case of a family including two (2) parents, at least one of the parents shall be
11 required to participate in an employment plan leading to full-time employment. The department
12 may also require the second parent in a two-parent (2) household to develop an employment plan
13 if, and when, the youngest child reaches six (6) years of age or older.

14 (c) The written, individual employment plan shall specify, at minimum, the immediate
15 steps necessary to support a goal of long-term, economic independence.

16 (d) All applicants and participants in the Rhode Island works employment program must
17 attend and participate in required appointments, employment plan development, and employment-
18 related activities, unless temporarily exempt for reasons specified in this chapter.

19 (e) A recipient/participant temporarily exempted from the work requirements may
20 participate in an individual employment plan on a voluntary basis, however, the individual remains
21 subject to the same program compliance requirements as a participant without a temporary
22 exemption.

23 (f) The individual employment plan shall specify the participant's work activity(ies) and
24 the supportive services that will be provided by the department to enable the participant to engage
25 in the work activity(ies).

26 (g) **Work requirements for single-parent families.** In single-parent households, the
27 participant parent or non-parent caretaker relative in the cash assistance payment, shall participate
28 as a condition of eligibility, for a minimum of twenty (20) hours per week if the youngest child in
29 the home is under the age of six (6), and for a minimum of thirty (30) hours per week if the youngest
30 child in the home is six (6) years of age or older, in one or more of their required work activities,
31 as appropriate, in order to help the parent obtain stable, full-time, paid employment, as determined
32 by the department of human services and the department of labor and training; provided, however,
33 that he or she shall begin with intensive employment services as the first step in the individual
34 employment plan. Required work activities are as follows:

1 (1) At least twenty (20) hours per week must come from participation in one or more of
2 the following ten (10) work activities:

- 3 (i) Unsubsidized employment;
- 4 (ii) Subsidized private-sector employment;
- 5 (iii) Subsidized public-sector employment;
- 6 (iv) Work experience;
- 7 (v) On-the-job training;
- 8 (vi) Job search and job readiness;
- 9 (vii) Community service programs;
- 10 (viii) Vocational educational training not to exceed twelve (12) months; provided,
11 however, that a participant who successfully completes their first year of education at the
12 community college of Rhode Island may participate in vocational education training for an
13 additional twelve (12) months;
- 14 (ix) Providing childcare services to another participant parent who is participating in an
15 approved community service program; and
- 16 (x) Adult education in an intensive work-readiness program.

17 (2) Above twenty (20) hours per week, the parent may participate in one or more of the
18 following three (3) activities in order to satisfy a thirty-hour (30) requirement:

- 19 (i) Job skills training directly related to employment;
- 20 (ii) Education directly related to employment; and
- 21 (iii) Satisfactory attendance at a secondary school or in a course of study leading to a
22 certificate of general equivalence if it is a teen parent under the age of twenty (20) who is without
23 a high school diploma or General Equivalence Diploma (GED).

24 (3) In the case of a parent under the age of twenty (20), attendance at a secondary school
25 or the equivalent during the month, or twenty (20) hours per week on average for the month in
26 education directly related to employment, will be counted as engaged in work.

27 (4) A parent who participates in a work experience or community service program for the
28 maximum number of hours per week allowable by the Fair Labor Standards Act (FLSA) is deemed
29 to have participated in his or her required minimum hours per week in core activities if actual
30 participation falls short of his or her required minimum hours per week.

31 (5) A parent who has been determined to have a physical or mental impairment affecting
32 employment, but who has not been found eligible for Social Security Disability benefits or
33 Supplemental Security Income must participate in his or her rehabilitation employment plan as
34 developed with the office of rehabilitation services that leads to employment and/or to receipt of

1 disability benefits through the Social Security Administration.

2 (6) A required work activity may be any other work activity permissible under federal
3 TANF provisions or state-defined Rhode Island works program activity, including up to ten (10)
4 hours of activities required by a parent's department of children, youth and families service plan.

5 (h) **Exemptions from work requirements for the single-parent family.** Work
6 requirements outlined in subsection (g) shall not apply to a single parent if (and for so long as) the
7 department finds that he or she is:

8 (1) Caring for a child below the age of one; provided, however, that a parent may opt for
9 the deferral from an individual employment plan for a maximum of twelve (12) months during the
10 twenty-four (24) months of eligibility for cash assistance and provided, further, that a minor parent
11 without a high school diploma or the equivalent, and who is not married, shall not be exempt for
12 more than twelve (12) weeks from the birth of the child;

13 (2) Caring for a disabled family member who resides in the home and requires full-time
14 care;

15 (3) A recipient of Social Security Disability benefits or Supplemental Security Income or
16 other disability benefits that have the same standard of disability as defined by the Social Security
17 Administration;

18 (4) An individual receiving assistance who is a victim of domestic violence as determined
19 by the department in accordance with rules and regulations;

20 (5) An applicant for assistance in her third trimester or a pregnant woman in her third
21 trimester who is a recipient of assistance and has medical documentation that she cannot work;

22 (6) An individual otherwise exempt by the department as defined in rules and regulations
23 promulgated by the department.

24 (i) **Work requirement for two-parent families.**

25 (1) In families consisting of two (2) parents, one or both parents are required, and shall be
26 engaged in, work activities as defined below, for an individual or combined total of at least ~~thirty-~~
27 ~~five (35)~~ thirty-two (32) hours per week during the month, not fewer than thirty (30) hours per
28 week of which are attributable to one or more of the following listed work activities; provided,
29 however, that he or she shall begin with intensive employment services as the first step in the
30 individual employment plan. Two-parent work requirements shall be defined as the following:

31 (i) Unsubsidized employment;

32 (ii) Subsidized private-sector employment;

33 (iii) Subsidized public-sector employment;

34 (iv) Work experience;

1 (v) On-the-job training;

2 (vi) Job search and job readiness;

3 (vii) Community service program;

4 (viii) Vocational educational training not to exceed twelve (12) months; provided,

5 however, that a participant who successfully completes their first year of education at the

6 community college of Rhode Island may participate in vocational education training for an

7 additional twelve (12) months;

8 (ix) The provision of childcare services to a participant individual who is participating in a

9 community service program; and

10 (x) Adult education in an intensive work-readiness program.

11 (2) Above thirty (30) hours per week, the following three (3) activities may also count for

12 participation:

13 (i) Job skills training directly related to employment;

14 (ii) Education directly related to employment; and

15 (iii) Satisfactory attendance at secondary school or in a course of study leading to a

16 certificate of general equivalence.

17 (3) A family with two (2) parents, in which one or both parents participate in a work

18 experience or community service program, shall be deemed to have participated in core work

19 activities for the maximum number of hours per week allowable by the Fair Labor Standards Act

20 (FLSA) if actual participation falls short of his or her required minimum hours per week.

21 (4) If the family receives childcare assistance and an adult in the family is not disabled or

22 caring for a severely disabled child, then the work-eligible individuals must be participating in work

23 activities for an average of at least fifty-five (55) hours per week to count as a two-parent family

24 engaged in work for the month.

25 (5) At least fifty (50) of the fifty-five (55) hours per week must come from participation in

26 the activities listed in subsection (i)(1).

27 Above fifty (50) hours per week, the three (3) activities listed in subsection (i)(2) may also

28 count as participation.

29 (6) A family with two (2) parents receiving child care in which one or both parents

30 participate in a work experience or community service program for the maximum number of hours

31 per week allowable by the Fair Labor Standards Act (FLSA) will be considered to have met their

32 required core hours if actual participation falls short of the required minimum hours per week. For

33 families that need additional hours beyond the core activity requirement, these hours must be

34 satisfied in some other TANF work activity.

1 (j) **Exemptions from work requirements for two-parent families.** Work requirements
2 outlined in subsection (i) shall not apply to two-parent families if (and for so long as) the department
3 finds that:

4 (1) Both parents receive Supplemental Security Income (SSI);

5 (2) One parent receives SSI, and the other parent is caring for a disabled family member
6 who resides in the home and who requires full-time care; or

7 (3) The parents are otherwise exempt by the department as defined in rules and regulations.

8 (k) **Failure to comply with work requirements — Sanctions.**

9 (1) The cash assistance to which an otherwise eligible family/assistance unit is entitled
10 under this chapter shall be reduced in accordance with rules and regulations promulgated by the
11 department, whenever any participant, without good cause as defined by the department in its rules
12 and regulations, has failed to enter into an individual employment plan; has failed to attend a
13 required appointment; has refused or quit employment; or has failed to comply with any other
14 requirements for the receipt of cash assistance under this chapter. The reduction in cash assistance
15 shall not exceed the share of the payment made to the participant, i.e., the amount paid in addition
16 to the payment for the dependent children. If the family's benefit has been reduced, benefits shall
17 be restored to the full amount beginning with the initial payment made on the first of the month
18 following the month in which the parent: (i) Enters into an individual employment plan and
19 demonstrates compliance with the terms thereof; or (ii) Demonstrates compliance with the terms
20 of his or her existing individual employment plan, as such plan may be amended by agreement of
21 the parent and the department.

22 (2) In the case where appropriate child care has been made available in accordance with
23 this chapter, a participant's failure, without good cause, to accept a bona fide offer of work,
24 including full-time, part-time, and/or temporary employment, or unpaid work experience or
25 community service, shall be deemed a failure to comply with the work requirements of this section
26 and shall result in reduction or termination of cash assistance, as defined by the department in rules
27 and regulations duly promulgated.

28 (3) [Deleted by P.L. 2024, ch. 117, art. 11, § 2, P.L. 2024, ch. 356, § 1, and P.L. 2024, ch.
29 357, § 1.]

30 (4) Up to ten (10) days following a notice of adverse action to reduce benefits under this
31 subsection, the client may request the opportunity to meet with a social worker to identify the
32 reasons for non-compliance, establish good cause, and seek to resolve any issues that have
33 prevented the parent from complying with the employment plan requirements.

34 (5) Participants whose cases had closed in sanction status pursuant to Rhode Island's prior

1 Temporary Assistance for Needy Families Program (federal TANF described in Title IV-A of the
2 federal Social Security Act, 42 U.S.C. § 601 et seq.), the family independence program, more
3 specifically, § 40-5.1-9(2)(c) [repealed], due to failure to comply with the cash assistance program
4 requirements, but who had received less than forty-eight (48) months of cash assistance at the time
5 of closure, and who reapply for cash assistance under the Rhode Island works program, must
6 demonstrate full compliance, as defined by the department in its rules and regulations, before they
7 shall be eligible for cash assistance pursuant to this chapter.

8 (l) **Good cause.** Good cause for failing to meet any program requirements including
9 leaving employment, and failure to fulfill documentation requirements, shall be outlined in rules
10 and regulations promulgated by the department of human services.

11 **40-5.2-23. Post-employment incentive bonus.**

12 The family/assistance unit may be eligible for an incentive bonus payment, if the
13 participant is employed and is working at least thirty (30) hours per week or more for a single-
14 parent family and ~~thirty-five (35)~~ thirty-two (32) hours per week for a two-parent family at the time
15 of closure on cash assistance and remains employed and continues to work at least thirty (30) hours
16 per week or ~~thirty-five (35)~~ thirty-two (32) hours per week or more, not to exceed a period of twelve
17 (12) months in accordance with rules and regulations promulgated by the department.

18 SECTION 13. Section 40-6.1-3 of the General Laws in Chapter 40-6.1 entitled "Work
19 Training Program" is hereby amended to read as follows:

20 **40-6.1-3. Work hours.**

21 No recipient shall be required to work in excess of eight (8) hours per day, nor in excess of
22 ~~forty (40)~~ thirty-two (32) hours per week. The actual number of work-training hours required shall
23 be determined by dividing the total grant of the recipient received under the general public
24 assistance program (GPA), by the then-prevailing minimum wage. The grant of each recipient shall
25 then be increased by the amount of thirty dollars (\$30.00) per week, or a portion thereof
26 proportionate to the number of hours actually worked compared to a standard ~~forty (40)~~ thirty-two
27 (32) week. The increase shall be considered to result from the recipient's participation in the
28 program, and shall be included in determining the number of hours to be worked.

29 SECTION 14. Section 42-11.3-1 of the General Laws in Chapter 42-11.3 entitled "Motor
30 Vehicles Owned by a Governmental Body" is hereby amended to read as follows:

31 **42-11.3-1. Definitions.**

32 As used in this chapter, the following terms have the following meanings unless otherwise
33 specified:

34 (1) "Commuting" means driving a motor vehicle owned by a governmental body to and

1 from the work place and the employee's residence.

2 (2) "Employee" means an individual who works for a governmental body not less than
3 ~~thirty-five (35)~~ thirty-two (32) hours a week.

4 (3) "General officer" means the governor, the lieutenant governor, the attorney general, the
5 secretary of state, and the general treasurer.

6 (4)(i) "Governmental body" means any department, commission, council, board, bureau,
7 committee, institution, legislative body, agency, government corporation, including, without
8 limitation, the council on postsecondary education and council on elementary and secondary
9 education or other establishment of the executive, legislative, or judicial branch of the state.

10 (ii) "Governmental body" also means the Rhode Island industrial recreational building
11 authority, the Rhode Island commerce corporation, the Rhode Island industrial facilities
12 corporation, the Rhode Island refunding bond authority, the Rhode Island housing and mortgage
13 finance corporation, the Rhode Island solid waste management corporation, the Rhode Island
14 public transit authority, the Rhode Island student loan authority, the Howard development
15 corporation, the water resources board, the Rhode Island health and education building corporation,
16 the Rhode Island turnpike and bridge authority, the Blackstone Valley district commission, the
17 Narragansett Bay water quality management district commission, Rhode Island
18 telecommunications authority, the convention center authority, channel 36 foundation, their
19 successors and assigns, and any other body corporate and politic that has been here before or that
20 is hereinafter created or established within this state excepting cities and towns.

21 (5) "Law enforcement officer" means an individual: (i) who is employed on a full-time
22 basis by a governmental body that is responsible for the prevention or investigation of crime
23 involving injury to persons or property (including the apprehension or detention of persons for such
24 crimes); (ii) who is authorized by law to carry firearms, execute search warrants, and to make arrests
25 (other than merely a citizen's arrest); and (iii) who regularly carries firearms (except when it is not
26 possible to do so because of the requirements of undercover work). The term law enforcement
27 officer shall include an arson investigator if the investigator otherwise meets these requirements.

28 (6) "Own" means control and the intent to control and includes any type of arrangement,
29 including by way of illustration, and not by limitation, a lease arrangement, whereby an employee
30 of a governmental body is supplied principal or exclusive use of a motor vehicle by the employee's
31 employer.

32 SECTION 15. Section 42-64.20-3 of the General Laws in Chapter 42-64.20 entitled
33 "Rebuild Rhode Island Tax Credit" is hereby amended to read as follows:

34 **42-64.20-3. Definitions.**

1 As used in this chapter:

2 (1) “Adaptive reuse” means the conversion of an existing structure from the use for which
3 it was constructed to a new use by maintaining elements of the structure and adapting such elements
4 to a new use.

5 (2) “Affiliate” means an entity that directly or indirectly controls, is under common control
6 with, or is controlled by the business. Control exists in all cases in which the entity is a member of
7 a controlled group of corporations as defined pursuant to section 1563 of the Internal Revenue Code
8 of 1986 (26 U.S.C. § 1563) or the entity is an organization in a group of organizations under
9 common control as defined pursuant to subsection (b) or (c) of section 414 of the Internal Revenue
10 Code of 1986 (26 U.S.C. § 414). A taxpayer may establish by clear and convincing evidence, as
11 determined by the tax administrator, that control exists in situations involving lesser percentages
12 of ownership than required by those statutes. An affiliate of a business may contribute to meeting
13 either the capital investment or full-time employee requirements of a business that applies for a
14 credit under this chapter.

15 (3) “Affordable housing” means housing for sale or rent with combined rental costs or
16 combined mortgage loan debt service, property taxes, and required insurance that do not exceed
17 thirty percent (30%) of the gross annual income of a household earning up to eighty percent (80%)
18 of the area median income, as defined annually by the United States Department of Housing and
19 Urban Development.

20 (4) “Applicant” means a developer applying for a rebuild Rhode Island tax credit under
21 this chapter.

22 (5) “Business” means a corporation as defined in § 44-11-1, or a partnership, an S
23 corporation, a nonprofit corporation, a sole proprietorship, or a limited liability corporation. A
24 business shall include an affiliate of the business if that business applies for a credit based upon
25 any capital investment made by an affiliate.

26 (6) “Capital investment” in a real estate project means expenses by a developer incurred
27 after application for:

28 (i) Site preparation and construction, repair, renovation, improvement, equipping, or
29 furnishing on real property or of a building, structure, facility, or improvement to real property;

30 (ii) Obtaining and installing furnishings and machinery, apparatus, or equipment, including
31 but not limited to, material goods for the operation of a business on real property or in a building,
32 structure, facility, or improvement to real property.

33 In addition to the foregoing, if a developer acquires or leases a qualified development
34 project, the capital investment made or acquired by the seller or owner, as the case may be, if

1 pertaining primarily to the premises of the qualified development project, shall be considered a
2 capital investment by the developer and, if pertaining generally to the qualified development project
3 being acquired or leased, shall be allocated to the premises of the qualified development project on
4 the basis of the gross leasable area of the premises in relation to the total gross leasable area in the
5 qualified development project. The capital investment described herein shall be defined through
6 rules and regulations promulgated by the commerce corporation.

7 (7) "Certified historic structure" means a property located in the state of Rhode Island and
8 is:

9 (i) Listed individually on the national register of historic places; or

10 (ii) Listed individually in the state register of historic places; or

11 (iii) Located in a registered historic district and certified by either the Rhode Island
12 historical preservation and heritage commission created pursuant to § 42-45-2 or the Secretary of
13 the United States Department of the Interior as being of historic significance to the district.

14 (8) "Commerce corporation" means the Rhode Island commerce corporation established
15 pursuant to § 42-64-1 et seq.

16 (9) "Commercial" shall mean nonresidential development.

17 (10) "Construction worker" means any laborer, mechanic, or machine operator employed
18 by a contractor or subcontractor in connection with the construction, alteration, repair, demolition,
19 reconstruction, or other improvements to real property.

20 (11) "Developer" means a person, firm, business, partnership, association, political
21 subdivision, or other entity that proposes to divide, divides, or causes to be divided real property
22 into a subdivision or proposes to build or builds a building or buildings or otherwise improves land
23 or existing structures, which division, building, or improvement qualifies for benefits under this
24 chapter.

25 (12) "Development" means the improvement of land through the carrying out of building,
26 engineering, or other operations in, on, over, or under land, or the making of any material change
27 in the use of any buildings or land for the purposes of accommodating land uses.

28 (13) "Eligibility period" means the period in which a developer may claim a tax credit
29 under this act, beginning with the tax period in which the commerce corporation accepts
30 certification from the developer that it has met the requirements of the act and extending thereafter
31 for a term of five (5) years.

32 (14) "Full-time employee" means a person who is employed by a business for consideration
33 for a minimum of at least ~~thirty-five (35)~~ thirty-two (32) hours per week, or who renders any other
34 standard of service generally accepted by custom or practice as full-time employment, or who is

1 employed by a professional employer organization pursuant to an employee leasing agreement
2 between the business and the professional employer organization for a minimum of ~~thirty-five (35)~~
3 thirty-two (32) hours per week, or who renders any other standard of service generally accepted by
4 custom or practice as full-time employment, and whose wages are subject to withholding.

5 (15) “Hope community” means a municipality for which the five-year (5) average
6 percentage of families with income below the federal poverty level exceeds the state five-year (5)
7 average percentage, both as most recently reported by the U.S. Department of Commerce, Bureau
8 of the Census.

9 (16) “Manufacturer” shall mean any entity that:

10 (i) Uses any premises within the state primarily for the purpose of transforming raw
11 materials into a finished product for trade through any or all of the following operations: adapting,
12 altering, finishing, making, processing, refining, metalworking, and ornamenting, but shall not
13 include fabricating processes incidental to warehousing or distribution of raw materials, such as
14 alteration of stock for the convenience of a customer; or

15 (ii) Is described in codes 31-33 of the North American Industry Classification System, as
16 revised from time to time.

17 (17) “Mixed use” means a development comprising both commercial and residential
18 components.

19 (18) “Partnership” means an entity classified as a partnership for federal income tax
20 purposes.

21 (19) “Placed in service” means the earlier of (i) Substantial construction or rehabilitation
22 work has been completed that would allow for occupancy of an entire structure or some identifiable
23 portion of a structure, as established in the application approved by the commerce corporation
24 board; or (ii) Receipt by the developer of a certificate, permit, or other authorization allowing for
25 occupancy of the project or some identifiable portion of the project by the municipal authority
26 having jurisdiction.

27 (20) “Project” means qualified development project as defined under subsection (24).

28 (21) “Project area” means land or lands under common ownership or control in which a
29 qualified development project is located.

30 (22) “Project cost” means the costs incurred in connection with the qualified development
31 project or qualified residential or mixed use project by the applicant until the issuance of a
32 permanent certificate of occupancy, or until such other time specified by the commerce corporation,
33 for a specific investment or improvement, as defined through rules and regulations promulgated by
34 the commerce corporation.

1 (23) “Project financing gap” means:

2 (i) The part of the total project cost that remains to be financed after all other sources of
3 capital have been accounted for (the sources will include, but not be limited to, developer-
4 contributed capital), which shall be defined through rules and regulations promulgated by the
5 commerce corporation; or

6 (ii) The amount of funds that the state may invest in a project to gain a competitive
7 advantage over a viable and comparable location in another state by means described in this chapter.

8 (24) “Qualified development project” means a specific construction project or
9 improvement, including lands, buildings, improvements, real and personal property or any interest
10 therein, including lands under water, riparian rights, space rights and air rights, acquired, owned,
11 leased, developed or redeveloped, constructed, reconstructed, rehabilitated or improved,
12 undertaken by a developer, owner or tenant, or both, within a specific geographic area, meeting the
13 requirements of this chapter, as set forth in an application made to the commerce corporation.

14 (25) “Recognized historical structure” means a property located in the state of Rhode Island
15 and commonly considered to be of historic or cultural significance as determined by the commerce
16 corporation in consultation with the state historic preservation officer.

17 (26) “Residential” means a development of residential dwelling units.

18 (27) “Targeted industry” means any advanced, promising, or otherwise prioritized industry
19 identified in the economic development vision and policy promulgated pursuant to § 42-64.17-1
20 or, until such time as any such economic development vision and policy is promulgated, as
21 identified by the commerce corporation.

22 (28) “Transit-oriented development area” means an area in proximity to transit
23 infrastructure that will be further defined by regulation of the commerce corporation in consultation
24 with the Rhode Island department of transportation.

25 (29) “Workforce housing” means housing for sale or rent with combined rental costs or
26 combined mortgage loan debt service, property taxes, and required insurance that do not exceed
27 thirty percent (30%) of the gross annual income of a household earning between eighty percent
28 (80%) and one hundred and forty percent (140%) of the area median income, as defined annually
29 by the United States Department of Housing and Urban Development.

30 SECTION 16. Section 42-64.22-2 of the General Laws in Chapter 42-64.22 entitled "Tax
31 Stabilization Incentive" is hereby amended to read as follows:

32 **42-64.22-2. Definitions.**

33 As used in this chapter:

34 (1) “Adaptive reuse” means the conversion of an existing structure from the use for which

1 it was constructed to a new use by maintaining elements of the structure and adapting such elements
2 to a new use.

3 (2) “Affiliate” means an entity that directly or indirectly controls, is under common control
4 with, or is controlled by the business. Control exists in all cases in which the entity is a member of
5 a controlled group of corporations as defined pursuant to section 1563 of the Internal Revenue Code
6 of 1986 (26 U.S.C. § 1563) or the entity is an organization in a group of organizations under
7 common control as defined pursuant to subsection (b) or (c) of section 414 of the Internal Revenue
8 Code of 1986 (26 U.S.C. § 414). A taxpayer may establish by clear and convincing evidence, as
9 determined by the tax administrator, that control exists in situations involving lesser percentages
10 of ownership than required by those statutes. An affiliate of a business may contribute to meeting
11 either the capital investment or full-time employee requirements of a business that applies for a
12 credit under this chapter.

13 (3) “Affordable housing” means housing for sale or rent with combined rental costs or
14 combined mortgage loan debt service, property taxes, and required insurance that do not exceed
15 thirty percent (30%) of the gross annual income of a household earning up to eighty percent (80%)
16 of the Providence-Fall River, RI-MA metropolitan area median income, as defined annually by the
17 United States Department of Housing and Urban Development.

18 (4) “Applicant” means a qualifying community or hope community applying for incentives
19 under this chapter.

20 (5) “Business” means a corporation as defined in § 44-11-1, or a partnership, an S
21 corporation, a nonprofit corporation, a sole proprietorship, or a limited liability corporation. A
22 business shall include an affiliate of the business if that business applies for a tax stabilization
23 agreement based upon any capital investment made by an affiliate.

24 (6) “Capital investment” in a qualified development project means expenses by a business
25 or any affiliate of the business incurred after application for:

26 (i) Site preparation and construction, repair, renovation, improvement, equipping, or
27 furnishing on real property or of a building, structure, facility, or improvement to real property;
28 and/or

29 (ii) Obtaining and installing furnishings and machinery, apparatus, or equipment, including
30 but not limited to material goods for the operation of a business on real property or in a building,
31 structure, facility, or improvement to real property.

32 In addition to the foregoing, if a business acquires or leases a qualified business facility,
33 the capital investment made or acquired by the seller or owner, as the case may be, if pertaining
34 primarily to the premises of the qualified business facility, shall be considered a capital investment

1 by the business and, if pertaining generally to the qualified business facility being acquired or
2 leased, shall be allocated to the premises of the qualified business facility on the basis of the gross
3 leasable area of the premises in relation to the total gross leasable area in the qualified business
4 facility. The capital investment described herein may include any capital investment made or
5 acquired within twenty-four (24) months prior to the date of application so long as the amount of
6 capital investment made or acquired by the business, any affiliate of the business, or any owner
7 after the date of application equals at least fifty percent (50%) of the amount of capital investment,
8 allocated to the premises of the qualified business facility being acquired or leased on the basis of
9 the gross leasable area of such premises in relation to the total gross leasable area in the qualified
10 business facility made or acquired prior to the date of application.

11 (7) "Certified historic structure" means a property which is located in the state of Rhode
12 Island and is

13 (i) Listed individually on the national register of historic places; or

14 (ii) Listed individually in the state register of historic places; or

15 (iii) Located in a registered historic district and certified by either the commission or
16 Secretary of the Interior as being of historic significance to the district.

17 (8) "Commerce corporation" means the Rhode Island commerce corporation established
18 pursuant to § 42-64-1 et seq.

19 (9) "Commercial" means nonresidential development.

20 (10) "Developer" means a person, firm, corporation, partnership, association, political
21 subdivision, or other entity that proposes to divide, divides, or causes to be divided real property
22 into a subdivision or proposes to build, or builds a building or buildings or otherwise improves land
23 or existing structures, which division, building, or improvement qualifies for benefits under this
24 chapter.

25 (11) "Development" means the improvement of land through the carrying out of building,
26 engineering, or other operations in, on, over, or under land, or the making of any material change
27 in the use of any buildings or land for the purposes of accommodating land uses.

28 (12) "Eligibility period" means the period in which a qualified community and/or Hope
29 Community may apply for reimbursement under this chapter. The eligibility period shall be subject
30 to the term defined in the qualifying tax stabilization agreement granted by said community. The
31 amounts subject to reimbursement shall cease upon any termination or cessation of the underlying
32 qualified tax stabilization agreement.

33 (13) "Forgone tax revenue" means the amount of revenue that a municipality would have
34 received from a qualified development project had a tax stabilization agreement not been in place,

1 less the amount of revenue the municipality would be expected to receive from that qualified
2 development project with a tax stabilization agreement in place.

3 (14) “Full-time job” means a position for which a person is employed by a business for
4 consideration for a minimum of at least ~~thirty-five (35)~~ thirty-two (32) hours per week, or who
5 renders any other standard of service generally accepted by custom or practice as full-time
6 employment, or who is employed by a professional employer organization pursuant to an employee
7 leasing agreement between the business and the professional employer organization for a minimum
8 of ~~thirty-five (35)~~ thirty-two (32) hours per week, or who renders any other standard of service
9 generally accepted by custom or practice as full-time employment, and whose wages are subject to
10 withholding.

11 (15) “Hope community” means a municipality for which the five-year (5) average
12 percentage of families with income below the federal poverty level exceeds the state five-year (5)
13 average percentage, both as most recently reported by the U.S. Department of Commerce, Bureau
14 of the Census.

15 (16) “Project” means qualified development project as defined under subsection (18).

16 (17) “Project cost” means the costs incurred in connection with the qualified development
17 project by the applicant until the issuance of a permanent certificate of occupancy, or until such
18 other time specified by the commerce corporation, for a specific investment or improvement, as
19 defined through rules and regulations promulgated by the commerce corporation.

20 (18) “Qualified development project” includes:

21 (i) Rehabilitation of an existing structure where the total cost of development budget
22 exceeds fifty percent (50%) of adjusted basis in such a qualifying property as of the date that the
23 parties applied for said qualifying tax stabilization agreement; or

24 (ii) Construction of a new building wherein:

25 (A) The subject community has issued a tax stabilization agreement, as set forth herein and
26 pursuant to § 44-3-9 as well as other applicable rules, regulations, and procedures;

27 (B) Construction commences within twelve (12) months of the subject tax stabilization
28 agreement being approved; and

29 (C) Completion of the proposed development project occurs within thirty six (36) months,
30 subject to the approval of qualifying or hope communities.

31 (19) “Qualifying communities” are those municipalities within the state that are not defined
32 as a hope community.

33 (20) “Qualifying property” means any building or structure used or intended to be used
34 essentially for offices or commercial enterprises or residential purposes.

(21) “Qualifying tax stabilization agreement” are those tax stabilization agreements with a minimum term of twelve (12) years, granted by a qualified and/or hope community in connection with a qualifying project.

(22) “Recognized historical structure” means a property that is located in the state of Rhode Island and is commonly considered to be of historic or cultural significance as determined by the commerce corporation in consultation with the state historic preservation officer.

(23) “Workforce housing” means housing for sale or rent with combined rental costs or combined mortgage loan debt service, property taxes, and required insurance that do not exceed thirty percent (30%) of the gross annual income of a household earning between eighty percent (80%) and one hundred and forty percent (140%) of the Providence-Fall River, RI-MA metropolitan area median income, as defined annually by the United States Department of Housing and Urban Development.

SECTION 17. Section 42-64.23-3 of the General Laws in Chapter 42-64.23 entitled "First Wave Closing Fund" is hereby amended to read as follows:

42-64.23-3. Definitions.

As used in this chapter:

(1) “Affiliate” means an entity that directly or indirectly controls, is under common control with, or is controlled by the business. Control exists in all cases in which the entity is a member of a controlled group of corporations as defined pursuant to section 1563 of the Internal Revenue Code of 1986 (26 U.S.C. § 1563) or the entity is an organization in a group of organizations under common control as defined pursuant to subsection (b) or (c) of section 414 of the Internal Revenue Code of 1986 (26 U.S.C. § 414). A taxpayer may establish by clear and convincing evidence, as determined by the commerce corporation in its sole discretion, that control exists in situations involving lesser percentages of ownership than required by those statutes. An affiliate of a business may contribute to meeting full-time employee requirements of a business that applies for benefits under this chapter.

(2) “Applicant” means a business applying for assistance under this chapter.

(3) “Business” means a corporation as defined in § 44-11-1, or is a partnership, an S corporation, a nonprofit corporation, a sole proprietorship, or a limited liability company.

(4) “Investment” in a development project means expenses by a business or any affiliate incurred after application including, but without limitation, for:

(i) Site preparation and construction, repair, renovation, improvement, equipping, or furnishing on real property or of a building, structure, facility, or improvement to real property; and/or

(ii) Obtaining and installing furnishings and machinery, apparatus, or equipment, including but not limited to material goods for the operation of a business on real property or in a building, structure, facility, or improvement to real property.

(5) "Commerce corporation" means the Rhode Island commerce corporation established by § 42-64-1 et seq.

(6) "Developer" means a person, firm, corporation, partnership, association, political subdivision, or other entity that proposes to divide, divides, or causes to be divided real property into a subdivision or proposes to build, or builds a building or buildings or otherwise improves land or existing structures, which division, building, or improvement of land qualifies for benefits under this chapter.

(7) "Development" means the improvement of land through the carrying out of building, engineering, or other operations in, on, over, or under land, or the making of any material change in the use of any buildings or land for the purposes of accommodating land uses.

(8) "Development project" means a real estate based development or other investment.

(9) "Full-time employee" means a person who is employed by a business for consideration for a minimum of at least ~~thirty-five (35)~~ thirty-two (32) hours per week, or who renders any other standard of service generally accepted by custom or practice as full-time employment, or who is employed by a professional employer organization pursuant to an employee leasing agreement between the business and the professional employer organization for a minimum of ~~thirty-five (35)~~ thirty-two (32) hours per week, or who renders any other standard of service generally accepted by custom or practice as full-time employment, and whose wages are subject to withholding.

(10) "Project cost" means the costs incurred in connection with a project by an applicant until the issuance of a permanent certificate of occupancy, or until such other time specified by the commerce corporation.

(11) "Project financing gap" means

(i) The part of the total project cost that remains to be financed after all other sources of capital have been accounted for (such sources will include, but not be limited to, developer-contributed capital), which shall be defined through rules and regulations promulgated by the commerce corporation; or

(ii) The amount of funds that the state may invest in a project to gain a competitive advantage over a viable and comparable location in another state by means described in this chapter.

SECTION 18. Section 42-64.26-3 of the General Laws in Chapter 42-64.26 entitled "Stay Invested in RI Wavemaker Fellowships" is hereby amended to read as follows:

42-64.26-3. Definitions.

1 As used in this chapter:

2 (1) “Applicant” means an eligible graduate who applies for a tax credit for education loan
3 repayment expenses under this chapter.

4 (2) “Award” means a tax credit awarded by the commerce corporation to an applicant as
5 provided under this chapter.

6 (3) “Commerce corporation” means the Rhode Island commerce corporation established
7 pursuant to chapter 64 of this title.

8 (4) “Eligibility period” means a term of up to four (4) consecutive service periods
9 beginning with the date that an eligible graduate receives initial notice of award under this chapter
10 and expiring at the conclusion of the fourth service period after such date specified.

11 (5) “Eligibility requirements” means the following qualifications or criteria required for an
12 applicant to claim an award under this chapter:

13 (i) That the applicant shall have graduated from an accredited two-year (2), four-year (4),
14 or graduate postsecondary institution of higher learning with an associate’s, bachelor’s, graduate,
15 or post-graduate degree and at which the applicant incurred education loan repayment expenses;

16 (ii) That the applicant shall be a full-time employee with a Rhode Island-based employer
17 located in this state throughout the eligibility period, whose employment is:

18 (A) For work in one or more of the following covered fields: life, natural or environmental
19 sciences; computer, information or software technology; advanced mathematics or finance;
20 engineering; industrial design or other commercially related design field; or medicine or medical
21 device technology;

22 (B) As a teacher; or

23 (C) As a healthcare applicant.

24 (6) “Eligible expenses” or “education loan repayment expenses” means annual higher
25 education loan repayment expenses, including, without limitation, principal, interest and fees, as
26 may be applicable, incurred by an eligible graduate and which the eligible graduate is obligated to
27 repay for attendance at a postsecondary institution of higher learning.

28 (7) “Eligible graduate” means an individual who meets the eligibility requirements under
29 this chapter.

30 (8) “Full-time employee” means:

31 (i) A person who is employed by a business for consideration for a minimum of at least
32 ~~thirty-five (35)~~ thirty-two (32) hours per week, or who renders any other standard of service
33 generally accepted by custom or practice as full-time employment, or who is employed by a
34 professional employer organization pursuant to an employee leasing agreement between the

1 business and the professional employer organization for a minimum of ~~thirty-five (35)~~ thirty-two
2 (32) hours per week, or who renders any other standard of service generally accepted by custom or
3 practice as full-time employment, and whose wages are subject to withholding; or

4 (ii) A healthcare applicant, as defined pursuant to the provisions of this section, who works
5 or professionally provides healthcare services for a minimum of ~~thirty-five (35)~~ thirty-two (32)
6 hours per week as a sole proprietor, as a partner in a healthcare service partnership, or as a member
7 in a single member limited liability company (“LLC”) to include any healthcare applicant who has
8 completed an application pursuant to the provisions of § 42-64.26-5 on or after July 1, 2022.

9 (9) “Fund” refers to the “Stay Invested in RI Wavemaker Fellowship Fund” established
10 pursuant to § 42-64.26-4(a).

11 (10) “Healthcare applicant” means any applicant who meets the eligibility requirements
12 and works as a full-time employee or in a capacity as defined in subsection (8)(ii) of this section,
13 as a high-demand healthcare practitioner or mental health professional, including, but not limited
14 to, clinical social workers and mental health counselors licensed by the department of health, and
15 as defined in regulations to be promulgated by the commerce corporation, in consultation with the
16 executive office of health and human services, pursuant to chapter 35 of this title.

17 (11) “Primary care” means healthcare services that cover a range of prevention, wellness,
18 and treatment for common illnesses and injuries. Primary care includes patients making an initial
19 approach to a healthcare professional for treatment as well as long-term relationships established
20 between a patient and a healthcare professional and may include family medicine or medical care,
21 general internal medicine or medical care, and general medical practice.

22 (12) “Rhode Island-based employer” means: (i) An employer having a principal place of
23 business or at least fifty-one percent (51%) of its employees located in this state; or (ii) An employer
24 registered to conduct business in this state that reported Rhode Island tax liability in the previous
25 tax year.

26 (13) “Service period” means a twelve-month (12) period beginning on the date that an
27 eligible graduate receives initial notice of award under this chapter.

28 (14) “Student loan” means a loan to an individual by a public authority or private lender to
29 assist the individual to pay for tuition, books, and living expenses in order to attend a postsecondary
30 institution of higher learning.

31 (15) “Taxpayer” means an applicant who receives a tax credit under this chapter.

32 (16) “Teacher” shall have the meaning prescribed to it in rules and regulations to be
33 promulgated by the commerce corporation in consultation with the Rhode Island department of
34 elementary and secondary education.

SECTION 19. Section 42-64.33-2 of the General Laws in Chapter 42-64.33 entitled "The Rhode Island Small Business Development Fund" is hereby amended to read as follows:

42-64.33-2. Definitions.

(a) As used in this chapter:

(1) "Affiliate" means an entity that directly, or indirectly, through one or more intermediaries, controls, or is controlled by, or is under common control with another entity. For the purposes of this chapter, an entity is "controlled by" another entity if the controlling entity holds, directly or indirectly, the majority voting or ownership interest in the controlled entity or has control over the day-to-day operations of the controlled entity by contract or by law.

(2) "Applicable percentage" means zero percent (0%) for the first three (3) credit allowance dates, and twenty-one and one-half percent (21.5%) for the fourth, fifth, and sixth credit allowance dates.

(3) "Capital investment" means any equity or debt investment in a small business development fund by a small business fund investor that:

(i) Is acquired after July 5, 2019, at its original issuance solely in exchange for cash;

(ii) Has one hundred percent (100%) of its cash purchase price used by the small business development fund to make qualified investments in eligible businesses located in this state within three (3) years of the initial credit allowance date; and

(iii) Is designated by the small business development fund as a capital investment under this chapter and is certified by the corporation pursuant to § 42-64.33-4. This term shall include any capital investment that does not meet the provisions of § 42-64.33-4(a) if the investment was a capital investment in the hands of a prior holder.

(4) "Corporation" means the Rhode Island commerce corporation.

(5) "Credit allowance date" means the date on which a capital investment is made and each of the five (5) anniversary dates of the date thereafter.

(6) "Eligible business" means a business that, at the time of the initial qualified investment in the company:

(i) Has less than two hundred fifty (250) employees;

(ii) Has not more than fifteen million dollars (\$15,000,000) in net income from the preceding tax year;

(iii) Has its principal business operations in this state; and

(iv) Is engaged in industries related to clean energy, biomedical innovation, life sciences, information technology, software, cyber physical systems, cybersecurity, data analytics, defense, shipbuilding, maritime, composites, advanced business services, design, food, manufacturing,

1 transportation, distribution, logistics, arts, education, hospitality, tourism, or, if not engaged in the
2 industries, the corporation makes a determination that the investment will be beneficial to the
3 economic growth of the state.

4 (7) “Eligible distribution” means:

5 (i) A distribution of cash to one or more equity owners of a small business fund investor to
6 fully or partially offset a projected increase in the owner’s federal or state tax liability, including
7 any penalties and interest, related to the owner’s ownership, management, or operation of the small
8 business fund investor;

9 (ii) A distribution of cash as payment of interest and principal on the debt of the small
10 business fund investor or small business development fund; or

11 (iii) A distribution of cash related to the reasonable costs and expenses of forming,
12 syndicating, managing, and operating the small business fund investor or the small business
13 development fund, or a return of equity or debt to affiliates of a small business fund investor or
14 small business development fund. The distributions may include reasonable and necessary fees paid
15 for professional services, including legal and accounting services, related to the formation and
16 operation of the small business development fund.

17 (8) “Jobs created” means a newly created position of employment that was not previously
18 located in the state at the time of the qualified investment in the eligible business and requiring a
19 minimum of ~~thirty-five (35)~~ thirty-two (32) hours worked each week, measured each year by
20 subtracting the number of full-time, ~~thirty-five hours-per-week (35)~~ thirty-two hours-per-week (32)
21 employment positions at the time of the initial qualified investment in the eligible business from
22 the monthly average of full-time, ~~thirty-five hours-per-week (35)~~ thirty-two hours-per-week (32)
23 employment positions for the applicable year. The number shall not be less than zero.

24 (9) “Jobs retained” means a position requiring a minimum of ~~thirty-five (35)~~ thirty-two (32)
25 hours worked each week that existed prior to the initial qualified investment. Retained jobs shall
26 be counted each year based on the monthly average of full-time, ~~thirty-five hours-per-week (35)~~
27 thirty-two hours-per-week (32) employment positions for the applicable year. The number shall not
28 exceed the initial amount of retained jobs reported and shall be reduced each year if employment
29 at the eligible business concern drops below that number.

30 (10) “Minority business enterprise” means an eligible business that is certified by the
31 Rhode Island office of diversity, equity and opportunity as being a minority or women business
32 enterprise.

33 (11) “Principal business operations” means the location where at least sixty percent (60%)
34 of a business’s employees work or where employees who are paid at least sixty percent (60%) of

1 the business's payroll work. A business that has agreed to relocate employees using the proceeds
2 of a qualified investment to establish its principal business operations in a new location shall be
3 deemed to have its principal business operations in the new location if it satisfies these requirements
4 no later than one hundred eighty (180) days after receiving a qualified investment.

5 (12) "Purchase price" means the amount paid to the small business development fund that
6 issues a capital investment that shall not exceed the amount of capital investment authority certified
7 pursuant to § 42-64.33-4.

8 (13) "Qualified investment" means any investment in an eligible business or any loan to
9 an eligible business with a stated maturity date of at least one year after the date of issuance,
10 excluding revolving lines of credit and senior secured debt unless the eligible business has a credit
11 refusal letter or similar correspondence from a depository institution or a referral letter or similar
12 correspondence from a depository institution referring the business to a small business development
13 fund; provided that, with respect to any one eligible business, the maximum amount of investments
14 made in the business by one or more small business development funds, on a collective basis with
15 all of the businesses' affiliates, with the proceeds of capital investments shall be twenty percent
16 (20%) of the small business development fund's capital investment authority, exclusive of
17 investments made with repaid or redeemed investments or interest or profits realized thereon. An
18 eligible business, on a collective basis with all of the businesses' affiliates, is prohibited from
19 receiving more than four million dollars (\$4,000,000) in investments from one or more small
20 business development funds with the proceeds of capital investments.

21 (14) "Small business development fund" means an entity certified by the corporation under
22 § 42-64.33-4.

23 (15) "Small business fund investor" means an entity that makes a capital investment in a
24 small business development fund.

25 (16) "State" means the state of Rhode Island.

26 (17) "State tax liability" means any liability incurred by any entity under § 44-17-1 et seq.

27 SECTION 20. Section 44-48.3-3 of the General Laws in Chapter 44-48.3 entitled "Rhode
28 Island New Qualified Jobs Incentive Act 2015" is hereby amended to read as follows:

29 **44-48.3-3. Definitions.**

30 As used in this chapter, unless the context clearly indicates otherwise, the following words
31 and phrases shall have the following meanings:

32 (1) "Affiliate" or "affiliated entity" means an entity that directly or indirectly controls, is
33 under common control with, or is controlled by the business. Control exists in all cases in which
34 the entity is a member of an affiliated group of corporations as defined pursuant to § 1504 of the

1 Internal Revenue Code of 1986 (26 U.S.C. § 1504) or the entity is an organization in a group of
2 organizations under common control as defined pursuant to subsection (b) or (c) of § 414 of the
3 Internal Revenue Code of 1986 (26 U.S.C. § 414). A taxpayer may establish by clear and
4 convincing evidence, as determined by the commerce corporation, that control exists in situations
5 involving lesser percentages of ownership than required by those statutes. An affiliate of a business
6 may contribute to meeting full-time employee requirements of a business that applies for a credit
7 under this chapter.

8 (2) “Business” means an applicant that is a corporation, state bank, federal savings bank,
9 trust company, national banking association, bank holding company, loan and investment
10 company, mutual savings bank, credit union, building and loan association, insurance company,
11 investment company, broker-dealer company or surety company, limited liability company,
12 partnership or sole proprietorship.

13 (3) “Commerce corporation” means the Rhode Island commerce corporation established
14 pursuant to chapter 64 of title 42.

15 (4) “Commitment period” means the period of time that at a minimum is twenty percent
16 (20%) greater than the eligibility period.

17 (5) “Eligibility period” means the period in which a business may claim a tax credit under
18 the program, beginning at the end of the tax period in which the commerce corporation issues a
19 certification for the business that it has met the employment requirements of the program and
20 extending thereafter for a term of not more than ten (10) years.

21 (6) “Eligible position” or “full-time job” means a full-time position in a business which has
22 been filled with a full-time employee who earns no less than the median hourly wage as reported
23 by the United States Bureau of Labor Statistics for the state of Rhode Island, provided, that for
24 economically fragile industries such as manufacturing, the commerce corporation may reduce the
25 wage threshold. An economically fragile industry shall not include retail.

26 (7) “Full-time employee” means a person who is employed by a business for consideration
27 for at least ~~thirty-five (35)~~ thirty-two (32) hours a week, or who is employed by a professional
28 employer organization pursuant to an employee leasing agreement between the business and the
29 professional employer organization for at least ~~thirty-five (35)~~ thirty-two (32) hours a week, and
30 whose wages are subject to withholding.

31 (8) “Hope community” means municipalities with a percentage of families below the
32 poverty level that is greater than the percentage of families below the poverty level for the state as
33 a whole as determined by the United States Census Bureau’s most recent American Community
34 Survey.

1 (9) “Incentive agreement” means the contract between the business and the commerce
2 corporation, which sets forth the terms and conditions under which the business shall be eligible to
3 receive the incentives authorized pursuant to the program.

4 (10) “Incentive effective date” means the date the commerce corporation issues a
5 certification for issuance of tax credit based on documentation submitted by a business pursuant to
6 § 44-48.3-7.

7 (11) “New full-time job” means an eligible position created by the business that did not
8 previously exist in this state and which is created after approval of an application to the commerce
9 corporation under the program. Such job position cannot be the result of an acquisition of an
10 existing company located in Rhode Island by purchase, merger, or otherwise. For the purposes of
11 determining the number of new full-time jobs, the eligible positions of an affiliate shall be
12 considered eligible positions of the business so long as such eligible position(s) otherwise meets
13 the requirements of this section.

14 (12) “Partnership” means an entity classified as a partnership for federal income tax
15 purposes.

16 (13) “Program” means the incentive program established pursuant to this chapter.

17 (14) “Targeted industry” means any industry identified in the economic development
18 vision and policy promulgated under § 42-64.17-1 or, until such time as any economic development
19 vision and policy is promulgated, as identified by the commerce corporation.

20 (15) “Taxpayer” means a business granted a tax credit under this chapter or such person
21 entitled to the tax credit because the business is a pass through entity such as a partnership, S
22 corporation, sole proprietorship or limited liability company taxed as a partnership.

23 (16) “Transit oriented development area” means an area in proximity to mass-transit
24 infrastructure including, but not limited to, an airport, rail or intermodal facility that will be further
25 defined by regulation of the commerce corporation in consultation with the Rhode Island
26 department of transportation.

27 SECTION 21. This act shall take effect upon passage.

=====
LC003718
=====

EXPLANATION
BY THE LEGISLATIVE COUNCIL
OF
A N A C T
RELATING TO LABOR AND LABOR RELATIONS -- HEALTH AND SAFE FAMILIES
WORKPLACES ACT--WORKWEEK

- 1
- 2
- 3
- 4
- 5
- 6
- 7
- This act would mandate that the workweek be reduced to thirty-two (32) hours. The rate of pay for a thirty-two (32) hour workweek would remain the same as the rate of pay for forty (40) hours. Work in excess of thirty-two (32) hours in any one workweek would qualify for overtime pay. This act would not apply to employers with less than five hundred (500) employees. This act would further provide that any obligation of an employer to comply with any contract, collective bargaining agreement, or employment benefit plan would not change.
- This act would take effect upon passage.

=====

LC003718

=====