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STATE OF RHODE ISLAND

IN GENERAL ASSEMBLY

JANUARY SESSION, A.D. 2026

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A N A C T

RELATING TO PUBLIC FINANCE -- STATE FUNDS

Introduced By: Representatives Stewart, Alzate, Diaz, Giraldo, Dawson, Kislak, Cruz,
Carson, Morales, and Cotter

Date Introduced: February 27, 2026

Referred To: House Finance

It is enacted by the General Assembly as follows:

1 SECTION 1. Section 35-4-27 of the General Laws in Chapter 35-4 entitled "State Funds"

2 is hereby amended to read as follows:

3 **35-4-27. Indirect cost recoveries on restricted receipt accounts.**

4 Indirect cost recoveries of fifteen percent (15%) of cash receipts shall be transferred from
5 all restricted receipt accounts, to be recorded as general revenues in the general fund. However,
6 there shall be no transfer from cash receipts with restrictions received exclusively: (1) From
7 contributions from nonprofit charitable organizations; (2) From the assessment of indirect cost-
8 recovery rates on federal grant funds; or (3) Through transfers from state agencies to the department
9 of administration for the payment of debt service. These indirect cost recoveries shall be applied to
10 all accounts, unless prohibited by federal law or regulation, court order, or court settlement. The
11 following restricted receipt accounts shall not be subject to the provisions of this section:

12 Executive Office of Health and Human Services

13 HIV Care Grant Drug Rebates

14 Health System Transformation Project

15 Rhode Island Statewide Opioid Abatement Account

16 HCBS Support-ARPA

17 HCBS Admin Support-ARPA

18 Department of Human Services

19 Organ Transplant Fund

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

1 Fire Academy Training Fees Account
2 Attorney General
3 Forfeiture of property
4 Federal forfeitures
5 Attorney General multi-state account
6 Forfeited property — Gambling
7 Department of Administration
8 Health Insurance Market Integrity Fund
9 RI Health Benefits Exchange
10 Information Technology restricted receipt account
11 Restore and replacement — Insurance coverage
12 Convention Center Authority rental payments
13 Investment Receipts — TANS
14 OPEB System Restricted Receipt Account
15 Grants Management Administration
16 Office of Energy Resources
17 OER Reconciliation Funding
18 RGGI Executive Climate Change Coordinating Council Projects
19 Electric Vehicle Charging Stations Operating and Maintenance Account
20 Clean Transportation Programs
21 Department of Housing
22 Housing Resources and Homelessness Restricted Receipt Account
23 Housing Production Fund
24 Low-Income Housing Tax Credit Fund
25 Department of Revenue
26 Car Rental Tax/Surcharge-Warwick Share
27 DMV Modernization Project
28 Jobs Tax Credit Redemption Fund
29 Legislature
30 Audit of federal assisted programs
31 Department of Children, Youth and Families
32 Children’s Trust Accounts — SSI
33 Military Staff
34 RI Military Family Relief Fund

1 RI National Guard Counterdrug Program
2 Treasury
3 Admin. Expenses — State Retirement System
4 Retirement — Treasury Investment Options
5 Defined Contribution — Administration - RR
6 Violent Crimes Compensation — Refunds
7 Treasury Research Fellowship
8 Business Regulation
9 Banking Division Reimbursement Account
10 Office of the Health Insurance Commissioner Reimbursement Account
11 Securities Division Reimbursement Account
12 Commercial Licensing and Racing and Athletics Division Reimbursement Account
13 Insurance Division Reimbursement Account
14 Historic Preservation Tax Credit Account
15 Rhode Island Cannabis Control Commission
16 Marijuana Trust Fund
17 Social Equity Assistance Fund
18 Judiciary
19 Arbitration Fund Restricted Receipt Account
20 Third-Party Grants
21 RI Judiciary Technology Surcharge Account
22 Department of Elementary and Secondary Education
23 Statewide Student Transportation Services Account
24 School for the Deaf Fee-for-Service Account
25 School for the Deaf — School Breakfast and Lunch Program
26 Davies Career and Technical School Local Education Aid Account
27 Davies — National School Breakfast & Lunch Program
28 School Construction Services
29 Office of the Postsecondary Commissioner
30 Tuition Savings Program Fund
31 Higher Education and Industry Center
32 IGT STEM Scholarships
33 Department of Labor and Training
34 Job Development Fund

1 Contractor Training Restricted Receipt Account
2 Workers' Compensation Administrative Account
3 Rhode Island Council on the Arts
4 Governors' Portrait Donation Fund
5 Statewide records management system account

6 [Rhode Island public transit authority account](#)

7 SECTION 2. Chapter 44-18 of the General Laws entitled "Sales and Use Taxes — Liability
8 and Computation" is hereby amended by adding thereto the following section:

9 **44-18-18.2. Rhode Island public transit authority operations allocation.**

10 [\(a\) All sales and use tax revenue collected from transportation network companies, as](#)
11 [defined in § 44-18-7.3, shall be deposited in a restricted receipt account for the benefit of the Rhode](#)
12 [Island public transit authority for purposes to fund paratransit transportation and RIDE Anywhere.](#)

13 [\(b\) There is created within the general fund a restricted receipt account known as the](#)
14 [“Rhode Island public transit authority account”. Revenue collected from transportation network](#)
15 [companies pursuant to subsection \(a\) of this section shall be deposited into this account and used](#)
16 [to fund operations related to paratransit transportation and RIDE Anywhere of the Rhode Island](#)
17 [public transit authority.](#)

18 [\(c\) The account created under this section shall be exempt from the indirect cost recovery](#)
19 [provision set forth in § 35-4-27.](#)

20 SECTION 3. This act shall take effect on July 1, 2026.

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EXPLANATION
BY THE LEGISLATIVE COUNCIL
OF
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RELATING TO PUBLIC FINANCE -- STATE FUNDS

1 This act would establish a restricted receipt account for the benefit of the Rhode Island
2 public transit authority funded by sales taxes collected from ride-share companies; and provided
3 further, the account would be exempt from indirect cost recovery provisions.

4 This act would take effect on July 1, 2026.

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