

2019 -- H 5151

LC000763

STATE OF RHODE ISLAND

IN GENERAL ASSEMBLY

JANUARY SESSION, A.D. 2019

A N A C T

RELATING TO MAKING APPROPRIATIONS IN SUPPORT OF FY 2020

Introduced By: Representative Marvin L. Abney

Date Introduced: January 17, 2019

Referred To: House Finance

(Governor)

It is enacted by the General Assembly as follows:

ARTICLE 1

RELATING TO MAKING APPROPRIATIONS IN SUPPORT OF FY 2020

SECTION 1. Subject to the conditions, limitations and restrictions hereinafter contained in this act, the following general revenue amounts are hereby appropriated out of any money in the treasury not otherwise appropriated to be expended during the fiscal year ending June 30, 2020. The amounts identified for federal funds and restricted receipts shall be made available pursuant to section 35-4-22 and Chapter 41 of Title 42 of the Rhode Island General Laws. For the purposes and functions hereinafter mentioned, the state controller is hereby authorized and directed to draw his or her orders upon the general treasurer for the payment of such sums or such portions thereof as may be required from time to time upon receipt by him or her of properly authenticated vouchers.

Administration

Central Management

General Revenues 2,669,232

Legal Services

General Revenues 2,399,876

Federal Funds 105,536

Total – Legal Services 2,505,412

Accounts and Control

1	General Revenues	5,412,043
2	Restricted Receipts	149,966
3	Total – Accounts and Control	5,562,009
4	<i>Office of Management and Budget</i>	
5	General Revenues	8,220,142
6	Restricted Receipts	300,000
7	Other Funds	1,321,384
8	Total – Office of Management and Budget	9,841,526
9	<i>Purchasing</i>	
10	General Revenues	3,443,947
11	Restricted Receipts	459,389
12	Other Funds	503,353
13	Total – Purchasing	4,406,689
14	<i>Human Resources</i>	
15	General Revenues	788,541
16	<i>Personnel Appeal Board</i>	
17	General Revenues	151,521
18	<i>Information Technology</i>	
19	General Revenues	1,647,418
20	Federal Funds	114,000
21	Restricted Receipts	6,622,092
22	Total – Information Technology	8,383,510
23	<i>Library and Information Services</i>	
24	General Revenues	1,457,501
25	Federal Funds	1,155,921
26	Restricted Receipts	1,404
27	Total – Library and Information Services	2,614,826
28	<i>Planning</i>	
29	General Revenues	736,706
30	Federal Funds	15,448
31	Other Funds	
32	Air Quality Modeling	24,000
33	Federal Highway – PL Systems Planning	3,775,979
34	FTA – Metro Planning Grant	1,107,450

1	Total – Planning	5,659,583
2	<i>General</i>	
3	General Revenues	
4	Miscellaneous Grants/Payments	130,000
5	Provided that this amount be allocated to City Year for the Whole School Whole Child	
6	Program, which provides individualized support to at-risk students.	
7	Torts – Courts/Awards	400,000
8	Resource Sharing and State Library Aid	9,362,072
9	Library Construction Aid	1,937,230
10	Restricted Receipts	700,000
11	Other Funds	
12	Rhode Island Capital Plan Funds	
13	Security Measures State Buildings	500,000
14	Energy Efficiency Improvements	500,000
15	Cranston Street Armory	500,000
16	State House Renovations	1,301,684
17	Zambarano Building Rehabilitation	3,720,000
18	Replacement of Fueling Tanks	330,000
19	Environmental Compliance	200,000
20	Big River Management Area	100,000
21	Pastore Center Buildings Demolition	1,000,000
22	Veterans Memorial Auditorium	90,000
23	Shepard Building	1,000,000
24	Pastore Center Water Tanks & Pipes	280,000
25	RI Convention Center Authority	5,500,000
26	Dunkin Donuts Center	1,500,000
27	Board of Elections (Medical Examiner)	6,000,000
28	Pastore Center Power Plant Rehabilitation	750,000
29	Accessibility – Facility Renovations	1,000,000
30	DoIT Operations System	1,000,000
31	BHDDH DD & Community Facilities – Asset Protection	200,000
32	BHDDH DD & Community Homes – Fire Code	350,000
33	BHDDH DD Regional Facilities – Asset Protection	300,000
34	BHDDH Group Homes	500,000

1	Expo Center (Springfield)	250,000
2	Hospital Consolidation	12,430,000
3	McCoy Stadium	200,000
4	Pastore Center Master Plan	2,000,000
5	South County Capital Projects	450,000
6	Capitol Hill Campus Projects	4,125,000
7	Pastore Center Campus Projects	7,587,888
8	Total – General	66,193,874
9	<i>Debt Service Payments</i>	
10	General Revenues	163,687,862
11	Out of the general revenue appropriations for debt service, the General Treasurer is	
12	authorized to make payments for the I-195 Redevelopment District Commission loan up to the	
13	maximum debt service due in accordance with the loan agreement.	
14	Federal Funds	1,870,830
15	Other Funds	
16	Transportation Debt Service	36,322,259
17	Investment Receipts – Bond Funds	100,000
18	Total - Debt Service Payments	201,980,951
19	<i>Energy Resources</i>	
20	Federal Funds	786,674
21	Restricted Receipts	7,817,428
22	Total – Energy Resources	8,604,102
23	<i>Rhode Island Health Benefits Exchange</i>	
24	General Revenues	2,755,841
25	Restricted Receipts	7,447,556
26	Total – Rhode Island Health Benefits Exchange	10,203,397
27	<i>Office of Diversity, Equity & Opportunity</i>	
28	General Revenues	1,304,197
29	Other Funds	122,303
30	Total – Office of Diversity, Equity & Opportunity	1,426,500
31	<i>Capital Asset Management and Maintenance</i>	
32	General Revenues	9,817,305
33	<i>Statewide Savings Initiatives</i>	
34	General Revenues	

1	Fraud and Waste Detection	(4,200,000)
2	Injured-on-Duty Savings	(1,657,000)
3	Overtime Savings	(1,000,000)
4	Statewide Efficiency Commission	(10,000,000)
5	Total – Statewide Savings Initiative	(16,857,000)
6	Grand Total – Administration	323,951,978
7	Business Regulation	
8	<i>Central Management</i>	
9	General Revenues	2,529,586
10	<i>Banking Regulation</i>	
11	General Revenues	1,659,819
12	Restricted Receipts	75,000
13	Total – Banking Regulation	1,734,819
14	<i>Securities Regulation</i>	
15	General Revenues	1,083,495
16	Restricted Receipts	15,000
17	Total – Securities Regulation	1,098,495
18	<i>Insurance Regulation</i>	
19	General Revenues	3,919,342
20	Restricted Receipts	2,011,929
21	Total – Insurance Regulation	5,931,271
22	<i>Office of the Health Insurance Commissioner</i>	
23	General Revenues	1,747,106
24	Federal Funds	386,854
25	Restricted Receipts	478,223
26	Total – Office of the Health Insurance Commissioner	2,612,183
27	<i>Board of Accountancy</i>	
28	General Revenues	5,883
29	<i>Commercial Licensing and Gaming and Athletics Licensing</i>	
30	General Revenues	976,519
31	Restricted Receipts	950,957
32	Total – Commercial Licensing, Racing & Athletics	1,927,476
33	<i>Building, Design and Fire Professionals</i>	
34	General Revenues	6,586,406

1	Federal Funds	378,840
2	Restricted Receipts	2,021,456
3	Other Funds	
4	Quonset Development Corporation	71,199
5	Rhode Island Capital Plan Funds	
6	Fire Academy	310,000
7	Total – Building, Design and Fire Professionals	9,367,901
8	<i>Office of Cannabis Regulation</i>	
9	Restricted Receipts	5,562,901
10	Grand Total – Business Regulation	30,770,515
11	Executive Office of Commerce	
12	<i>Central Management</i>	
13	General Revenues	921,663
14	Other Funds	
15	Rhode Island Capital Plan Funds	
16	Site Readiness	1,000,000
17	Total – Central Management	1,921,663
18	<i>Housing and Community Development</i>	
19	General Revenues	841,208
20	Federal Funds	17,611,003
21	Restricted Receipts	4,754,319
22	Total – Housing and Community Development	23,206,530
23	<i>Quasi–Public Appropriations</i>	
24	General Revenues	
25	Rhode Island Commerce Corporation	7,589,906
26	Airport Impact Aid	762,500
27	Sixty percent (60%) of the funds appropriated for airport impact aid shall be distributed	
28	to each airport serving more than 1,000,000 passengers based upon its percentage of the total	
29	passengers served by all airports serving more than 1,000,000 passengers. Forty percent (40%) of	
30	the funds appropriated shall be distributed based on the share of landings during the calendar year	
31	2019 at North Central Airport, Newport-Middletown Airport, Block Island Airport, Quonset	
32	Airport, T.F. Green Airport and Westerly Airport, respectively. The Rhode Island Commerce	
33	Corporation shall make an impact payment to the towns or cities in which the airport is located	
34	based on this calculation. Each community upon which any part of the above airports is located	

1	shall receive an equal share of the payment associated with that airport.	
2	STAC Research Alliance	900,000
3	Innovative Matching Grants/Internships	1,000,000
4	I-195 Redevelopment District Commission	761,000
5	Chafee Center at Bryant	476,200
6	Polaris Manufacturing Grant	350,000
7	Pay For Success	500,000
8	Other Funds	
9	Rhode Island Capital Plan Funds	
10	I-195 Commission	450,000
11	Quonset Piers	5,000,000
12	Quonset Point Infrastructure	4,000,000
13	Total – Quasi–Public Appropriations	21,789,606
14	<i>Economic Development Initiatives Fund</i>	
15	General Revenues	
16	Innovation Initiative	1,000,000
17	I-195 Redevelopment Fund	1,000,000
18	Rebuild RI Tax Credit Fund	15,000,000
19	Competitive Cluster Grants	100,000
20	P-tech	200,000
21	Small Business Promotion	300,000
22	Small Business Assistance	750,000
23	Total – Economic Development Initiatives Fund	18,350,000
24	<i>Commerce Programs</i>	
25	General Revenues	
26	Wavemaker Fellowship	1,200,000
27	40 th Portal	1,450,000
28	Streamline and Simplify	262,724
29	Total – Commerce Programs	2,912,724
30	Grand Total – Executive Office of Commerce	68,180,523
31	Labor and Training	
32	<i>Central Management</i>	
33	General Revenues	797,120
34	Restricted Receipts	222,508

1	Total – Central Management	1,019,628
2	<i>Workforce Development Services</i>	
3	General Revenues	6,276,757
4	Provided that \$100,000 be allocated to support the Opportunities Industrialization Center.	
5	Federal Funds	25,729,383
6	Restricted Receipts	17,247,532
7	Other Funds	197,142
8	Total – Workforce Development Services	49,450,814
9	<i>Workforce Regulation and Safety</i>	
10	General Revenues	3,231,560
11	<i>Income Support</i>	
12	General Revenues	5,066,681
13	Federal Funds	14,259,697
14	Restricted Receipts	4,409,670
15	Other Funds	
16	Temporary Disability Insurance Fund	203,094,524
17	Employment Security Fund	162,735,000
18	Total – Income Support	389,565,572
19	<i>Injured Workers Services</i>	
20	Restricted Receipts	10,573,722
21	<i>Labor Relations Board</i>	
22	General Revenues	441,669
23	Grand Total – Labor and Training	454,282,965
24	Department of Revenue	
25	<i>Director of Revenue</i>	
26	General Revenues	2,141,620
27	<i>Office of Revenue Analysis</i>	
28	General Revenues	841,407
29	<i>Lottery Division</i>	
30	Other Funds	420,149,414
31	<i>Municipal Finance</i>	
32	General Revenues	1,722,673
33	<i>Taxation</i>	
34	General Revenues	31,438,000

1	Federal Funds	0
2	Restricted Receipts	790,184
3	Other Funds	
4	Motor Fuel Tax Evasion	172,961
5	Total – Taxation	32,401,145
6	<i>Registry of Motor Vehicles</i>	
7	General Revenues	24,834,484
8	Federal Funds	545,243
9	Restricted Receipts	2,834,763
10	Other Funds	
11	DMV – HMA Transfer from DOT	4,534,968
12	Total – Registry of Motor Vehicles	32,749,458
13	<i>State Aid</i>	
14	General Revenues	
15	Distressed Communities Relief Fund	12,384,458
16	Payment in Lieu of Tax Exempt Properties	40,830,409
17	Motor Vehicle Excise Tax Payments	77,989,394
18	Property Revaluation Program	688,856
19	Restricted Receipts	922,013
20	Total – State Aid	132,815,130
21	<i>Collections</i>	
22	General Revenues	899,649
23	Grand Total – Revenue	623,720,496
24	Legislature	
25	General Revenues	44,754,101
26	Restricted Receipts	1,832,014
27	Grand Total – Legislature	46,586,115
28	Lieutenant Governor	
29	General Revenues	1,147,816
30	Secretary of State	
31	<i>Administration</i>	
32	General Revenues	3,675,528
33	<i>Corporations</i>	
34	General Revenues	2,191,898

1	<i>State Archives</i>	
2	General Revenues	112,670
3	Restricted Receipts	426,672
4	Total – State Archives	539,342
5	<i>Elections and Civics</i>	
6	General Revenues	2,117,101
7	Federal Funds	1,016,230
8	Total – Elections and Civics	3,133,331
9	<i>State Library</i>	
10	General Revenues	683,490
11	Provided that \$125,000 be allocated to support the Rhode Island Historical Society	
12	pursuant to Rhode Island General Law, Section 29-2-1 and \$18,000 be allocated to support the	
13	Newport Historical Society, pursuant to Rhode Island General Law, Section 29-2-2.	
14	<i>Office of Public Information</i>	
15	General Revenues	452,568
16	Receipted Receipts	25,000
17	Total – Office of Public Information	477,568
18	Grand Total – Secretary of State	10,701,157
19	General Treasurer	
20	<i>Treasury</i>	
21	General Revenues	2,643,533
22	Federal Funds	287,818
23	Other Funds	
24	Temporary Disability Insurance Fund	249,940
25	Tuition Savings Program – Administration	413,319
26	Total –Treasury	3,595,210
27	<i>State Retirement System</i>	
28	Restricted Receipts	
29	Admin Expenses – State Retirement System	9,898,528
30	Retirement – Treasury Investment Operations	1,838,053
31	Defined Contribution – Administration	231,632
32	Total – State Retirement System	11,968,213
33	<i>Unclaimed Property</i>	
34	Restricted Receipts	24,912,844

1	<i>Crime Victim Compensation Program</i>	
2	General Revenues	394,018
3	Federal Funds	711,156
4	Restricted Receipts	636,944
5	Total – Crime Victim Compensation Program	1,742,118
6	Grand Total – General Treasurer	42,218,385
7	Board of Elections	
8	General Revenues	2,462,583
9	Rhode Island Ethics Commission	
10	General Revenues	1,845,298
11	Office of Governor	
12	General Revenues	
13	General Revenues	6,243,211
14	Contingency Fund	250,000
15	Grand Total – Office of Governor	6,493,211
16	Commission for Human Rights	
17	General Revenues	1,353,591
18	Federal Funds	563,414
19	Grand Total – Commission for Human Rights	1,917,005
20	Public Utilities Commission	
21	Federal Funds	178,002
22	Restricted Receipts	12,034,581
23	Grand Total – Public Utilities Commission	12,212,583
24	Office of Health and Human Services	
25	<i>Central Management</i>	
26	General Revenues	30,406,442
27	Of this appropriation, \$115,310 is to increase the Medicaid program’s contribution to the	
28	per-member/per-month payment to RI Quality Institute for operation of the statewide Health	
29	Information Exchange, \$120,000 is for upgrades to the Health Information Exchange	
30	infrastructure, and \$100,000 is for the state share of financing for continued operation of the	
31	statewide clinical quality measurement system developed using federal funding from the State	
32	Innovation Models (SIM) Initiative. Each of the aforementioned appropriations is subject to the	
33	approval of the Secretary of the Executive Office of Health and Human Services and the Director	
34	of the Office of Management and Budget prior to being obligated.	

1	Federal Funds	145,779,469
2	Of this appropriation, \$1,037,790 is to increase the Medicaid program's contribution to	
3	the per-member/per-month payment to RI Quality Institute for operation of the statewide Health	
4	Information Exchange, \$1,080,000 is for upgrades to the Health Information Exchange	
5	infrastructure, and \$900,000 is for financing the continued operation of the statewide clinical	
6	quality measurement system developed using federal funding from the State Innovation Models	
7	(SIM) Initiative. Each of the aforementioned appropriations is subject to the approval of the	
8	Secretary of the Executive Office of Health and Human Services and the Director of the Office of	
9	Management and Budget prior to being obligated.	
10	Restricted Receipts	15,711,366
11	Total – Central Management	191,897,277
12	<i>Medical Assistance</i>	
13	General Revenues	
14	Managed Care	315,464,320
15	Hospitals	88,057,080
16	Nursing Facilities	164,773,740
17	Home and Community Based Services	41,837,041
18	Other Services	95,137,990
19	Pharmacy	74,760,160
20	Rhody Health	188,776,008
21	Federal Funds	
22	Managed Care	412,424,941
23	Hospitals	99,508,398
24	Nursing Facilities	184,767,499
25	Home and Community Based Services	46,913,576
26	Other Services	518,168,339
27	Pharmacy	(572,412)
28	Rhody Health	208,722,749
29	Other Programs	43,038,580
30	Restricted Receipts	9,024,205
31	Total – Medical Assistance	2,490,802,214
32	<i>Elderly Affairs</i>	
33	General Revenues	8,421,239
34	Of this amount, \$140,000 to provide elder services, including respite, through the	

1	Diocese of Providence, \$40,000 for ombudsman services provided by the Alliance for Long Term	
2	Care in accordance with Rhode Island General Law, Chapter 42-66.7, \$85,000 for security for	
3	housing for the elderly in accordance with Rhode Island General Law, Section 42-66.1-3,	
4	\$800,000 for Senior Services Support and \$580,000 for elderly nutrition, of which \$530,000 is for	
5	Meals on Wheels.	
6	Federal Funds	13,511,791
7	Restricted Receipts	172,609
8	Total – Elderly Affairs	22,105,639
9	<i>Office of Veterans' Affairs</i>	
10	General Revenues	25,831,689
11	Of this amount, \$400,000 to provide support services through Veterans' Organizations.	
12	Federal Funds	13,459,517
13	Restricted Receipts	1,000,000
14	Total – Office of Veterans' Affairs	40,291,206
15	Grand Total – Office of Health and Human Services	2,745,096,336
16	Children, Youth, and Families	
17	<i>Central Management</i>	
18	General Revenues	10,944,609
19	Federal Funds	3,729,331
20	Total – Central Management	14,673,940
21	<i>Children's Behavioral Health Services</i>	
22	General Revenues	7,185,060
23	Federal Funds	6,313,808
24	Total – Children's Behavioral Health Services	13,498,868
25	<i>Juvenile Correctional Services</i>	
26	General Revenues	22,361,978
27	Federal Funds	184,338
28	Other Funds	
29	Rhode Island Capital Plan Funds	
30	Training School Maintenance	1,500,000
31	Training School Generators	425,000
32	Total – Juvenile Correctional Services	24,499,991
33	<i>Child Welfare</i>	
34	General Revenues	

1	General Revenues	126,119,254
2	18 to 21 Year Olds	452,521
3	Federal Funds	47,287,733
4	Restricted Receipts	1,858,882
5	Total – Child Welfare	175,718,390
6	<i>Higher Education Incentive Grants</i>	
7	General Revenues	200,000
8	Grand Total – Children, Youth, and	
9	Families	228,591,189
10	Health	
11	<i>Central Management</i>	
12	General Revenues	3,644,060
13	Federal Funds	4,318,002
14	Restricted Receipts	6,758,617
15	Total – Central Management	14,720,679
16	<i>Community Health and Equity</i>	
17	General Revenues	1,673,497
18	Federal Funds	68,573,339
19	Restricted Receipts	38,176,076
20	Total – Community Health and Equity	108,422,912
21	<i>Environmental Health</i>	
22	General Revenues	5,631,319
23	Federal Funds	7,433,183
24	Restricted Receipts	625,138
25	Total – Environmental Health	13,689,640
26	<i>Health Laboratories and Medical Examiner</i>	
27	General Revenues	10,733,047
28	Federal Funds	2,012,392
29	Other Funds	
30	Rhode Island Capital Plan Funds	
31	Laboratory Equipment	400,000
32	Total – Health Laboratories and Medical Examiner	13,145,439
33	<i>Customer Services</i>	
34	General Revenues	7,636,027

1	Federal Funds	4,064,441
2	Restricted Receipts	1,405,836
3	Total – Customer Services	13,106,304
4	<i>Policy, Information and Communications</i>	
5	General Revenues	924,067
6	Federal Funds	3,238,593
7	Restricted Receipts	3,008,897
8	Total – Policy, Information and Communications	7,171,557
9	<i>Preparedness, Response, Infectious Disease & Emergency Services</i>	
10	General Revenues	1,998,023
11	Federal Funds	16,362,030
12	Total – Preparedness, Response, Infectious Disease &	
13	Emergency Services	18,360,053
14	Grand Total - Health	188,616,584
15	Human Services	
16	<i>Central Management</i>	
17	General Revenues	4,796,879
18	Of this amount, \$300,000 is to support the Domestic Violence Prevention Fund to	
19	provide direct services through the Coalition Against Domestic Violence, \$250,000 is to support	
20	Project Reach activities provided by the RI Alliance of Boys and Girls Clubs, \$217,000 is for	
21	outreach and supportive services through Day One, \$175,000 is for food collection and	
22	distribution through the Rhode Island Community Food Bank, \$500,000 for services provided to	
23	the homeless at Crossroads Rhode Island, and \$520,000 for the Community Action Fund and	
24	\$200,000 for the Institute for the Study and Practice of Nonviolence’s Reduction Strategy.	
25	Federal Funds	4,987,351
26	Total – Central Management	9,784,230
27	<i>Child Support Enforcement</i>	
28	General Revenues	2,822,190
29	Federal Funds	6,926,373
30	Total – Child Support Enforcement	9,748,563
31	<i>Individual and Family Support</i>	
32	General Revenues	31,647,539
33	Federal Funds	113,324,185
34	Restricted Receipts	11,918,988

1	Other Funds	
2	Food Stamp Bonus Funding	170,000
3	Intermodal Surface Transportation Fund	4,428,478
4	Rhode Island Capital Plan Funds	
5	Blind Vending Facilities	165,000
6	Total – Individual and Family Support	161,654,190
7	<i>Health Care Eligibility</i>	
8	General Revenues	2,608,841
9	Federal Funds	10,792,058
10	Total – Health Care Eligibility	13,400,899
11	<i>Supplemental Security Income Program</i>	
12	General Revenues	20,169,608
13	<i>Rhode Island Works</i>	
14	General Revenues	11,716,905
15	Federal Funds	92,933,110
16	Total – Rhode Island Works	104,650,015
17	<i>Other Programs</i>	
18	General Revenues	1,133,280
19	Of this appropriation, \$90,000 shall be used for hardship contingency payments.	
20	Federal Funds	265,157,901
21	Total – Other Programs	266,291,181
22	Grand Total – Human Services	585,698,686
23	Behavioral Healthcare, Developmental Disabilities, and Hospitals	
24	<i>Central Management</i>	
25	General Revenues	3,495,795
26	Federal Funds	1,316,004
27	Total – Central Management	4,811,799
28	<i>Hospital and Community System Support</i>	
29	General Revenues	2,241,946
30	Federal Funds	23,377
31	Total – <i>Hospital and Community System Support</i>	2,265,323
32	<i>Services for the Developmentally Disabled</i>	
33	General Revenues	131,370,111
34	Of this general revenue funding, \$3.0 million shall be expended on certain community-	

1 based BHDDH developmental disability private provider and self-directed consumer direct care
 2 service worker raises and associated payroll costs as authorized by the Department of Behavioral
 3 Healthcare, Developmental Disabilities and Hospitals. Any increases for direct support staff in
 4 residential or other community-based settings must first receive the approval of the Office of
 5 Management and Budget and the Executive Office of Health and Human Services.

6 Of this general revenue funding, \$750,000 is to support technical and other assistance for
 7 community-based agencies to ensure they transition to providing integrated services to adults
 8 with developmental disabilities that comply with the consent decree.

9 Federal Funds 147,498,685

10 Of this funding, \$841,006 is to support technical and other assistance for community-
 11 based agencies to ensure they transition to providing integrated services to adults with
 12 developmental disabilities that comply with the consent decree.

13 Restricted Receipts 1,525,800

14 Other Funds

15 Rhode Island Capital Plan Funds

16 DD Residential Development 500,000

17 Total – Services for the Developmentally Disabled 280,894,596

18 *Behavioral Healthcare Services*

19 General Revenues 3,177,675

20 Federal Funds 34,042,755

21 Of this federal funding, \$900,000 shall be expended on the Municipal Substance
 22 Abuse Task Forces and \$128,000 shall be expended on NAMI of RI. Also included is
 23 \$250,000 from Social Services Block Grant funds and/or the Mental Health Block Grant funds to
 24 be provided to The Providence Center to coordinate with Oasis Wellness and Recovery Center for
 25 its supports and services program offered to individuals with behavioral health issues.

26 Restricted Receipts 149,600

27 Other Funds

28 Rhode Island Capital Plan Funds

29 Substance Abuse Asset Protection 350,000

30 Total – Behavioral Healthcare Services 37,720,030

31 *Hospital and Community Rehabilitative Services*

32 General Revenues 55,007,785

33 Federal Funds 63,058,216

34 Restricted Receipts 4,412,947

1	Other Funds	
2	Rhode Island Capital Plan Funds	
3	Hospital Equipment	300,000
4	Total - Hospital and Community Rehabilitative Services	122,778,948
5	Grand Total – Behavioral Healthcare, Developmental	
6	Disabilities, and Hospitals	448,470,696
7	Office of the Child Advocate	
8	General Revenues	986,701
9	Federal Funds	247,356
10	Grand Total – Office of the Child Advocate	1,234,057
11	Commission on the Deaf and Hard of Hearing	
12	General Revenues	563,338
13	Restricted Receipts	130,000
14	Grand Total – Comm. On Deaf and Hard of Hearing	693,338
15	Governor’s Commission on Disabilities	
16	General Revenues	
17	General Revenues	555,672
18	Livable Home Modification Grant Program	499,397
19	Provided that this will be used for home modification and accessibility	
20	enhancements to construct, retrofit, and/or renovate residences to allow individuals to remain in	
21	community settings. This will be in consultation with the Executive Office of Health and Human	
22	Services.	
23	Federal Funds	458,689
24	Restricted Receipts	44,901
25	Total – Governor’s Commission on Disabilities	1,558,659
26	Office of the Mental Health Advocate	
27	General Revenues	602,411
28	Elementary and Secondary Education	
29	<i>Administration of the Comprehensive Education Strategy</i>	
30	General Revenues	21,629,338
31	Provided that \$90,000 be allocated to support the hospital school at Hasbro Children’s	
32	Hospital pursuant to Rhode Island General Law, Section 16-7-20 and that \$345,000 be allocated	
33	to support child opportunity zones through agreements with the Department of Elementary and	
34	Secondary Education to strengthen education, health and social services for students and their	

1 families as a strategy to accelerate student achievement.

2 Provided further that \$590,000 shall be allocated to further support improving students'
3 mental health by investing in classroom-based intervention through teacher and staff training and
4 professional development.

5	Federal Funds	211,637,474
6	Restricted Receipts	
7	Restricted Receipts	3,155,409
8	HRIC Adult Education Grants	3,500,000
9	Total – Admin. of the Comprehensive Ed. Strategy	239,922,221

10 *Davies Career and Technical School*

11	General Revenues	13,694,981
12	Federal Funds	1,416,084
13	Restricted Receipts	3,784,140
14	Other Funds	
15	Operational Transfers to Davies	100,000
16	Rhode Island Capital Plan Funds	
17	Davies HVAC	700,000
18	Davies Asset Protection	150,000
19	Total – Davies Career and Technical School	19,845,205

20 *RI School for the Deaf*

21	General Revenues	6,701,193
22	Federal Funds	506,048
23	Restricted Receipts	837,032
24	Other Funds	
25	School for the Deaf Transformation Grants	59,000
26	Rhode Island Capital Plan Funds	
27	Asset Protection	50,000
28	Total – RI School for the Deaf	8,153,273

29 *Metropolitan Career and Technical School*

30	General Revenues	9,342,007
31	Other Funds	
32	Rhode Island Capital Plan Funds	
33	MET School Asset Protection	250,000
34	Total – Metropolitan Career and Technical School	9,592,007

1	<i>Education Aid</i>	
2	General Revenues	951,046,281
3	Restricted Receipts	26,283,985
4	Other Funds	
5	Permanent School Fund	500,000
6	Provided that \$500,000 be provided to support the Advanced Coursework Network.	
7	Total – Education Aid	977,830,266
8	<i>Central Falls School District</i>	
9	General Revenues	41,087,651
10	<i>School Construction Aid</i>	
11	General Revenues	
12	School Housing Aid	78,984,971
13	School Building Authority Fund	1,015,029
14	Total – School Construction Aid	80,000,000
15	<i>Teachers' Retirement</i>	
16	General Revenues	112,337,502
17	Grand Total – Elementary and Secondary Education	1,488,768,125
18	Public Higher Education	
19	<i>Office of Postsecondary Commissioner</i>	
20	General Revenues	18,176,011
21	Provided that \$355,000 shall be allocated the Rhode Island College Crusade pursuant to	
22	the Rhode Island General Law, Section 16-70-5 and that \$60,000 shall be allocated to Best	
23	Buddies Rhode Island to support its programs for children with developmental and intellectual	
24	disabilities. It is also provided that \$5,995,000 shall be allocated to the Rhode Island Promise	
25	Scholarship program.	
26	Federal Funds	
27	Federal Funds	3,600,000
28	Guaranty Agency Administration	400,000
29	Guaranty Agency Operating Fund-Scholarships & Grants	5,507,013
30	Rhode Island Promise – Available Reserves	5,346,128
31	Provided that \$2,046,128 shall be allocated to the Adult Promise Scholarship at	
32	the Community College of Rhode Island, and that \$3,300,000 shall support the Rhode Island	
33	College Promise program.	
34	Restricted Receipts	2,752,977

1	Other Funds		
2	Tuition Savings Program – Dual Enrollment		2,300,000
3	Tuition Savings Program – Scholarships and Grants		2,500,000
4	Nursing Education Center – Operating		3,034,680
5	Rhode Island Capital Plan Funds		
6	Higher Education Centers		2,000,000
7	Provided that the state fund no more than 50.0 percent of the total project		
8	cost.		
9	Asset Protection		341,000
10	Total – Office of Postsecondary Commissioner		45,957,809
11	<i>University of Rhode Island</i>		
12	General Revenues		
13	General Revenues		83,390,529
14	Provided that in order to leverage federal funding and support economic development,		
15	\$350,000 shall be allocated to the Small Business Development Center and that \$50,000 shall be		
16	allocated to Special Olympics Rhode Island to support its mission of providing athletic		
17	opportunities for individuals with intellectual and developmental disabilities.		
18	Debt Service		30,535,395
19	RI State Forensics Laboratory		1,299,182
20	Other Funds		
21	University and College Funds		677,435,028
22	Debt – Dining Services		1,062,129
23	Debt – Education and General		4,830,975
24	Debt – Health Services		792,955
25	Debt – Housing Loan Funds		12,867,664
26	Debt – Ryan Center		2,393,006
27	Debt – Alton Jones Services		102,525
28	Debt – Parking Authority		1,126,020
29	Debt – Restricted Energy Conservation		521,653
30	Debt – URI Energy Conservation		2,103,157
31	Rhode Island Capital Plan Funds		
32	Asset Protection		8,326,839
33	Fine Arts Center Renovation		7,070,064
34	Total – University of Rhode Island		834,180,130

1 Notwithstanding the provisions of section 35-3-15 of the general laws, all unexpended or
 2 unencumbered balances as of June 30, 2020 relating to the University of Rhode Island are hereby
 3 reappropriated to fiscal year 2021.

4 *Rhode Island College*

5	General Revenues	
6	General Revenues	50,339,615
7	Debt Service	6,180,718
8	Other Funds	
9	University and College Funds	132,924,076
10	Debt – Education and General	880,433
11	Debt – Housing	366,667
12	Debt – Student Center and Dining	153,428
13	Debt – Student Union	206,000
14	Debt – G.O. Debt Service	1,642,121
15	Debt Energy Conservation	635,275
16	Rhode Island Capital Plan Funds	
17	Asset Protection	3,669,050
18	Infrastructure Modernization	3,000,000
19	Academic Building Phase I	2,000,000
20	Total – Rhode Island College	201,997,383

21 Notwithstanding the provisions of section 35-3-15 of the general laws, all unexpended or
 22 unencumbered balances as of June 30, 2020 relating to Rhode Island College are hereby
 23 reappropriated to fiscal year 2021.

24 *Community College of Rhode Island*

25	General Revenues	
26	General Revenues	52,483,378
27	Debt Service	1,898,030
28	Restricted Receipts	633,400
29	Other Funds	
30	University and College Funds	104,605,016
31	CCRI Debt Service – Energy Conservation	805,312
32	Rhode Island Capital Plan Funds	
33	Asset Protection	2,439,076
34	Knight Campus Lab Renovation	1,300,000

1	Knight Campus Renewal	3,500,000
2	Data, Cabling, and Power Infrastructure	500,000
3	Total – Community College of RI	168,164,212

4 Notwithstanding the provisions of section 35-3-15 of the general laws, all unexpended or
5 unencumbered balances as of June 30, 2020 relating to the Community College of Rhode Island
6 are hereby reappropriated to fiscal year 2021.

7	Grand Total – Public Higher Education	1,250,299,534
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8 **RI State Council on the Arts**

9	General Revenues	
10	Operating Support	839,748
11	Grants	1,245,000

12 Provided that \$375,000 be provided to support the operational costs of WaterFire
13 Providence art installations.

14	Federal Funds	762,500
15	Restricted Receipts	5,000
16	Other Funds	
17	Art for Public Facilities	626,000

18	Grand Total – RI State Council on the Arts	3,478,248
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19 **RI Atomic Energy Commission**

20	General Revenues	1,059,094
21	Restricted Receipts	99,000
22	Other Funds	

23	URI Sponsored Research	287,000
24	Rhode Island Capital Plan Funds	
25	RINSC Asset Protection	50,000

26	Grand Total – RI Atomic Energy Commission	1,495,094
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27 **RI Historical Preservation and Heritage Commission**

28	General Revenues	1,488,293
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29 Provided that \$30,000 support the operational costs of the Fort Adam Trust’s restoration
30 activities.

31	Federal Funds	557,028
32	Restricted Receipts	421,439
33	Other Funds	
34	RIDOT Project Review	128,570

1	Grand Total – RI Historical Preservation and Heritage Comm.	2,595,330
2	Attorney General	
3	<i>Criminal</i>	
4	General Revenues	17,969,266
5	Federal Funds	3,552,999
6	Restricted Receipts	144,335
7	Total – Criminal	21,666,600
8	<i>Civil</i>	
9	General Revenues	5,595,839
10	Restricted Receipts	765,181
11	Total – Civil	6,361,020
12	<i>Bureau of Criminal Identification</i>	
13	General Revenues	1,769,535
14	<i>General</i>	
15	General Revenues	3,340,563
16	Other Funds	
17	Rhode Island Capital Plan Funds	
18	Building Renovations and Repairs	150,000
19	Total – General	3,490,563
20	Grand Total – Attorney General	33,287,718
21	Corrections	
22	<i>Central Management</i>	
23	General Revenues	16,642,761
24	Federal Funds	44,649
25	Total – Central Management	16,687,410
26	<i>Parole Board</i>	
27	General Revenues	1,501,549
28	Federal Funds	116,872
29	Total – Parole Board	1,618,421
30	<i>Custody and Security</i>	
31	General Revenues	141,066,001
32	Federal Funds	796,727
33	Total – Custody and Security	141,862,728
34	<i>Institutional Support</i>	

1	General Revenues	21,557,913
2	Other Funds	
3	Rhode Island Capital Plan Funds	
4	Asset Protection	12,754,000
5	Total – Institutional Support	34,311,913
6	<i>Institutional Based Rehab./Population Management</i>	
7	General Revenues	14,203,252
8	Provided that \$1,050,000 be allocated to Crossroads Rhode Island for sex offender	
9	discharge planning.	
10	Federal Funds	844,026
11	Restricted Receipts	44,473
12	Total – Institutional Based Rehab/Population Mgt.	15,091,751
13	<i>Healthcare Services</i>	
14	General Revenues	25,821,609
15	<i>Community Corrections</i>	
16	General Revenues	17,312,125
17	Federal Funds	84,437
18	Restricted Receipts	14,896
19	Total – Community Corrections	17,411,458
20	Grand Total – Corrections	252,805,290
21	Judiciary	
22	<i>Supreme Court</i>	
23	General Revenues	
24	General Revenues	30,361,862
25	Provided however, that no more than \$1,183,205 in combined total shall be offset to the	
26	Public Defender’s Office, the Attorney General’s Office, the Department of Corrections, the	
27	Department of Children, Youth, and Families, and the Department of Public Safety for square-	
28	footage occupancy costs in public courthouses and further provided that \$230,000 be allocated to	
29	the Rhode Island Coalition Against Domestic Violence for the domestic abuse court advocacy	
30	project pursuant to Rhode Island General Law, Section 12-29-7 and that \$90,000 be allocated to	
31	Rhode Island Legal Services, Inc. to provide housing and eviction defense to indigent individuals.	
32	Defense of Indigents	4,403,487
33	Federal Funds	133,759
34	Restricted Receipts	3,603,699

1	Other Funds	
2	Rhode Island Capital Plan Funds	
3	Judicial Complexes - HVAC	1,000,000
4	Judicial Complexes Asset Protection	1,000,000
5	Judicial Complexes Fan Coil Replacements	500,000
6	Licht Chillers Replacement	1,200,000
7	Licht Judicial Complex Restoration	750,000
8	Total - Supreme Court	42,952,807
9	<i>Judicial Tenure and Discipline</i>	
10	General Revenues	154,616
11	<i>Superior Court</i>	
12	General Revenues	25,020,009
13	Federal Funds	33,500
14	Restricted Receipts	400,983
15	Total – Superior Court	25,454,492
16	<i>Family Court</i>	
17	General Revenues	22,958,064
18	Federal Funds	2,977,481
19	Total – Family Court	25,935,545
20	<i>District Court</i>	
21	General Revenues	13,946,310
22	Restricted Receipts	60,000
23	Total - District Court	14,006,310
24	<i>Traffic Tribunal</i>	
25	General Revenues	9,283,407
26	<i>Workers' Compensation Court</i>	
27	Restricted Receipts	8,943,104
28	Grand Total – Judiciary	126,730,281
29	Military Staff	
30	General Revenues	3,219,493
31	Federal Funds	34,354,996
32	Restricted Receipts	
33	RI Military Family Relief Fund	55,000
34	Other Funds	

1	Rhode Island Capital Plan Funds	
2	Asset Protection	700,000
3	Joint Force Headquarters Building	1,800,000
4	Grand Total – Military Staff	40,129,489
5	Public Safety	
6	<i>Central Management</i>	
7	General Revenues	1,268,763
8	Federal Funds	14,579,673
9	Restricted Receipts	72,319
10	Total – Central Management	15,920,755
11	<i>E-911 Emergency Telephone System</i>	
12	General Revenues	6,792,261
13	<i>Security Services</i>	
14	General Revenues	26,743,619
15	<i>Municipal Police Training Academy</i>	
16	General Revenues	296,254
17	Federal Funds	419,790
18	Total – Municipal Police Training Academy	716,044
19	<i>State Police</i>	
20	General Revenues	76,095,776
21	Federal Funds	4,986,942
22	Restricted Receipts	1,670,000
23	Other Funds	
24	Rhode Island Capital Plan Funds	
25	DPS Asset Protection	600,000
26	Training Academy Upgrades	425,000
27	Facilities Master Plan	350,000
28	Headquarters Roof Project	2,000,000
29	Airport Corporation Assistance	146,832
30	Road Construction Reimbursement	2,244,969
31	Weight and Measurement Reimbursement	400,000
32	Total – State Police	88,919,519
33	Grand Total – Public Safety	139,092,198
34	Office of Public Defender	

1	General Revenues	12,848,271
2	Federal Funds	75,665
3	Grand Total – Office of Public Defender	12,923,936
4	Emergency Management Agency	
5	General Revenues	2,439,647
6	Federal Funds	9,295,523
7	Restricted Receipts	468,005
8	Other Funds	
9	Rhode Island Capital Plan Funds	
10	RI Statewide Communications Network	1,494,414
11	Grand Total – Emergency Management Agency	13,697,589
12	Environmental Management	
13	<i>Office of the Director</i>	
14	General Revenues	7,395,368
15	Of this general revenue amount, \$50,000 is appropriated to the Conservation Districts.	
16	Federal Funds	212,741
17	Restricted Receipts	3,891,345
18	Total – Office of the Director	11,499,454
19	<i>Natural Resources</i>	
20	General Revenues	24,592,693
21	Federal Funds	21,990,427
22	Restricted Receipts	3,977,991
23	Other Funds	
24	DOT Recreational Projects	762,000
25	Blackstone Bikepath Design	1,000,000
26	Transportation MOU	10,286
27	Rhode Island Capital Plan Funds	
28	Dam Repair	1,860,000
29	Fort Adams Rehabilitation	300,000
30	Recreational Facilities Improvements	3,100,000
31	Galilee Piers Upgrade	1,200,000
32	Marine Infrastructure and Pier Development	750,000
33	Total – Natural Resources	59,543,397
34	<i>Environmental Protection</i>	

1	General Revenues	13,190,507
2	Federal Funds	10,106,352
3	Restricted Receipts	8,463,628
4	Other Funds	
5	Transportation MOU	87,269
6	Total – Environmental Protection	31,847,756
7	Grand Total – Environmental Management	102,890,607
8	Coastal Resources Management Council	
9	General Revenues	2,913,195
10	Federal Funds	1,597,735
11	Restricted Receipts	250,000
12	Other Funds	
13	Rhode Island Capital Plan Funds	
14	Rhode Island Coastal Storm Risk Study	500,000
15	Rhode Island Beach SAMP	50,000
16	Grand Total – Coastal Resources Mgmt. Council	5,310,930
17	Transportation	
18	<i>Central Management</i>	
19	Federal Funds	5,955,305
20	Other Funds	
21	Gasoline Tax	7,728,427
22	Total – Central Management	13,683,732
23	<i>Management and Budget</i>	
24	Other Funds	
25	Gasoline Tax	2,353,268
26	<i>Infrastructure Engineering</i>	
27	Federal Funds	321,053,094
28	Restricted Receipts	3,007,550
29	Other Funds	
30	Gasoline Tax	76,970,197
31	Toll Revenue	25,000,000
32	Land Sale Revenue	2,595,391
33	Rhode Island Capital Plan Funds	
34	Bike Path Maintenance	400,000

1	Highway Improvement Program	32,451,346
2	RIPTA - College Hill Bus Terminal	800,000
3	RIPTA - Land and Buildings	90,000
4	RIPTA – Warwick Bus Hub	120,000
5	Total - Infrastructure Engineering	462,487,578
6	<i>Infrastructure Maintenance</i>	
7	Other Funds	
8	Gasoline Tax	21,471,321
9	Non-Land Surplus Property	50,000
10	Utility Access Permit Fees	500,000
11	Rhode Island Highway Maintenance Account	124,684,562
12	Provided that \$400,000 shall be allocated to bicycle path projects and \$150,000	
13	shall be allocated to Rhode Island Welcome Center improvements.	
14	Rhode Island Capital Plan Funds	
15	Maintenance Facilities Improvements	500,000
16	Salt Storage Facilities	1,900,000
17	Maintenance - Equipment Replacement	1,500,000
18	Train Station Maintenance and Repairs	350,000
19	Total – Infrastructure Maintenance	150,955,883
20	Grand Total – Transportation	629,480,461
21	Statewide Totals	
22	General Revenues	4,075,093,139
23	Federal Funds	3,318,666,714
24	Restricted Receipts	301,461,708
25	Other Funds	2,234,815,855
26	Statewide Grand Total	9,572,741,806

27 SECTION 2. Each line appearing in Section 1 of this Article shall constitute an
28 appropriation.

29 SECTION 3. Upon the transfer of any function of a department or agency to another
30 department or agency, the Governor is hereby authorized by means of executive order to transfer
31 or reallocate, in whole or in part, the appropriations and the full-time equivalent limits affected
32 thereby.

33 SECTION 4. From the appropriation for contingency shall be paid such sums as may be
34 required at the discretion of the Governor to fund expenditures for which appropriations may not

1 exist. Such contingency funds may also be used for expenditures in the several departments and
 2 agencies where appropriations are insufficient, or where such requirements are due to unforeseen
 3 conditions or are non-recurring items of an unusual nature. Said appropriations may also be used
 4 for the payment of bills incurred due to emergencies or to any offense against public peace and
 5 property, in accordance with the provisions of Titles 11 and 45 of the General Laws of 1956, as
 6 amended. All expenditures and transfers from this account shall be approved by the Governor.

7 SECTION 5. The general assembly authorizes the state controller to establish the internal
 8 service accounts shown below, and no other, to finance and account for the operations of state
 9 agencies that provide services to other agencies, institutions and other governmental units on a
 10 cost reimbursed basis. The purpose of these accounts is to ensure that certain activities are
 11 managed in a businesslike manner, promote efficient use of services by making agencies pay the
 12 full costs associated with providing the services, and allocate the costs of central administrative
 13 services across all fund types, so that federal and other non-general fund programs share in the
 14 costs of general government support. The controller is authorized to reimburse these accounts for
 15 the cost of work or services performed for any other department or agency subject to the
 16 following expenditure limitations:

<u>Account</u>	<u>Expenditure Limit</u>
18 State Assessed Fringe Benefit Internal Service Fund	31,377,620
19 Administration Central Utilities Internal Service Fund	23,055,162
20 State Central Mail Internal Service Fund	6,290,947
21 State Telecommunications Internal Service Fund	3,450,952
22 State Automotive Fleet Internal Service Fund	12,740,920
23 Surplus Property Internal Service Fund	3,000
24 Health Insurance Internal Service Fund	252,562,111
25 State Fleet Revolving Loan Fund	273,786
26 Other Post-Employment Benefits Fund	63,858,483
27 Capitol Police Internal Service Fund	1,479,703
28 Corrections Central Distribution Center Internal Service Fund	6,798,359
29 Correctional Industries Internal Service Fund	8,191,195
30 Secretary of State Record Center Internal Service Fund	969,729
31 Human Resources Internal Service Fund	15,227,277
32 DCAMM Facilities Internal Service Fund	40,379,969
33 Information Technology Internal Service Fund	40,631,267

34 SECTION 6. *Legislative Intent* - The General Assembly may provide a written

1 "statement of legislative intent" signed by the chairperson of the House Finance Committee and
2 by the chairperson of the Senate Finance Committee to show the intended purpose of the
3 appropriations contained in Section 1 of this Article. The statement of legislative intent shall be
4 kept on file in the House Finance Committee and in the Senate Finance Committee.

5 At least twenty (20) days prior to the issuance of a grant or the release of funds, which
6 grant or funds are listed on the legislative letter of intent, all department, agency and corporation
7 directors, shall notify in writing the chairperson of the House Finance Committee and the
8 chairperson of the Senate Finance Committee of the approximate date when the funds are to be
9 released or granted.

10 SECTION 7. *Appropriation of Temporary Disability Insurance Funds* -- There is hereby
11 appropriated pursuant to sections 28-39-5 and 28-39-8 of the Rhode Island General Laws all
12 funds required to be disbursed for the benefit payments from the Temporary Disability Insurance
13 Fund and Temporary Disability Insurance Reserve Fund for the fiscal year ending June 30, 2020.

14 SECTION 8. *Appropriation of Employment Security Funds* -- There is hereby
15 appropriated pursuant to section 28-42-19 of the Rhode Island General Laws all funds required to
16 be disbursed for benefit payments from the Employment Security Fund for the fiscal year ending
17 June 30, 2020.

18 SECTION 9. *Appropriation of Lottery Division Funds* -- There is hereby appropriated to
19 the Lottery Division any funds required to be disbursed by the Lottery Division for the purposes
20 of paying commissions or transfers to the prize fund for the fiscal year ending June 30, 2020.

21 SECTION 10. *Appropriation of CollegeBoundSaver Funds* -- There is hereby
22 appropriated to the Office of the General Treasurer designated funds received under the
23 CollegeBoundSaver program for transfer to the Division of Higher Education Assistance within
24 the Office of the Postsecondary Commissioner to support student financial aid for the fiscal year
25 ending June 30, 2020.

26 SECTION 11. Departments and agencies listed below may not exceed the number of full-
27 time equivalent (FTE) positions shown below in any pay period. Full-time equivalent positions do
28 not include seasonal or intermittent positions whose scheduled period of employment does not
29 exceed twenty-six consecutive weeks or whose scheduled hours do not exceed nine hundred and
30 twenty-five (925) hours, excluding overtime, in a one-year period. Nor do they include
31 individuals engaged in training, the completion of which is a prerequisite of employment.
32 Provided, however, that the Governor or designee, Speaker of the House of Representatives or
33 designee, and the President of the Senate or designee may authorize an adjustment to any
34 limitation. Prior to the authorization, the State Budget Officer shall make a detailed written

1 recommendation to the Governor, the Speaker of the House, and the President of the Senate. A
 2 copy of the recommendation and authorization to adjust shall be transmitted to the chairman of
 3 the House Finance Committee, Senate Finance Committee, the House Fiscal Advisor and the
 4 Senate Fiscal Advisor.

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

8 FY 2020 FTE POSITION AUTHORIZATION

9	<u>Departments and Agencies</u>	<u>Full-Time Equivalent</u>
10	Administration	670.1
11	Business Regulation	187.0
12	Executive Office of Commerce	18.0
13	Labor and Training	451.7
14	Revenue	587.5
15	Legislature	298.5
16	Office of the Lieutenant Governor	8.0
17	Office of the Secretary of State	59.0
18	Office of the General Treasurer	89.0
19	Board of Elections	13.0
20	Rhode Island Ethics Commission	12.0
21	Office of the Governor	45.0
22	Commission for Human Rights	14.5
23	Public Utilities Commission	60.0
24	Office of Health and Human Services	479.1
25	Children, Youth, and Families	629.5
26	Health	520.6
27	Human Services	755.0
28	Behavioral Healthcare, Developmental Disabilities, and Hospitals	1,305.4
29	Office of the Child Advocate	10.0
30	Commission on the Deaf and Hard of Hearing	4.0
31	Governor's Commission on Disabilities	4.0
32	Office of the Mental Health Advocate	4.0
33	Elementary and Secondary Education	142.1
34	School for the Deaf	60.0

1	Davies Career and Technical School	126.0
2	Office of Postsecondary Commissioner	38.0
3	Provided that 1.0 of the total authorization would be available only for positions that are	
4	supported by third-party funds, 9.0 would be available only for positions at the State's Higher	
5	Education Centers located in Woonsocket and Westerly, and 10.0 would be available only for	
6	positions at the Nursing Education Center.	
7	University of Rhode Island	2,555.0
8	Provided that 440.0 of the total authorization would be available only for positions that	
9	are supported by third-party funds, and that 445.0 of the total authorization would be available	
10	only for positions that are supported by auxiliary enterprise units of the university.	
11	Rhode Island College	949.2
12	Provided that 76.0 of the total authorization would be available only for positions that are	
13	supported by third-party funds.	
14	Community College of Rhode Island	854.1
15	Provided that 89.0 of the total authorization would be available only for positions that are	
16	supported by third-party funds.	
17	Rhode Island State Council on the Arts	8.6
18	RI Atomic Energy Commission	8.6
19	Historical Preservation and Heritage Commission	15.6
20	Office of the Attorney General	239.1
21	Corrections	1,426.0
22	Judicial	723.3
23	Military Staff	98.0
24	Emergency Management Agency	32.0
25	Public Safety	595.6
26	Office of the Public Defender	96.0
27	Environmental Management	406.0
28	Coastal Resources Management Council	30.0
29	Transportation	785.0
30	Total	15,413.7

31 SECTION 12. The amounts reflected in this Article include the appropriation of Rhode
32 Island Capital Plan funds for fiscal year 2020 and supersede appropriations provided for FY 2020
33 within Section 12 of Article 1 of Chapter 047 of the P.L. of 2018.

34 The following amounts are hereby appropriated out of any money in the State's Rhode

1 Island Capital Plan Fund not otherwise appropriated to be expended during the fiscal years ending
 2 June 30, 2021, June 30, 2022, June 30, 2023, and June 30, 2024. These amounts supersede
 3 appropriations provided within Section 12 of Article 1 of Chapter 047 of the P.L. of 2018.

4 For the purposes and functions hereinafter mentioned, the State Controller is hereby
 5 authorized and directed to draw his or her orders upon the General Treasurer for the payment of
 6 such sums and such portions thereof as may be required by him or her upon receipt of properly
 7 authenticated vouchers.

	Fiscal Year	Fiscal Year	Fiscal Year	Fiscal Year
	Ending	Ending	Ending	Ending
<u>Project</u>	<u>June 30, 2021</u>	<u>June 30, 2022</u>	<u>June 30, 2023</u>	<u>June 30, 2024</u>
11 DOA – Accessibility	1,000,000	1,000,000	1,000,000	1,000,000
12 DOA – Board of Elections/Health/ME Lab	9,000,000	0	0	0
13 DOA – Capital Hill	5,100,000	6,300,000	6,200,000	7,375,000
14 DOA – Cranston Street Armory	500,000	1,100,000	2,000,000	2,100,000
15 DOA – Energy Efficiency	500,000	1,000,000	1,000,000	1,000,000
16 DOA – Hospital Reorganization	6,721,495	0	0	0
17 DOA – Pastore Center	4,600,000	5,200,000	6,250,000	5,750,000
18 DOA – Security Measures/State				
19 Buildings	500,000	500,000	500,000	500,000
20 DOA – Shepard Building	850,000	750,000	750,000	750,000
21 DOA – State House Renovations	877,169	428,000	900,000	900,000
22 South County	500,000	500,000	500,000	500,000
23 DOA – Zambarano Utilities and Mtn.	2,300,000	550,000	1,300,000	1,800,000
24 DOA – BHDDH Group Homes	500,000	1,300,000	1,400,000	1,500,000
25 EOC – Quonset Piers	5,000,000	0	0	0
26 EOC – Quonset Point Infrastructure	6,000,000	0	0	0
27 DCYF – RITS Repairs	800,000	200,000	200,000	200,000
28 EL SEC – Davies School Asset Protection	150,000	150,000	150,000	150,000
29 EL SEC – Davies School HVAC	1,800,000	0	0	0
30 EL SEC – Met School Asset Protection	250,000	250,000	250,000	250,000
31 URI – Asset Protection	8,531,280	8,700,000	8,874,000	9,094,395
32 RIC – Asset Protection	4,150,000	4,233,000	4,318,000	5,061,384
33 RIC – Infrastructure Modernization	3,500,000	4,500,000	2,000,000	2,344,319
34 CCRI – Asset Protection	2,487,857	2,537,615	2,588,000	3,033,548

1	CCRI – Knight Campus Renewal	3,500,000	0	0	0
2	CCRI – Flanagan Campus Renewal	2,000,000	2,000,000	6,000,000	2,500,000
3	CCRI - Physics/Engineering Lab	1,300,000	0	0	0
4	CCRI – Data Cabling/Power Infrastructure	3,680,000	5,180,000	4,290,000	0
5	DOC – Asset Protection	14,850,000	17,700,000	17,250,000	11,500,000
6	Military Staff – Asset Protection	700,000	800,000	800,000	800,000
7	DPS – Asset Protection	650,000	650,000	900,000	400,000
8	DEM – Fort Adams Rehabilitation	300,000	300,000	300,000	300,000
9	DEM – Galilee Piers Upgrade	1,200,000	500,000	500,000	500,000
10	DEM – Marine Infrastructure/ Pier Development	1,000,000	1,250,000	1,250,000	1,250,000
11	DEM – Recreational Facilities Improv.	2,100,000	3,000,000	3,000,000	3,000,000
12	DEM – Natural Resources Offices & Visitor’s Center	0	2,000,000	3,000,000	0
13	DOT – Highway Improvement Program	32,451,346	32,451,346	32,451,346	32,451,346
14	DOT – Capital Equipment Replacement	1,500,000	1,500,000	1,500,000	1,500,000
15	DOT – Maintenance Facility Improv.	500,000	500,000	500,000	500,000
16	DOT – Bike Maintenance Improv.	400,000	400,000	400,000	400,000
17	DOT – Salt Storage Facilities Improv.	1,500,000	1,500,000	1,000,000	1,000,000

20 SECTION 13. [Reappropriation of Funding for Rhode Island Capital Plan Fund Projects.](#)

21 – Any unexpended and unencumbered funds from Rhode Island Capital Plan Fund project
22 appropriations shall be reappropriated in the ensuing fiscal year and made available for the same
23 purpose. However, any such reappropriations are subject to final approval by the General
24 Assembly as part of the supplemental appropriations act. Any unexpended funds of less than five
25 hundred dollars (\$500) shall be reappropriated at the discretion of the State Budget Officer.

26 SECTION 14. For the Fiscal Year ending June 30, 2020, the Rhode Island Housing and
27 Mortgage Finance Corporation shall provide from its resources such sums as appropriate in
28 support of the Neighborhood Opportunities Program. The Corporation shall provide a report
29 detailing the amount of funding provided to this program, as well as information on the number
30 of units of housing provided as a result to the Director of Administration, the Chair of the
31 Housing Resources Commission, the Chair of the House Finance Committee, the Chair of the
32 Senate Finance Committee and the State Budget Officer.

33 SECTION 15. Notwithstanding any general laws to the contrary, the Rhode Island
34 Housing and Mortgage Finance Corporation shall transfer to the State Controller the sum of one

1 million five-hundred thousand dollars (\$1,500,000) by June 30, 2020.

2 SECTION 16. Notwithstanding any general laws to the contrary, the Rhode Island
3 Infrastructure Bank shall transfer to the State Controller the sum of four million dollars
4 (\$4,000,000) by June 30, 2020.

5 SECTION 17. Notwithstanding any general laws to the contrary, the Rhode Island
6 Student Loan Authority shall transfer to the State Controller the sum of one million five-hundred
7 thousand dollars (\$1,500,000) by June 30, 2020.

8 SECTION 18. This article shall take effect upon passage.

9 **ARTICLE 2**

10 **RELATING TO STATE FUNDS**

11 SECTION 1. Section 5-20.7-15 of the General Laws in Chapter 5-20.7 entitled "Real
12 Estate Appraiser Certification Act" is hereby amended to read as follows:

13 **5-20.7-15. Fees.**

14 (a) The director is empowered and directed to establish a fee schedule for the application,
15 review, examination, and re-examination of applicants for certification and licensing and for the
16 issuance and renewal of certificates and for late fees; provided, that the annual fee for a
17 residential or general appraiser certificate is two hundred dollars (\$200).

18 (b) There is hereby created a restricted receipt account within the general fund of the state
19 to be known as the real estate appraisers – registration – CLRA account. Fees collected pursuant
20 to § 5-20.7-15(a) shall be deposited into this account and be used to finance costs associated with
21 real estate appraisers registration. The restricted receipt account will be included in the budget of
22 the department of business regulation.

23 SECTION 2. Section 5-20.9-7 of the General Laws in Chapter 5-20.9 entitled "Real
24 Estate Appraisal Management Company Registration Act" is hereby amended to read as follows:

25 **5-20.9-7. Initial registration, renewals, forms and fees.**

26 (a) An applicant for registration as an appraisal management company shall submit to the
27 department an application on forms prescribed by the department and pay the required fee(s).

28 (b) The fees for initial registration, renewal, and late renewals shall be determined by the
29 director and established by regulation.

30 (c) There is hereby created a restricted receipt account within the general fund of the state
31 to be known as the appraisal management company – registration account. Fees collected
32 pursuant to § 5-20.9-7 shall be deposited into this account and be used to finance costs associated
33 with appraisal management company registration and operations. The restricted receipt account
34 will be included in the budget of the department of business regulation.

1 ~~(d)~~ Every appraisal management company that desires to renew a registration for the
2 next term shall apply for the renewal of the registration upon a form furnished by the director and
3 containing information that is required by this chapter. Renewal of a registration is subject to the
4 same provisions as the initial registration.

5 ~~(e)~~ The department shall receive applications for registration for initial licensing and
6 renewal and establish administrative procedures for processing applications and issuing and
7 renewing registrations.

8 ~~(f)~~ The department shall have the authority to assess and collect from registered
9 entities, the AMC federal registry fee in any amount assessed by the appraisal subcommittee of
10 the Federal Financial Institutions Examination Council or its successor entity, and transmit the fee
11 to the Federal Financial Institutions Examinations Council.

12 ~~(g)~~ A federally regulated appraisal management company operating in this state shall
13 report to the department any information necessary for the department to assess, collect, and
14 forward the AMC federal registry fee in any amount assessed by the appraisal subcommittee of
15 the Federal Financial Institutions Examination Council or its successor entity.

16 SECTION 3. Section 16-59-6 of the General Laws in Chapter 16-59 entitled "Council on
17 Postsecondary Education" is hereby amended to read as follows:

18 **16-59-6. Commissioner of postsecondary education.**

19 The council on postsecondary education, with approval of the board, shall appoint a
20 commissioner of postsecondary education, who shall serve at the pleasure of the council,
21 provided that his or her initial engagement by the council shall be for a period of not more than
22 three (3) years. For the purpose of appointing, retaining, or dismissing a commissioner of
23 postsecondary education, the governor shall serve as an additional voting member of the council.
24 The position of commissioner shall be in the unclassified service of the state and he or she shall
25 serve as the chief executive officer of the council on postsecondary education, the chief
26 administrative officer of the office of postsecondary commissioner, and the executive director of
27 the division of higher education assistance. The commissioner of postsecondary education shall
28 have any duties that are defined in this section and in this title and other additional duties as may
29 be determined by the council, and shall perform any other duties as may be vested in him or her
30 by law. In addition to these duties and general supervision of the office of postsecondary
31 commissioner and the appointment of the several officers and employees of the office, it shall be
32 the duty of the commissioner of postsecondary education:

33 (1) To develop and implement a systematic program of information gathering,
34 processing, and analysis addressed to every aspect of higher education in the state, especially as

1 that information relates to current and future educational needs.

2 (2) To prepare a strategic plan for higher education in the state aligned with the goals of
3 the board of education's strategic plan; to coordinate the goals and objectives of the higher public
4 education sector with the goals of the council on elementary and secondary education and
5 activities of the independent higher education sector where feasible.

6 (3) To communicate with, and seek the advice of those concerned with, and affected by
7 the board of education's and council's determinations.

8 (4) To implement broad policy as it pertains to the goals and objectives established by the
9 board of education and council on postsecondary education; to promote better coordination
10 between higher public education in the state, independent higher education in the state as
11 provided in subdivision (10) of this section, and pre k-12 education; to assist in the preparation of
12 the budget for public higher education; and to be responsible, upon direction of the council, for
13 the allocation of appropriations, the acquisition, holding, disposition of property.

14 (5) To be responsible for the coordination of the various higher educational functions of
15 the state so that maximum efficiency and economy can be achieved.

16 (6) To assist the board of education in preparation and maintenance of a five-year (5)
17 strategic funding plan for higher education; to assist the council in the preparation and
18 presentation annually to the state budget officer in accordance with § 35-3-4 of a total, public
19 higher educational budget.

20 (7) To recommend to the council on postsecondary education, after consultation with the
21 presidents, a clear and definitive mission for each public institution of higher learning.

22 (8) To annually recommend to the council on postsecondary education, after consultation
23 with the presidents, the creation, abolition, retention, or consolidation of departments, divisions,
24 programs, and courses of study within the public colleges and universities to eliminate
25 unnecessary duplication in public higher education, to address the future needs of public higher
26 education in the state, and to advance proposals recommended by the presidents of the public
27 colleges and universities pursuant to §§ 16-32-2.1, 16-33-2.1 and 16-33.1-2.1.

28 (9) To supervise the operations of the office of postsecondary commissioner, including
29 the division of higher education assistance, and any other additional duties and responsibilities
30 that may be assigned by the council.

31 (10) To perform the duties vested in the council with relation to independent higher
32 educational institutions within the state under the terms of chapter 40 of this title and any other
33 laws that affect independent higher education in the state.

34 (11) To be responsible for the administration of policies, rules, and regulations of the

1 council on postsecondary education with relation to the entire field of higher education within the
2 state, not specifically granted to any other department, board, or agency and not incompatible
3 with law.

4 (12) To prepare standard accounting procedures for public higher education and all public
5 colleges and universities.

6 (13) To carry out the policies and directives of the board of education and the council on
7 postsecondary education through the office of postsecondary commissioner and through
8 utilization of the resources of the public institutions of higher learning.

9 (14) To enter into interstate reciprocity agreements regarding the provision of
10 postsecondary distance education; to administer such agreements; to approve or disapprove
11 applications to voluntarily participate in such agreements from postsecondary institutions that
12 have their principal place of business in Rhode Island; and to establish annual fees, with the
13 approval of the council on postsecondary education, for aforesaid applications to participate in an
14 interstate postsecondary distance education reciprocity agreement. There is hereby established a
15 restricted receipt account entitled "State Authorization Reciprocity Agreement (SARA)" within
16 the general fund of the state for the express purpose of the collection and disbursement of all fees
17 related to interstate reciprocity agreements regarding the provision of postsecondary distance
18 education. The restricted receipt account will be included in the budget of the office of the
19 postsecondary commissioner.

20 (15) To the extent necessary for participation, and to the extent required and stated in any
21 distance learning reciprocity agreement, to implement procedures to address complaints received
22 from out-of-state students in connection with, or related to, any Rhode Island postsecondary
23 institution, public or private, that has been approved to participate in said reciprocity agreement.

24 (16) To exercise all powers and duties of the division of higher education assistance as
25 set forth under the terms of chapter 57 of this title.

26 SECTION 4. Section 23-1-20 of the General Laws in Chapter 23-1 entitled "Department
27 of Health" is hereby amended to read as follows:

28 **23-1-20. Compliance order.**

29 (a) Whenever the director determines that there are reasonable grounds to believe that
30 there is a violation of any law administered by him or her or of any rule or regulation adopted
31 pursuant to authority granted to him or her, the director may give notice of the alleged violation to
32 the person responsible for it. The notice shall be in writing, shall set forth the alleged violation,
33 shall provide for a time within which the alleged violation shall be remedied, and shall inform the
34 person to whom it is directed that a written request for a hearing on the alleged violation may be

1 filed with the director within ten (10) days after service of the notice. The notice will be deemed
2 properly served upon a person if a copy of the notice is served upon him or her personally, or sent
3 by registered or certified mail to the last known address of that person, or if that person is served
4 with notice by any other method of service now or later authorized in a civil action under the laws
5 of this state. If no written request for a hearing is made to the director within ten (10) days of the
6 service of notice, the notice shall automatically become a compliance order.

7 (b) Any administrative fees and/or penalties imposed pursuant to a compliance order
8 described in subsection (a) of this section shall be deposited in a restricted receipt account within
9 the general fund of the state and included in the budget of the department of health. The title of
10 the restricted receipt account shall be designated as "health systems monitoring and compliance".

11 SECTION 5. Section 23-77-2 of the General Laws in Chapter 23-77 entitled "Healthcare
12 Information Technology and Infrastructure Development Fund" is hereby amended to read as
13 follows:

14 **23-77-2. Establishment of the healthcare information technology and infrastructure**
15 **development fund.**

16 (a) There is established in the department of health, the healthcare information
17 technology and infrastructure development fund to be administered by the director of the
18 department of health for the purpose of promoting the development and adoption of healthcare
19 information technologies designed to improve the quality, safety and efficiency of healthcare
20 services and the security of individual patient data.

21 (b) Moneys in the fund shall be used for projects authorized by the director of health and
22 may be expended by contract, loan, or grant, to develop, maintain, expand, and improve the
23 state's healthcare information technology infrastructure and to assist healthcare facilities and
24 health service providers in adopting healthcare information technologies shown to improve
25 healthcare quality, safety or efficiency. Such projects shall incorporate the goal of maintaining the
26 security and confidentiality of individual patient data, and separate projects for that purpose may
27 also be authorized from the fund. The director of health shall develop criteria for the selection of
28 projects to be funded from the fund in consultation with the healthcare information technology
29 and infrastructure advisory committee created in § 23-77-4.

30 (c) Any moneys provided by loan shall be disbursed for periods not exceeding twenty-
31 five (25) years and at an annual rate of interest not exceeding five percent (5%).

32 (d) The director of the department of health, in consultation with the state healthcare
33 information technology advisory committee, shall establish criteria for eligible healthcare
34 information technology and infrastructure projects to be funded under this chapter.

1 [\(e\) The healthcare information technology and infrastructure development fund, as herein](#)
2 [described, shall constitute a restricted receipt account within the general fund of the state and](#)
3 [housed within the budget of the department of health. The short title of the restricted receipt](#)
4 [account shall henceforth be designated as “health information technology”.](#)

5 SECTION 6. Section 35-4-27 of the General Laws in Chapter 35-4 entitled "State Funds"
6 is hereby amended to read as follows:

7 **35-4-27. Indirect cost recoveries on restricted receipt accounts.**

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

17 Executive Office of Health and Human Services

18 Organ Transplant Fund

19 HIV Care Grant Drug Rebates

20 [Medical Marijuana Licensing](#)

21 [Adult Use Marijuana Licensing](#)

22 [Industrial Hemp Licensing](#)

23 [Health System Transformation Project](#)

24 Department of Human Services

25 Veterans' home -- Restricted account

26 Veterans' home -- Resident benefits

27 Pharmaceutical Rebates Account

28 Demand Side Management Grants

29 Veteran's Cemetery Memorial Fund

30 Donations -- New Veterans' Home Construction

31 Department of Health

32 Pandemic medications and equipment account

33 Miscellaneous Donations/Grants from Non-Profits

34 State Loan Repayment Match

1 [Adult Use Marijuana Licensing Program](#)
2 [Adult Use Marijuana Licensing](#)
3 [Industrial Hemp Licensing](#)
4 [Medical Marijuana Patient Licenses](#)
5 [Healthcare Information Technology](#)
6 Department of Behavioral Healthcare, Developmental Disabilities and Hospitals
7 Eleanor Slater non-Medicaid third-party payor account
8 Hospital Medicare Part D Receipts
9 RICLAS Group Home Operations
10 Commission on the Deaf and Hard of Hearing
11 Emergency and public communication access account
12 Department of Environmental Management
13 National heritage revolving fund
14 Environmental response fund II
15 Underground storage tanks registration fees
16 [De Coppett Estate Fund](#)
17 Rhode Island Historical Preservation and Heritage Commission
18 Historic preservation revolving loan fund
19 Historic Preservation loan fund -- Interest revenue
20 Department of Public Safety
21 Forfeited property -- Retained
22 Forfeitures -- Federal
23 Forfeited property -- Gambling
24 Donation -- Polygraph and Law Enforcement Training
25 Rhode Island State Firefighter's League Training Account
26 Fire Academy Training Fees Account
27 [Industrial Hemp Licensing Program](#)
28 [Medical Marijuana Licensing Program](#)
29 [Adult Use Marijuana Licensing Program](#)
30 Attorney General
31 Forfeiture of property
32 Federal forfeitures
33 Attorney General multi-state account
34 Forfeited property -- Gambling

1 Department of Administration
2 OER Reconciliation Funding
3 RI Health Benefits Exchange
4 Information Technology Investment Fund
5 Restore and replacement -- Insurance coverage
6 Convention Center Authority rental payments
7 Investment Receipts -- TANS
8 OPEB System Restricted Receipt Account
9 Car Rental Tax/Surcharge-Warwick Share
10 Executive Office of Commerce
11 Housing Resources Commission Restricted Account
12 Department of Revenue
13 DMV Modernization Project
14 Jobs Tax Credit Redemption Fund
15 [Marijuana Cash Use Surcharge](#)
16 [Industrial Hemp Licensing](#)
17 [Adult Use Marijuana Licensing](#)
18 [Medical Marijuana Licensing](#)
19 Legislature
20 Audit of federal assisted programs
21 Department of Children, Youth and Families
22 Children's Trust Accounts -- SSI
23 Military Staff
24 RI Military Family Relief Fund
25 RI National Guard Counterdrug Program
26 Treasury
27 Admin. Expenses -- State Retirement System
28 Retirement -- Treasury Investment Options
29 Defined Contribution -- Administration - RR
30 Violent Crimes Compensation -- Refunds
31 Treasury Research Fellowship
32 Business Regulation
33 Banking Division Reimbursement Account
34 Office of the Health Insurance Commissioner Reimbursement Account

1 Securities Division Reimbursement Account
2 Commercial Licensing and Racing and Athletics Division Reimbursement Account
3 Insurance Division Reimbursement Account
4 Historic Preservation Tax Credit Account
5 [Industrial Hemp Licensing](#)
6 [Adult Use Marijuana Licensing](#)
7 [Medical Marijuana Licensing](#)
8 Judiciary
9 Arbitration Fund Restricted Receipt Account
10 Third-Party Grants
11 RI Judiciary Technology Surcharge Account
12 Department of Elementary and Secondary Education
13 Statewide Student Transportation Services Account
14 School for the Deaf Fee-for-Service Account
15 School for the Deaf -- School Breakfast and Lunch Program
16 Davies Career and Technical School Local Education Aid Account
17 Davies -- National School Breakfast & Lunch Program
18 School Construction Services
19 Office of the Postsecondary Commissioner
20 Higher Education and Industry Center
21 [State Authorization Reciprocity Agreement \(SARA\)](#)
22 Department of Labor and Training
23 Job Development Fund
24 SECTION 7. Section 42-7.2-10 of the General Laws in Chapter 42-7.2 entitled "Office of
25 Health and Human Services" is hereby amended to read as follows:
26 **42-7.2-10. Appropriations and disbursements.**
27 [\(a\)](#) The general assembly shall annually appropriate such sums as it may deem necessary
28 for the purpose of carrying out the provisions of this chapter. The state controller is hereby
29 authorized and directed to draw his or her orders upon the general treasurer for the payment of
30 such sum or sums, or so much thereof as may from time to time be required, upon receipt by him
31 or her of proper vouchers approved by the secretary of the executive office of health and human
32 services, or his or her designee.
33 [\(b\) For the purpose of recording federal financial participation associated with qualifying](#)
34 [healthcare workforce development activities at the state's public institutions of higher education,](#)

1 [and pursuant to the Rhode Island Designated State Health Programs \(DSHP\), as approved by](#)
2 [CMS October 20, 2016 in the 11-W-00242/1 amendment to Rhode Island's section 1115](#)
3 [Demonstration Waiver, there is hereby established a restricted receipt account entitled "Health](#)
4 [System Transformation Project" in the general fund of the state and included in the budget of the](#)
5 [office of health and human services.](#)

6 SECTION 8. This article shall take effect upon passage.

7 ARTICLE 3

8 RELATING TO GOVERNMENT REFORM

9 SECTION 1. Sections 1-6-1 and 1-6-3 of the General Laws in Chapter 1-6 entitled
10 "Warwick Airport Parking District" are hereby amended to read as follows:

11 **1-6-1. Definitions.**

12 As used in this chapter:

13 (1) "Administrator" means the state tax administrator.

14 (2) "District" means the Warwick airport parking district, being the district that runs from
15 a point on Main Avenue in the city of Warwick at the southerly boundary of T.F. Green state
16 airport, and westerly along Main Avenue to a point one-third (1/3) mile west of the intersection of
17 Main Avenue with Post Road; turning thence northerly running along a line parallel to and one-
18 third (1/3) mile west of Post Road to a point one mile north of the line of Airport Road; thence
19 turning east running along a line parallel to and one-third (1/3) mile north of the line of Airport
20 Road to Warwick Avenue; thence turning south along Warwick Avenue to Airport Road; thence
21 turning west along Airport Road to the boundary of T.F. Green state airport; thence running
22 southerly along the boundary of T.F. Green state airport to the point of beginning. If any parking
23 facility (including entrances, driveways, or private access roads) is constructed partly within the
24 district as so defined, the entire facility shall be treated as though within the district.

25 (3) "Operator" means any person providing transient parking within the district.

26 (4) "Permit fee" means the fee payable annually by an operator to the tax administrator ~~in~~
27 ~~an amount equal to ten dollars (\$10.00) for each space made, or to be made, available by the~~
28 ~~operator for transient parking during the period of a permit's effectiveness, but not more than two~~
29 ~~hundred fifty dollars (\$250) for each permit.~~

30 (5) "Transient parking" means any parking for motor vehicles at a lot, garage, or other
31 parking facility within the district for which a fee is collected by the operator, but excludes:

32 (i) Parking for which the fee is charged and paid on a monthly or less frequent basis;

33 (ii) Parking for any employee of the operator of the facility;

34 (iii) Parking provided by any hotel or motel for registered guests;

1 (iv) Parking provided by validation or having a validated rate, where the person providing
2 the validation does not maintain a place of business at T.F. Green state airport.

3 (6) "Transient parking receipts" means the gross receipts collected by an operator
4 (excluding the surcharge imposed by this chapter) in consideration of the provision of transient
5 parking.

6 **1-6-3. Permits for parking operations in district.**

7 (a) Every person desiring to provide transient parking in the district shall file with the tax
8 administrator an application for a permit for each place of business where transient parking will
9 be provided. The application shall be in a form, include information, and bear any signatures that
10 the tax administrator may require. There shall be no fee for this permit. ~~At the time of making an~~
11 ~~application, the applicant shall pay to the tax administrator the permit fee.~~ Every permit issued
12 under this chapter shall expire on June 30 of each year. Every permit holder desiring to renew a
13 permit shall annually, on or before February 1 of each year, apply for renewal of its permit ~~and~~
14 ~~file with it the appropriate permit fee.~~ The renewal permit shall be valid for the period of July 1 of
15 that calendar year through June 30 of the subsequent calendar year, unless sooner canceled,
16 suspended, or revoked. Upon receipt of the required application ~~and permit fee~~, the tax
17 administrator shall issue to the applicant a permit. Provided, that if the applicant, at the time of
18 making the application, owes any fee, surcharge, penalty, or interest imposed under the authority
19 of this chapter, the applicant shall pay the amount owed. ~~An operator whose permit has been~~
20 ~~previously suspended or revoked shall pay to the tax administrator a permit fee for the renewal or~~
21 ~~issuance of a permit.~~

22 (b) Whenever any person fails to comply with any provision of this chapter, the tax
23 administrator upon hearing, after giving the person at least five (5) days notice in writing,
24 specifying the time and place of hearing and requiring the person to show cause why his or her
25 permit or permits should not be revoked, may revoke or suspend any one or more of the permits
26 held by the person. The notice may be served personally or by mail. The tax administrator shall
27 not issue a new permit after the revocation of a permit unless the administrator is satisfied that the
28 former holder of the permit will comply with the provisions of the ordinance.

29 (c) The superior court of this state has jurisdiction to restrain and enjoin any person from
30 engaging in business as an operator of a transient parking facility in the district without a parking
31 operator's permit or permits or after a transient parking facility operator's permit has been
32 suspended or revoked. The tax administrator may institute proceedings to prevent and restrain
33 violations of this chapter. In any proceeding instituted under this section, proof that a person
34 continues to operate a transient parking facility from the location to which a revoked parking

1 operator's permit was assigned, is prima facie evidence that the person is engaging in business as
2 a parking operator without a parking operator's permit.

3 (d) Permit fees collected under the authority of this section shall be deposited into the
4 general fund of the state.

5 SECTION 2. Section 3-7-14.2 of the General Laws in Chapter 3-7 entitled "Retail
6 Licenses" is hereby amended to read as follows:

7 **3-7-14.2. Class P licenses -- Caterers.**

8 (a) A caterer licensed by the department of health and the division of taxation shall be
9 eligible to apply for a Class P license from the department of business regulation. The department
10 of business regulation is authorized to issue all caterers' licenses. The license will be valid
11 throughout this state as a state license and no further license will be required or tax imposed by
12 any city or town upon this alcoholic beverage privilege. Each caterer to which the license is
13 issued shall pay to the department of business regulation an annual fee of five hundred dollars
14 (\$500) for the license, ~~and one dollar (\$1.00) for each duplicate of the license,~~ which fees are paid
15 into the state treasury. The department is authorized to promulgate rules and regulations for
16 implementation of this license. In promulgating said rules, the department shall include, but is not
17 limited to, the following standards:

18 (1) Proper identification will be required for individuals who look thirty (30) years old or
19 younger and who are ordering alcoholic beverages;

20 (2) Only valid ID's as defined by these titles are acceptable;

21 (3) An individual may not be served more than two (2) drinks at a time;

22 (4) Licensee's, their agents, or employees will not serve visibly intoxicated individuals;

23 (5) Licensee's may only serve alcoholic beverages for no more than a five (5) hour period
24 per event;

25 (6) Only a licensee, or its employees, may serve alcoholic beverages at the event;

26 (7) The licensee will deliver and remove alcoholic beverages to the event; and

27 (8) No shots or triple alcoholic drinks will be served.

28 (b) Any bartender employed by the licensee shall be certified by a nationally recognized
29 alcohol beverage server training program.

30 (c) The licensee shall purchase at retail all alcoholic beverages from a licensed Class A
31 alcohol retail establishment located in the state, provided, however, any licensee who also holds a
32 Class T license, issued pursuant to the provisions of § 3-7-7, shall be allowed to purchase
33 alcoholic beverages at wholesale. Any person violating this section shall be fined five hundred
34 dollars (\$500) for this violation and shall be subject to license revocation. The provisions of this

1 section shall be enforced in accordance with this title.

2 (d) Violation of subsection (a) of this section is punishable upon conviction by a fine of
3 not more than five hundred dollars (\$500). Fines imposed under this section shall be paid to the
4 department of business regulation.

5 SECTION 3. Sections 5-12-1 through 5-12-4 of Chapter 5-12 of the General Laws
6 entitled "Hide and Leather Inspection" are hereby repealed.

7 ~~**5-12-1. Town and city inspectors.**~~

8 ~~There may be annually elected by the town councils of the several towns and by the city
9 councils of Providence and Newport an officer to be denominated "inspector of hides and
10 leather", who shall be sworn to the faithful discharge of his or her duties.~~

11 ~~**5-12-2. Inspection and stamping of hides and leather.**~~

12 ~~City and town inspectors of hides and leather shall examine and inspect all hides and
13 leather which they may be called upon to inspect, within their towns or cities, and stamp upon the
14 inspected hides or leather their quality, as rated in the hides and leather trade, together with the
15 name of the inspector and date of inspection.~~

16 ~~**5-12-3. Inspection fees.**~~

17 ~~The fee of the inspector shall be at the rate of one dollar (\$1.00) per hour for each hour
18 actually employed, paid by the person employing him or her; provided, that not more than five (5)
19 hours shall be paid for by one employer for the same day.~~

20 ~~**5-12-4. Misconduct by inspectors.**~~

21 ~~Every inspector appointed under the provisions of this chapter who willfully stamps any
22 hides or leather as of a grade above or below that at which it is properly ratable, shall forfeit and
23 pay a penalty of one hundred dollars (\$100) and is liable to an action at law for damages to any
24 person injured from the action.~~

25 SECTION 4. Sections 5-65-1, 5-65-3, 5-65-7.1, 5-65-10, 5-65-15, 5-65-15.1 and 5-65-20
26 of the General Laws in Chapter 5-65 entitled "Contractors' Registration and Licensing Board" are
27 hereby amended to read as follows:

28 ~~**5-65-1. Definitions.**~~

29 As used in this chapter:

30 (1) "Board" means the contractors' registration and licensing board established pursuant
31 to the provisions of § 5-65-14 or its designees.

32 (2) "Claim for retainage" means an allegation that a person seeking payment of retainage
33 breached the person's contract for the project; provided, however, that a "claim" related to a
34 project with a contract value of not less than two hundred fifty thousand dollars (\$250,000) shall

1 be subject to the applicable dispute resolution procedure, notice, and other requirements in the
2 contract for construction.

3 (3) "Commission" means the building code commission supportive of the contractors'
4 registration and licensing board.

5 (4)(i) "Contractor" means a person who, in the pursuit of an independent business,
6 undertakes or offers to undertake or submits a bid, or for compensation and with or without the
7 intent to sell the structure arranges to construct, alter, repair, improve, move over public
8 highways, roads, or streets or demolish a structure or to perform any work in connection with the
9 construction, alteration, repair, improvement, moving over public highways, roads, or streets or
10 demolition of a structure, and the appurtenances thereto. For the purposes of this chapter,
11 "appurtenances" includes the installation, alteration, or repair of wells connected to a structure
12 consistent with chapter 13.2 of title 46. "Contractor" includes, but is not limited to, any person
13 who purchases or owns property and constructs, or for compensation arranges for the construction
14 of, one or more structures.

15 (ii) A certificate of registration is necessary for each "business entity" regardless of the
16 fact that each entity may be owned by the same individual.

17 (5) "Contract for construction" means a contract for which a lien may be established
18 under chapter 28 of title 34 or for state or municipal public works projects as defined in title 37
19 on a project for which the person on whose contract with the project owner has an original
20 contract price of not less than two hundred fifty thousand dollars (\$250,000); provided, however,
21 that "contract for construction" shall not include a project containing, or designed to contain, at
22 least one, but not more than four (4), dwelling units.

23 (6) "Deliverable" means a project close-out document that shall be submitted by the
24 person seeking payment of retainage under the person's contract for construction; provided,
25 however, that a lien waiver or release, which is a deliverable, shall comply with chapter 28 of title
26 34; provided, further, that "deliverable" shall not include any document affirming, certifying, or
27 confirming completion or correction of labor, materials, or other items furnished or incomplete or
28 defective work.

29 (7) "Dwelling unit" means a single unit providing complete independent living facilities
30 for one or more persons, including permanent provisions for living, sleeping, eating, cooking, and
31 sanitation.

32 (8) "Hearing officer" means a person designated by the ~~executive director~~ [director of the](#)
33 [department of business regulation or the director's designee](#) to hear contested claims or cases,
34 contested enforcement proceedings, and contested administrative fines, in accordance with the

1 "administrative procedures act", chapter 35 of title 42.

2 (9) "Incomplete or defective work" means labor, materials, or any other item required for
3 full performance by a person seeking payment of retainage that remains to be furnished by the
4 person under the person's contract for construction or that has been furnished by the person but
5 requires correction, repair, further completion, revision, or replacement; provided, however, that
6 "incomplete or defective work" shall not include deliverables or labor, materials, or any other
7 item to be repaired or replaced after substantial or final completion pursuant to a warranty,
8 guarantee, or other contractual obligation to correct defective work after substantial or final
9 completion.

10 (10) "Monetary damages" means the dollar amount required in excess of the contract
11 amount necessary to provide the claimant with what was agreed to be provided under the terms of
12 the contract reduced by any amount due and unpaid to the respondent inclusive of any and all
13 awards and restitution.

14 (11) "Person" means any natural person, joint venture, partnership, corporation, or other
15 business or legal entity who or that enters into a contract for construction.

16 (12) "Prime contractor" means a person who or that enters into a contract for construction
17 with the project owner.

18 (13) "Retainage" means a portion or percentage of a payment due pursuant to a contract
19 for construction that is withheld to ensure full performance of the contract for construction.

20 (14) "Staff" means ~~the executive director for the contractors' registration and licensing~~
21 ~~board, and~~ any ~~other~~ staff necessary to carry out the powers, functions, and duties of the board
22 including inspectors, hearing officers, and other supportive staff.

23 (15) "State" means the state of Rhode Island.

24 (16) "Structure" means (i) Any commercial building; or (ii) Any building containing one
25 or more residences and their appurtenances. The board's dispute resolution process shall apply
26 only to residential structures containing dwelling units, as defined in the state building code, or
27 residential portions of other types of buildings without regard to how many units any structure
28 may contain. The board retains jurisdiction and may conduct hearings regarding violations
29 against all contractors required to be registered or licensed by the board.

30 (17) "Substantially" means any violation that affects the health, safety, and welfare of the
31 general public.

32 (18) "Substantial completion" means the stage in the progress of the project when the
33 work required by the contract for construction with the project owner is sufficiently complete in
34 accordance with the contract for construction so that the project owner may occupy or utilize the

1 work for its intended use; provided, further, that "substantial completion" may apply to the entire
2 project or a phase of the entire project if the contract for construction with the project owner
3 expressly permits substantial completion to apply to defined phases of the project.

4 **5-65-3. Registration for work on a structure required of contractor -- Issuance of**
5 **building permits to unregistered or unlicensed contractors prohibited -- Evidence of activity**
6 **as a contractor -- Duties of contractors.**

7 (a) A person shall not undertake, offer to undertake, or submit a bid to do work as a
8 contractor on a structure or arrange to have work done unless that person has a current, valid
9 certificate of registration for all construction work issued by the board. A partnership,
10 corporation, or joint venture may do the work; offer to undertake the work; or submit a bid to do
11 the work only if that partnership, corporation, or joint venture is registered for the work. In the
12 case of registration by a corporation or partnership, an individual shall be designated to be
13 responsible for the corporation's or partnership's work. The corporation or partnership and its
14 designee shall be jointly and severally liable for the payment of the registration fee, as required in
15 this chapter, and for violations of any provisions of this chapter. Disciplinary action taken on a
16 registration held by a corporation, partnership, or sole proprietor may affect other registrations
17 held by the same corporation, partnership, or sole proprietorship, and may preclude future
18 registration by the principal of that business entity.

19 (b) A registered partnership or corporation shall notify the board in writing immediately
20 upon any change in partners or corporate officers.

21 (c) A city, town, or the state shall not issue a building permit to anyone required to be
22 registered under this chapter who does not have a current, valid certificate of registration
23 identification card or valid license that shall be presented at the time of issuance of a permit and
24 shall become a condition of a valid permit. Each city, town, or the state that requires the issuance
25 of a permit as a condition precedent to construction, alteration, improvement, demolition,
26 movement, or repair of any building or structure or the appurtenance to the structure shall also
27 require that each applicant for the permit file, as a condition to issuing the permit, ~~a written~~
28 ~~affidavit subject to the penalties of perjury, subscribed by the applicant, that the applicant~~ is
29 registered under the provisions of this chapter, giving the number of the registration and stating
30 that the registration is in full force and effect, or, if the applicant is exempt from the provisions of
31 this chapter, listing the basis for the exemption. The city, town, or the state shall list the
32 contractor's registration number on the permit obtained by that contractor, and if a homeowner is
33 issued a permit, the building inspector or official must ascertain registration numbers of each
34 contractor on the premises and shall inform the registration board of any non-registered

1 contractors performing work at the site.

2 (d) Every city and town that requires the issuance of a business license as a condition
3 precedent to engaging, within the city or town, in a business that is subject to regulation under
4 this chapter, shall require that each licensee and each applicant for issuance or renewal of the
5 license file, or has on file, with the city or town a signed statement that the licensee or applicant is
6 registered under the provisions of this chapter and stating that the registration is in full force and
7 effect.

8 (e) It shall be prima facie evidence of doing business as a contractor when a person for
9 that person's own use performs, employs others to perform, or for compensation and with the
10 intent to sell the structure, arranges to have performed any work described in § 5-65-1(4) if within
11 any one twelve-month (12) period that person offers for sale one or more structures on which that
12 work was performed.

13 (f) Registration under this chapter shall be prima facie evidence that the registrant
14 conducts a separate, independent business.

15 (g) The provisions of this chapter shall be exclusive and no city or town shall require or
16 shall issue any registrations or licenses nor charge any fee for the regulatory registration of any
17 contractor registered with the board. Nothing in this subsection shall limit or abridge the authority
18 of any city or town to license and levy and collect a general and nondiscriminatory license fee
19 levied upon all businesses, or to levy a tax based upon business conducted by any firm within the
20 city or town's jurisdiction, if permitted under the laws of the state.

21 (h)(1) Every contractor shall maintain a list that shall include the following information
22 about all subcontractors or other contractors performing work on a structure for that contractor:

23 (i) Names and addresses; and

24 (ii) Registration numbers or other license numbers.

25 (2) The list referred to in subsection (h)(1) of this section shall be delivered to the board
26 within twenty-four (24) hours after a request is made during reasonable working hours, or a fine
27 of twenty-five dollars (\$25.00) may be imposed for each offense.

28 (i) The following subcontractors who are not employees of a registered contractor must
29 obtain a registration certificate prior to conducting any work: (1) Carpenters, including finish
30 carpenters and framers; (2) Siding installers; (3) Roofers; (4) Foundation installers, including
31 concrete installers and form installers; (5) Drywall installers; (6) Plasterers; (7) Insulation
32 installers; (8) Ceramic tile installers; (9) Floor covering installers; (10) Swimming pool installers,
33 both above ground and in ground; (11) Masons, including chimney installers, fireplace installers,
34 and general masonry erectors. This list is not all inclusive and shall not be limited to the above-

1 referenced contractors. No subcontractor licensed by another in-state agency pursuant to § 5-65-2
2 shall be required to register, provided that said work is performed under the purview of that
3 license.

4 (j) A contractor including, but not limited to, a general contractor, shall not hire any
5 subcontractor or other contractor to work on a structure unless the contractor is registered under
6 this chapter or exempt from registration under the provisions of § 5-65-2.

7 (k) A summary of this chapter, prepared by the board and provided at cost to all
8 registered contractors, shall be delivered by the contractor to the owner when the contractor
9 begins work on a structure; failure to comply may result in a fine.

10 (l) The registration number of each contractor shall appear in any advertising by that
11 contractor. Advertising in any form by an unregistered contractor shall be prohibited, including
12 alphabetical or classified directory listings, vehicles, business cards, and all other forms of
13 advertisements. The violations could result in a penalty being assessed by the board per
14 administrative procedures established.

15 (i) The board may publish, revoke, or suspend registrations and the date the registration
16 was suspended or revoked on a quarterly basis.

17 (ii) Use of the word "license" in any form of advertising when only registered may
18 subject the registrant or those required to be registered to a fine of one hundred dollars (\$100) for
19 each offense at the discretion of the board.

20 (m) The contractor must see that permits required by the state building code are secured
21 on behalf of the owner prior to commencing the work involved. The contractor's registration
22 number must be affixed to the permit as required by the state building code.

23 (n) The board may assess an interest penalty of twelve percent (12%) annually when a
24 monetary award is ordered by the board.

25 (o) All work performed, including labor and materials, in excess of one thousand dollars
26 (\$1,000) shall be accompanied by a contract in writing. Contracts required pursuant to this
27 subsection shall include a location on or near the signature line location on or in which the parties
28 to the contract shall initial to evidence the receipt of certain consumer education materials or
29 information approved and provided by the board to the contractor. The educational materials
30 and/or information shall include, but not be limited to, the following notice and shall be provided
31 by the contractor to the homeowner:

32 NOTICE OF POSSIBLE MECHANIC'S LIEN

33 To: Insert name of owner, lessee or tenant, or owner of less than the simple fee.

34 The undersigned is about to perform work and/or furnish materials for the construction,

1 erection, alterations or repair upon the land at (INSERT ADDRESS) under contract with you.
2 This is a notice that the undersigned and any other persons who provide labor and materials for
3 the improvement under contract with the undersigned may file a mechanic's lien upon the land in
4 the event of nonpayment to them. It is your responsibility to assure yourself that those other
5 persons under contract with the undersigned receive payment for their work performed and
6 materials furnished for the construction, erection, alteration or repair upon the land. Failure to
7 adhere to the provisions of this subsection may result in a one-thousand-dollar (\$1,000) fine
8 against the contractor and shall not affect the right of any other person performing work or
9 furnishing materials of claiming a lien pursuant to chapter 28 of title 34. However, such person
10 failing to provide such notice shall indemnify and hold harmless any owner, lessee or tenant, or
11 owner of less than the fee simple from any payment or costs incurred on account of any liens
12 claims by those not in privity with them, unless such owner, lessee or tenant, or owner of less
13 than the fee simple shall not have paid such person.

14 (p) Contracts entered into must contain notice of right of rescission as stipulated in all
15 pertinent Rhode Island consumer protection laws and/or § 5-65-27 if applicable.

16 (q) The contractor must stipulate whether or not all the proper insurances are in effect for
17 each job contracted.

18 (r) Contractors who are in compliance with the provisions of this subsection shall be
19 exempt from the requirements of § 34-28-4.1.

20 (s) In addition to the requirements of this chapter, contractors engaged in well drilling
21 activities shall also be subject to regulations pertaining to licensing and registration promulgated
22 by the contractors' registration and licensing board pursuant to chapter 65.2 of this title and § 46-
23 13.2-4.

24 **5-65-7.1. Notice of cancellation or failure to renew policies.**

25 Upon the cancellation or failure to renew, the insurance company having written a
26 liability policy, as described in § 5-65-7, shall notify ~~the director of~~ the contractors' registration
27 [and licensing](#) board of the cancellation or failure to renew. The policy shall continue in effect
28 until ten (10) days after written notice of the cancellation is given to ~~the director of~~ the
29 contractors' registration [and licensing](#) board of the cancellation or termination of the liability
30 policy by the issuing insurance company or companies in addition to any other notices which may
31 be required by law. Any insurance company that fails to notify the ~~director~~ [contractors'](#)
32 [registration and licensing board](#), as required in this section shall be subject to prosecution for a
33 misdemeanor and upon conviction of that offense may be punished by a fine of not more than two
34 hundred fifty dollars (\$250) for each offense and shall be responsible for any claims, fines or

1 penalties from any parties resulting from lack of notice. All criminal actions for any violation of
2 this section shall be prosecuted by the attorney general. The attorney general shall prosecute
3 actions to enforce the payment penalties and fines at the request of the director [of the department](#)
4 [of business regulation or the director's designee](#).

5 **5-65-10. Grounds for discipline -- Injunctions.**

6 (a) The board or commission may revoke, suspend, or refuse to issue, reinstate, or reissue
7 a certificate of registration if the board or commission determines after notice and opportunity for
8 a hearing:

9 (1) That the registrant or applicant has violated § 5-65-3.

10 (2) That the insurance required by § 5-65-7 is not currently in effect.

11 (3) That the registrant, licensee or applicant has engaged in conduct as a contractor that is
12 dishonest or fraudulent that the board finds injurious to the welfare of the public.

13 (4) Has violated a rule or order of the board.

14 (5) That the registrant has knowingly assisted an unregistered person to act in violation of
15 this chapter.

16 (6) That a lien was filed on a structure under chapter 28 of title 34 because the registrant
17 or applicant wrongfully failed to perform a contractual duty to pay money to the person claiming
18 the lien.

19 (7) That the registrant has substantially violated state or local building codes.

20 (8) That the registrant has made false or fraudulent statements on his or her application.

21 (9) That a registrant has engaged in repeated acts in violation of this chapter and the
22 board's rules and regulations inclusive of substandard workmanship and any misuse of
23 registration.

24 (10) The board may take disciplinary action against a contractor who performed work or
25 arranged to perform, while the registration was suspended, invalidated or revoked. Deposits
26 received by a contractor and ordered returned are not considered a monetary award when no
27 services or supplies have been received.

28 (11) That the registrant breached a contract.

29 (12) That the registrant performed negligent and/or improper work.

30 (13) That the registrant has advertised with a license number instead of using a
31 registration number.

32 (14) That the registrant has failed to complete a project(s) for construction or a willful
33 failure to comply with the terms of a contract or written warranty.

34 (15) That the registrant has misrepresented his registration status as valid when said

1 registration is suspended, revoked, invalidated, inactive or unregistered as required by the board.

2 (16) That the registrant has failed to pay a fine or comply with any order issued by the
3 board.

4 (17) That the registrant has failed to obtain or maintain the required continuing
5 education/units required by the board, or failed to sign the [affidavit statement](#) required by the
6 board for registration or renewal.

7 (18) When a violation for hiring a non-registered contractor, working as a non-registered
8 contractor, or not maintaining the insurance required is issued, the registration may become
9 invalidated until the violation is resolved or hearing is requested on this offense.

10 (19) That the registrant has violated any of the provisions of chapters 25-3, 28-3, 28-12,
11 28-14, 28-36, 28-50, and/or 37-13. A finding that the registrant has violated any of those chapters
12 shall not be grounds for imposition of a monetary penalty under subsection (c) below.

13 (b) In addition to all other remedies, when it appears to the board that a person has
14 engaged in, or is engaging in, any act, practice or transaction which violates the provisions of this
15 chapter, the board may direct the attorney general to apply to the court for an injunction
16 restraining the person from violating the provisions of this chapter. An injunction shall not be
17 issued for failure to maintain the list provided for in § 5-65-3(h) unless the court determines that
18 the failure is intentional.

19 (c)(1) For each first violation of a particular section of this chapter or any rule or
20 regulation promulgated by the board, a fine not to exceed five thousand dollars (\$5,000) may be
21 imposed after a hearing by the board. Provided, further, that the board at its discretion may, after
22 a hearing, impose an additional fine up to but not to exceed the face value of the contract or the
23 actual damages caused by the contractor, whichever shall be greater. Where the claim is for actual
24 damages the board shall require proof satisfactory to the board indicating said damages. Where
25 corrective work is completed as ordered by the board, the fine assessed may be reduced as
26 determined by the board. Fines and decisions on claims or violations inclusive of monetary
27 awards can be imposed against registered as well as contractors required to be registered by the
28 board.

29 (2) For each subsequent violation of a particular subsection of this chapter or of a rule or
30 regulation promulgated by the board, a fine not to exceed ten thousand dollars (\$10,000) may be
31 imposed after a hearing by the board. All fines collected by the board shall be deposited as
32 general revenues until June 30, 2008 to be used to enforce the provisions of this chapter.
33 Beginning July 1, 2008, all fines collected by the board shall be deposited into a restricted receipt
34 account to be used to enforce the provisions of this chapter.

1 (3) For the first violation of § 5-65-3, only for non-registered contractors, a fine of up to
2 five thousand dollars (\$5,000) for a first offense and up to ten thousand dollars (\$10,000) for each
3 subsequent offense shall be imposed.

4 (d) The hearing officer, upon rendering a conclusion may require the registrant, in lieu of
5 a fine, to attend continuing education courses as appropriate. Failure to adhere to the requirement
6 could result in immediate revocation of registration.

7 (e) The expiration of a registration by operation of law or by order or decision of the
8 board or a court, or the voluntary surrender of registration by the registrant, does not deprive the
9 board of jurisdiction, an action or disciplinary proceeding against the registrant or to render a
10 decision suspending or revoking a registration.

11 (f) In emergency situations, when a registrant is acting to the detriment of the health,
12 welfare and safety of the general public, the ~~board's executive~~ director [of the department of](#)
13 [business regulation or the director's designee](#) may revoke or suspend a registration without a
14 hearing for just cause for a period of thirty (30) days.

15 (g) A registrant may petition the board to partially or completely expunge his or her
16 record provided that notice of said expungement proceedings has been provided to the claimant
17 who was the subject of the violation. For purposes of this subsection "notice" shall consist of a
18 mailing to the last known address of the claimant and need not be actual notice.

19 (h) Any person or contractor, registered or not, who uses another contractor's registration,
20 contractor's registration identification card, or allows another person to use their contractor's
21 registration fraudulently in any way, will be subject to a fine not exceeding ten thousand dollars
22 (\$10,000).

23 (i) When the use of fraudulent advertising entices an individual to hire an unregistered
24 contractor, a fine of up to ten thousand dollars (\$10,000) may be imposed by the board.

25 (j) It shall be unlawful to retain a social security number or copy of the driver's license
26 from a registrant by a building official as a condition of obtaining a permit.

27 (k) The board is further authorized upon certain findings or violations to:

28 (1) Put a lien on property held by a contractor.

29 (2) Take action on registrant when the continuing education requirements have failed to
30 be attained as required in rules and regulations.

31 (3) When upon investigation a complaint reveals: serious code infractions; unsatisfied
32 mechanic's liens; abandonment of a job for a substantial period of time without apparent cause; or
33 any other conduct detrimental to the public, the board can double the fines.

34 (4) Suspend, revoke or refuse to issue, reinstate or reissue a certificate of registration to

1 any registrant who has contracted, advertised, offered to contract or submitted a bid when the
2 contractor's registration is suspended, revoked, invalidated or inactive or unregistered as required
3 by the board.

4 (l) No person shall register as a contractor with the contractors' registration board for the
5 purpose of deceiving or circumventing the registration process by enabling a person whose
6 registration has been suspended or revoked to conduct business. Provided, further, that any person
7 who, in good faith relies on the board or the contractor's registration website for information
8 regarding registration status of another shall be exempt from violations pursuant to this section if
9 the information is not correct. Violators of this section shall be jointly and individually liable for
10 damages resulting from their activities as contractors pursuant to this chapter. Violations of this
11 subsection may result in a revocation of registration and/or fines not to exceed ten thousand
12 dollars (\$10,000) and/or up to one year in jail. Furthermore, the director [of the department of](#)
13 [business regulation or the director's designee](#) shall require that all applicants for registration shall
14 ~~swear by way of affidavit~~ [sign a statement](#) that they are aware of this provision and its
15 implications.

16 (m) Upon receipt of notice of a final determination, after the exhaustion of all appeals, by
17 the department of labor and training, consent agreement, or court order that a registered
18 contractor violated any of the provisions of chapters 25-3, 28-3, 28-12, 28-14, 28-36, 28-50,
19 and/or 37-13 and owes any wages, benefits or other sums arising out of such violation, the board
20 shall immediately suspend the contractor's registration of such contractor in accordance with this
21 subsection. The suspension shall continue until all wages, benefits, or other sums owed have been
22 paid or the contractor has entered into a written, binding agreement to pay the same acceptable to
23 the department of labor and training and is not in default in payment under such agreement. If the
24 contractor fails to remain current in payment under any such agreement, the department of labor
25 and training shall notify the contractors' registration board and the suspension shall be imposed or
26 reinstated as the case may be. The foregoing sanction is mandatory, but shall not be grounds for
27 imposition of a monetary penalty under subsection (c) above.

28 (n) When the registration of a contractor has been revoked or suspended, neither the
29 contractor nor any successor entity or sole proprietorship that: (1) Has one or more of the same
30 principals or officers as the partnership, limited partnership, limited liability partnership, joint
31 venture, limited liability company, corporation, or sole proprietorship as the subject contractor;
32 and (2) Is engaged in the same or equivalent trade or activity shall be qualified to register or
33 retain a registration as a contractor under this chapter, unless and until the board shall determine
34 that the basis of the revocation or suspension has been satisfied or removed and that the registrant

1 or applicant otherwise satisfies the requirements for registration under this chapter.
2 Notwithstanding the foregoing, a natural person may obtain relief from the application and
3 enforcement of this subsection as to him or her, if he or she can establish that he or she was not
4 responsible for, and did not acquiesce to the misconduct which is the basis of the revocation,
5 suspension or denial of registration.

6 **5-65-15. Officers -- Quorum -- Compensation and expenses.**

7 (a) The board shall select from among its members a chairperson, a vice chairperson and
8 any other officers for the terms and with the duties and powers necessary for the performance of
9 their duties that the board determines.

10 (b) A majority of the members of the board shall constitute a quorum for the transaction
11 of business.

12 (c) The board shall have ~~an executive director~~ a member of staff who shall attend all
13 meetings and shall direct the conduct of any investigation which may be necessary in the
14 preparation of any hearing. ~~The executive director shall be a member of the classified service on~~
15 ~~the staff of the state building commissioner and shall be compensated as appropriate for the~~
16 ~~required expertise.~~

17 **5-65-15.1. Staff.**

18 (a) The state building code commission shall provide the board with appropriate staff,
19 including hearing officials and investigators, who shall perform their duties under the
20 administrative supervision of the ~~executive~~ director of the department of business regulation or
21 the director's designee.

22 (b) The board may delegate the powers, functions and duties to the provided staff.

23 **5-65-20. Administrative hearings.**

24 (a) Contested claims or cases, contested enforcement proceedings, and contested
25 administrative fines shall be heard, in accordance with the Administrative Procedures Act,
26 chapter 35 of title 42, and the administrative regulations promulgated by the board, by the
27 hearings officer(s) assigned by the ~~executive~~ director of the department of business regulation or
28 the director's designee ~~of the board.~~

29 (b) The board has jurisdiction to hear appeals from decisions of the hearing officer(s),
30 and may by regulation impose a filing fee, not to exceed twenty dollars (\$20.00), for any appeal.

31 (c) Notwithstanding the preceding, the ~~executive~~ director of the department of business
32 regulation or the director's designee ~~for the board~~ is authorized to resolve contested enforcement
33 or claim proceedings through informal disposition pursuant to regulations promulgated by the
34 board.

1 SECTION 5. Section 5-65.2-3 of the General Laws in Chapter 5-65.2 entitled "Rhode
2 Island Well-Drilling, Pump Installers, and Water-Filtration Contractors Licensing Law" is hereby
3 amended to read as follows:

4 **5-65.2-3. Licensing procedure.**

5 (a) In addition to the provisions of chapter 65 of title 5, the contractors' registration and
6 licensing board is authorized to establish a program to license well-drilling contractors, pump
7 installers, water-filtration/treatment-system contractors, and water-filtration/treatment-system
8 installers to ensure persons performing well-drilling work, pump installation, and residential
9 water-filtration/treatment-system installation as properly qualified to conduct the work. On or
10 before January 1, 2017, the board shall promulgate regulations to establish a licensing program
11 that provides for appropriate categories of work to ensure proper qualifications pertaining to the
12 use of different equipment and approaches to construct, install, repair, alter, or remove wells, well
13 pumps, water-supply systems, residential water-treatment/supply systems, and water-filtration
14 systems, and that will allow well-drilling contractors, pump installers, or residential water-
15 filtration/treatment-system contractors and residential water-filtration/treatment-system installers,
16 as described herein, to fulfill the relevant requirements of chapter 65 of title 5 through the
17 licensing program. Upon promulgation of applicable regulations, the license issued by the board
18 to a contractor shall serve to fulfill the contractor registration requirements of chapter 65 of title
19 5.

20 (b) Pursuant to board regulations, all persons seeking to be licensed as a well-drilling
21 contractor, pump installer, residential water-filtration/treatment-system contractor, or residential
22 water-filtration/treatment-system installer as defined herein shall submit an application to the
23 contractors' registration and licensing board on the form or forms that the board requires. As
24 specified by the board, the application shall include the following information:

25 (1) The name of the applicant;

26 (2) The business address of the applicant;

27 (3) The mailing address of the applicant;

28 (4) The telephone number of the applicant;

29 (5) Any registration number and/or other license numbers issued by the state, or any city
30 or town;

31 (6) A statement of the skills, training, and experience of the applicant sufficient to ensure
32 public safety, health and welfare; and

33 (7) Agent of service for out-of-state contractors.

34 (c) To be eligible for licensure as a well-drilling contractor, pump installer, residential

1 water-filtration/treatment-system contractor, or residential water-filtration/treatment-system
2 installer, an applicant shall also fulfill the following requirements:

3 (1) ~~Be of good moral character;~~

4 (3) 2) Pass appropriate examinations approved or administered by the contractors'
5 registration and licensing board, unless otherwise exempted in accordance with § 5-65-3(g), and
6 has met all the requirements of the rules and regulations established by the board;

7 (4) 3) Be in good standing with the contractors' registration and licensing board;

8 (4) Take five (5) hours continuing education per year as set forth and recognized by the
9 contractors' registration and licensing board.

10 (d) The contractors' registration and licensing board is authorized to adopt rules and
11 regulations pursuant to the Administrative Procedures Act, chapter 35 of title 42, necessary to
12 effectuate the purpose of this chapter. Rules and regulations shall provide a fine schedule, which
13 will establish grounds for discipline for license holders or non-licensed contractors. Fines shall be
14 structured not to exceed five thousand (\$5,000) dollars per day, per offense for conduct injurious
15 to the welfare of the public, as well as those required pursuant to § 5-65-10.

16 (e) Any person applying for a license or registration and making any material
17 misstatement as to his or her experience or other qualifications, or any person, firm, or
18 corporation subscribing to or vouching for any misstatement, shall be subject to the discipline and
19 penalties provided in § 5-65-10.

20 (f) No corporation, firm, association, or partnership shall engage in the business of well
21 drilling, pump installation, water-filtration/treatment-system contracting, or represent itself as a
22 well-drilling contractor, pump installer, or water-filtration/treatment-system contractor, unless a
23 licensed well-drilling contractor, pump installer, or water-filtration/treatment-system contractor,
24 as provided in this chapter, is continuously engaged in the supervision of its well-drilling, pump-
25 installing, or water-filtration/treatment-system contracting work. If the license holder dies or
26 otherwise becomes incapacitated, the corporation, firm, or association shall be allowed to
27 continue to operate until the next examination shall be given or such times as the board shall see
28 fit. In no event, shall the corporation, firm, association, or partnership continue to operate longer
29 than twelve (12) months or in accordance with the board's established rules and regulations
30 without satisfying the license requirements of this chapter.

31 (g) Those well-drilling contractors who were previously registered with the department of
32 environmental management, and remain in good standing as of December 31, 2012, and that were
33 previously exempted from fulfilling the testing requirements required for registration by the
34 department, shall also be exempt from the testing requirements set forth in this chapter.

1 (h) Prior to January 1, 2018, the authority shall, without examination, upon receipt of the
2 fees required in this chapter, issue through the contractors' registration and licensing board a
3 residential water-filtration/treatment-system installer's license to any applicant who shall present
4 satisfactory evidence that they have the qualifications for the type of license applied for. After
5 January 1, 2018, in order to qualify for a residential water-filtration/treatment installer's license
6 the eligible individual shall be required to pass a written examination and show proof as required
7 by the contractors' registration and licensing board of their eligibility.

8 (i) Satisfactory evidence shall be any of the following that is applicable:

9 (1) The applicant must have been employed by a contractor registered with the
10 contractors' registration and licensing board to do business designating water-filtration/treatment-
11 system installation and/or service as a service provided for the previous one year and been
12 actively engaged in the installation and servicing of water-filtration/treatment systems during that
13 time period; or

14 (2) ~~Notarized confirmation~~ Confirmation by three (3) water-filtration/treatment-system
15 contractors that the applicant has the requisite training and experience to be licensed under this
16 act.

17 (j) Prior to January 1, 2018, the authority shall, without examination, upon receipt of the
18 fees required in this chapter, issue through the contractors' registration and licensing board, a
19 residential water-filtration/treatment-system contractor's license to any applicant who shall
20 present satisfactory evidence that they have the qualifications for the type of license applied for.
21 After January 1, 2018, in order to qualify for a residential water-filtration/treatment contractor's
22 license, the eligible contractor shall be required to pass a written examination and show proof, as
23 required by the contractors' registration and licensing board, of their eligibility.

24 (k) Satisfactory evidence shall be any of the following that is applicable:

25 (1) The owner or owners of an enterprise must have been active in water filtration for the
26 previous two (2) years; or

27 (2) The contractor has been previously registered with the contractors' registration and
28 licensing board to do business designating water-filtration/treatment system installation and/or
29 service as a provided service; or

30 (3) ~~Notarized confirmation~~ Confirmation by three (3) water-filtration/treatment-system
31 contractors that the applicant has the requisite training and experience to be licensed under this
32 act.

33 SECTION 6. Section 5-71-8 of the General Laws in Chapter 5-71 entitled "Licensure of
34 Interpreters for the Deaf" is hereby amended to read as follows:

1 **5-71-8. Qualifications of applicants for licenses.**

2 (a) To be eligible for licensure by the board as an interpreter for the deaf or transliterator,
3 the applicant must submit written evidence on forms furnished by the department, ~~verified by~~
4 ~~oath~~, that the applicant meets all of the following requirements:

5 (1) Is of good moral character;

6 (2) Meets the screened requirements as defined in regulations promulgated by the
7 department or meets the certification requirements set forth by RID or its successor agency
8 approved by the department in consultation with the board;

9 (3) Pays the department a license fee as set forth in § 23-1-54;

10 (4) Adheres to the National Association of the Deaf (NAD) and the Registry of
11 Interpreters for the Deaf, Inc., (RID) code of professional conduct; and

12 (5) Provides verification of a background check with the bureau of criminal investigation
13 in the office of attorney general at the time of the initial application for license.

14 (b) To be eligible for licensure by the board as an educational interpreter for the deaf, the
15 applicant must meet all of the requirements as described in subsection (a) and must further
16 present proof of successful completion of the educational interpreter performance assessment
17 (EIPA), written and performance tests, or a similar test as approved by the board, at a
18 performance level established by the board.

19 (c) An individual whose license, certification, permit, or equivalent form of permission
20 issued within another state has been revoked, suspended, or currently placed on probation shall
21 not be eligible for consideration for licensure unless they have first disclosed to the department
22 about such disciplinary actions.

23 SECTION 7. Section 5-73-3 of the General Laws in Chapter 5-73 entitled "Roofing
24 Contractors" is hereby amended to read as follows:

25 **5-73-3. Registration and licensing of roofing contractors.**

26 (a) All roofing contractors, in addition to the requirements of chapter 65 of this title
27 entitled "Contractor~~s~~' Registration and Licensing Board", if applicable, prior to conducting
28 roofing business in the state of Rhode Island, shall first submit an application to and be licensed
29 by the contractor~~s~~' registration and licensing board on the form or forms that the board requires.
30 The application shall include the following information:

31 (1) The name of the applicant;

32 (2) The business address of the applicant;

33 (3) The mailing address of the applicant;

34 (4) The telephone number of the applicant;

1 (5) The name of the party or officer who shall be responsible for all roofing activities
2 conducted in the state of Rhode Island;

3 (6) Any registration number and/or other license numbers issued by the state, or any city
4 or town; and

5 (7) A statement of the skills, training and experience of the applicant sufficient to ensure
6 public safety, health and welfare.

7 (b) Licensing requirements shall not apply to roofing contractors applying shingles only.

8 (c) To be eligible for licensure as a roofing contractor an applicant shall also fulfill the
9 following requirements:

10 (1) Be of good moral character;

11 (2) Pass an examination approved or administered by the contractors' registration and
12 licensing board or has previously been registered as a commercial roofer in good standing and has
13 met all the requirements of the rules and regulations established by the board;

14 (3) Be in good standing with the contractors' registration and licensing board;

15 ~~(4) All field personnel of the roofing contractor must have a current certificate of~~
16 ~~completion of the ten (10) hours OSHA safety course or equivalent thereof as determined by the~~
17 ~~contractors' registration and licensing board;~~

18 ~~(5)~~ (4) Take ten (10) hours continuing roofing education per ~~year~~ two-year licensing cycle
19 as set forth and recognized by the contractors' registration board;

20 ~~(6) Be bonded in the aggregate amount of the total dollar value of any contract entered~~
21 ~~into to perform roofing work, single project in the amount of one hundred thousand dollars~~
22 ~~(\$100,000) minimum; and~~

23 ~~(7)~~ (5) Provide the board with an insurance certificate in the amount of ~~one million five~~
24 ~~hundred thousand dollars (\$1,500,000)~~ two million dollars (\$2,000,000) per occurrence pursuant
25 to the established rules and regulations, with the board as the holder, from the date of issuance,
26 continuously.

27 (d)(1) The contractors' registration and licensing board is authorized to adopt rules and
28 regulations pursuant to the Administrative Procedures Act, chapter 35 of title 42, necessary to
29 effectuate the purposes of this chapter.

30 (2) Rules and regulations shall provide a fine schedule, which will establish grounds for
31 discipline for licensee holders or non-licensed contractors.

32 (3) Fines shall be structured not to exceed five thousand dollars (\$5,000) per day per
33 offense for conduct injurious to the welfare of the public as well as those required pursuant to § 5-
34 65-10.

1 (e) Any person applying for a license or registration and making any material
2 misstatement as to his or her experience or other qualifications, or any person, firm, or
3 corporation subscribing to or vouching for any misstatement shall be subject to the discipline and
4 penalties provided in § 5-65-10.

5 (f) No corporation, firm, association, or partnership shall engage in the business of
6 commercial roofing or represent itself as a commercial roofing contractor unless a licensed
7 commercial roofer as provided in this chapter is continuously engaged in the supervision of its
8 commercial roofing work, provided that the commercial roofer is a general partner or an officer
9 and shareholder in the firm or corporation. If the license holder dies or otherwise becomes
10 incapacitated, the corporation, firm, or association shall be allowed to continue to operate until
11 the next examination shall be given or such times as the board shall see fit. In no event, shall the
12 corporation, firm, association, or partnership continue to operate longer than twelve (12) months
13 or in accordance with the board's established rules and regulations without satisfying the license
14 requirements of this chapter. Those roofers who have been registered with the board on July 1,
15 ~~2003~~ [2015](#), and remain in good standing, shall be exempt from the testing requirements set forth
16 in this chapter.

17 (g) Complaints filed with the board shall be heard only in regard to those issues so
18 established in the rules and regulations.

19 SECTION 8. Chapter 9-5 of the General Laws entitled "Writs, Summons and Process" is
20 hereby amended by adding thereto the following section:

21 **9-5-10.7. Penalties.**

22 [Any constable who violates any of the provisions of this chapter or any regulations](#)
23 [promulgated hereunder pertaining to constables or any person who engages in activities requiring](#)
24 [certification as a constable without such certification shall be subject to payment of a civil penalty](#)
25 [not to exceed one thousand dollars \(\\$1,000\) for each violation.](#)

26 SECTION 9. Section 11-18-12 of the General Laws in Chapter 11-18 entitled "Fraud and
27 False Dealing" is hereby amended to read as follows:

28 **11-18-12. Injunction of false advertising.**

29 When it appears to the director of ~~business regulation~~ [labor and training](#) of the state of
30 Rhode Island that any person, firm, corporation, or association is violating any of the provisions
31 of § 11-18-10, the director of ~~business regulation~~ [labor and training](#) may cause to be instituted an
32 action, commenced in the name of the director of ~~business regulation~~ [labor and training](#) in his
33 capacity as director of ~~business regulation~~ [labor and training](#), to enjoin the violation in the
34 superior court and the court shall have jurisdiction to enjoin and/or restrain any person, firm,

1 corporation or association from violating any of the provisions of § 11-18-10 without regard to
2 whether criminal proceedings have been or may be instituted.

3 SECTION 10. Section 23-19.14-4 of the General Laws in Chapter 23-19.14 entitled
4 "Industrial Property Remediation and Reuse Act" is hereby amended to read as follows:

5 **23-19.14-4. Objectives of environmental clean-up.**

6 (a) The department of environmental management will develop, maintain and publish
7 numerical objectives for the most commonly found hazardous substances. These objectives will
8 be applicable for the clean-up of contaminated properties to levels which are protective of human
9 health and the environment based on current and reasonably foreseeable future use of a property
10 and the surrounding natural resources. To further ensure the safety of school children while
11 attending school, the department of environmental management, shall:

12 (1) Adopt numerical objectives for properties dedicated to school use equivalent to the
13 numerical objectives set by the department for residential use of such properties;

14 (2) Evaluate chemicals of concern for vapor intrusion and adopt numerical objectives for
15 those contaminants in soil and groundwater where such standards do not already exist in
16 regulation and apply the numerical objectives for residential use established for said chemicals
17 and petroleum to properties dedicated to school use; and

18 (3) Develop and adopt procedures for determining whether levels of chemicals of
19 potential concern for vapor intrusion and petroleum in soil or groundwater pose a reasonable
20 potential for migration of contaminated vapors or gases into structures to be utilized as school
21 facilities.

22 (b)(1) The construction of any new school building; or

23 (2) Construction of an addition to any existing school building; or

24 (3) Leasing of any portion of an existing building to serve as a school shall be prohibited
25 on any portion of a parcel of property for which, upon occupancy, there exists an ongoing
26 potential for hazardous materials and/or petroleum to migrate as vapors or gases into the building
27 from the subsurface of the parcel of property, unless:

28 (i) At a property where concentrations of chemicals of potential concern for vapor
29 intrusion or petroleum in the subsurface exceed the residential direct exposure criteria in soil,
30 source areas of said chemicals or petroleum within the vadose zone of the site that includes said
31 property shall be remediated:

32 (A) Through the physical removal of said chemicals or petroleum through excavation or
33 in situ treatment; and

34 (B) The school building shall be equipped with both a passive sub slab ventilation system

1 capable of conversion to an active system and a vapor barrier beneath the school building or
2 incorporated in the concrete slab, all in compliance with an approved department of
3 environmental management remedial action work plan and completed prior to the occupancy of
4 the school;

5 (ii) At a property where concentrations of chemicals of potential concern for vapor
6 intrusion or petroleum in the subsurface do not exceed the residential direct exposure criteria in
7 soil but contamination exists on the property due to the presence of any chemicals of potential
8 concern for vapor intrusion or petroleum in groundwater, the department of environmental
9 management shall:

10 (A) Require the property's owner or operator to prepare a site specific conceptual site
11 model and conduct soil gas sampling to determine the location of the source area of said
12 chemicals or petroleum in the site's vadose zone;

13 (B) Evaluate the results of said model and sampling to determine if levels of any
14 chemicals of potential concern for vapor intrusion or petroleum could migrate as vapors or gases
15 into the occupied portions of the building where the school is proposed based on procedures
16 developed pursuant to this chapter; and

17 (C) Where the department determines that the conceptual site model and environmental
18 sampling demonstrates that there is a credible threat of ~~reasonable potential for~~ migration of
19 contaminated vapors or gases into the proposed school buildings ~~is determined to exist~~, the
20 department shall require remediation to eliminate said potential as follows:

21 (I) Where the source area is located on the site that includes said property, requiring the
22 physical removal of said chemicals or petroleum in the source area in the vadose zone through
23 excavation or in situ treatment; provided, the concentrations of said chemicals or petroleum in
24 said source area exceed the direct residential exposure criteria in soil; and

25 (II) Requiring the installation of both a passive sub slab ventilation system capable of
26 conversion to an active system and a vapor barrier beneath the school building or incorporated in
27 the concrete slab, all in compliance with an approved department of environmental management
28 remedial action work plan and completed prior to the occupancy of the school; and, provided
29 further, should monitoring of a passive sub-slab ventilation system indicate that active ventilation
30 is necessary to protect the health and safety of users of a school equipped with a passive system,
31 the department of environmental management shall require conversion of the passive system to
32 an active system along with financial assurances to provide for the funding of the operation and
33 monitoring of said active system for as long as active ventilation is deemed necessary by the
34 department.

1 (iii) At a property where concentrations of chemicals of potential concern for vapor
2 intrusion or petroleum in the subsurface do not exceed the residential direct exposure criteria in
3 soil on the site that includes said property, and where the department has determined that levels of
4 any chemicals of potential concern for vapor intrusion or petroleum will not present a reasonable
5 potential for migration of contaminated vapors or gases into structures to be utilized as school
6 facilities on the property, the property may be used for school purposes subject to any conditions
7 that the department of environmental management may impose pursuant to this chapter.

8 (c) The construction of any school building, or construction of an addition to any existing
9 school building, or leasing of any portion of an existing building to serve as a school on any
10 portion of a parcel of property formerly used for industrial, manufacturing or landfill purposes
11 that is contaminated by hazardous materials, shall be prohibited unless at least thirty (30) days
12 prior to selecting the location for construction or leasing the building the project sponsor
13 undertakes all of the following measures with ten (10) days prior written notice to the public of
14 each measure undertaken:

15 (1) Prepares and posts on the sponsor's website a written report that: (i) Projects the costs
16 to acquire or lease the property, and to cleanup and maintain the property in accordance with the
17 department of environmental management's Rules and Regulations for the Investigation and
18 Remediation of Hazardous Material Releases (the Remediation Regulations); (ii) Projects the
19 time period required to complete a cleanup of the property for school purposes prior to occupancy
20 by obtaining either an Interim Letter of Compliance, a Letter of Compliance or a Non-
21 Jurisdictional Letter indicating that the property is not jurisdictional under the Remediation
22 Regulations of the department of environmental management; (iii) Discusses the rationale for
23 selecting the property for use as school purposes and an explanation of any alternatives to
24 selecting said property considered by the project sponsor;

25 (2) Solicits written comments on the report prepared pursuant to subdivision (1) of this
26 subsection for a period of at least thirty (30) days after posting said report on the sponsors website
27 and conducts a public hearing during said thirty (30) day period at which public comment is taken
28 on said report; and

29 (3) Prepares a second written report that summarizes and responds to the public
30 comments received during the public comment period and at the public hearing and posts said
31 second report on the sponsor's website.

32 (d) The sponsor of any school project subject to the provisions of subsection (c) of this
33 section shall consider the results and findings contained in the reports required by subsection (c)
34 when selecting the location of said project.

1 (e) As used in this section.

2 (1) The term "school" means any residential or non-residential school building, public,
3 private or charter, of any city or town or community educational system regulated, directly or
4 secondarily, by the council on elementary and secondary education or the department of
5 elementary and secondary education or any other state education board or local city or town
6 school board or school committee or other legal educational subdivision acting under it. As used
7 in this chapter, the term "school or schools" includes, but is not limited to, school playgrounds,
8 school administration buildings, indoor school athletic facilities, school gymnasiums, school
9 locker rooms, and similar school buildings. A school shall not include any institutions for
10 education of adults (e.g. colleges, universities, graduate schools, trade schools) or child-care
11 facilities as regulated by the department of children, youth and families.

12 (2) The term "landfill" means for the purposes of this section, any portion of a parcel of
13 property that was used as a landfill as defined in § 23-19.1-4 or a sanitary landfill, dump or other
14 disposal area where more than thirty (30) cubic yards of solid waste was disposed.

15 (3) The term "hazardous materials" means any materials defined as hazardous materials
16 pursuant to § 23-19.14-3.

17 (4) The term "solid waste" means any materials defined as solid waste pursuant to § 23-
18 18.9-7.

19 (5) The term "chemicals of potential concern for vapor intrusion" means those chemicals
20 that the U.S. Environmental Protection Agency recommends for routine evaluation during vapor
21 intrusion assessments in said Agency's most recent guidance on the assessment of vapor intrusion
22 into indoor air from subsurface sources, and any other chemicals that the department of
23 environmental management may recommend for said routine evaluation.

24 (6) The term "source area" means the horizontal and vertical extent of natural or man-
25 made media impacted by a release of hazardous materials or causing a release of hazardous
26 materials at concentrations in excess of the numerical objectives developed pursuant to paragraph
27 (a) of this section.

28 (7) The term "vadose zone" means the full extent of the soil column existing above the
29 elevation of groundwater.

30 (8) The term "conceptual site model" means a written and/or illustrative representation of
31 the physical, chemical and biological processes that control the transport, migration and actual or
32 potential impacts of hazardous materials in soil, air, groundwater, surface water and/or sediments
33 to human and/or ecological receptors at a site.

34 (f) The provisions of this section shall not apply to the renovation or reconstruction of

1 any building for school purposes that was used continuously as a school for a period of at least
2 twenty-five (25) years where: (1) The footprint of the building after renovation or reconstruction
3 does not exceed more than five percent (5%) of the current footprint of the building; and (2) The
4 site of the building is not subject to a remedial action work plan approved by the department of
5 environmental management.

6 SECTION 11. Sections 23-26-7.1, 23-26-11 through 23-26-13, 23-26-15, 23-26-25
7 through 23-26-27, 23-26-30 and 23-26-31 Chapter 23-26 of the General Laws entitled "Bedding
8 and Upholstered Furniture" are hereby amended to read as follows:

9 **23-26-7.1. Sterilization, disinfection and disinfestation of bedding and materials.**

10 (a) No person shall sell, offer for sale or include in a sale any item of secondhand bedding
11 or any item of bedding of any type manufactured in whole or in part from secondhand material,
12 including their component parts or wiping rags, unless such material has been sterilized,
13 disinfected and cleaned, by a method approved by the department of business regulation;
14 provided, further, that any product used for sterilization or disinfection of secondhand bedding
15 must be registered as consumer and health benefit products and labeled for use on bedding and
16 upholstered furniture by the EPA in accordance with § 23-25-6 of this title. The department of
17 business regulation shall promulgate rules and regulations consistent with the provisions of this
18 chapter.

19 (b) No person shall use in the manufacture, repair and renovation of bedding of any type
20 any material which has been used by a person with an infectious or contagious disease, or which
21 is filthy, oily or harbors loathsome insects or pathogenic bacteria.

22 (c) No person shall sell, or offer for sale or include in a sale any material or bedding
23 which under the provisions of this chapter or regulations requires treatment unless there is
24 securely attached in accordance with regulations, a yellow tag not less than twelve square inches
25 in size, made of substantial cloth or a material of equal quality. Upon the tag there shall be plainly
26 printed, in black ink, in the English language, a statement showing:

27 (1) That the item or material has been treated by a method approved by the department of
28 business regulation, and the method of treatment applied.

29 (2) The lot number and the tag number of the item treated.

30 (3) The ~~license~~ [registration](#) number of the person applying treatment.

31 (4) The name and address of the person for whom treated.

32 (d) The tag required by this section shall be in addition to any other tag required pursuant
33 to the provisions of this chapter. Holders of ~~licenses~~ [registrations](#) to apply sterilization,
34 disinfection or disinfestation treatment shall be required to keep an accurate record of all

1 materials which have been subjected to treatment, including the source of material, date of
2 treatment, and the name and address of the receiver of each. Such records shall be available for
3 inspection at any time by authorized representatives of the department.

4 (e) Violations of this section shall be punishable by a fine not to exceed five hundred
5 dollars (\$500).

6 **23-26-11. Counterfeit stamps and ~~permits~~ registrations.**

7 No person shall have in his or her possession or shall make, use, or sell any counterfeit or
8 colorable imitation of the inspection stamp or ~~permit~~ [registration](#) required by this chapter. Each
9 counterfeited or imitated stamp or ~~permit~~ [registration](#) made, used, sold, offered for sale, delivered,
10 or consigned for sale contrary to the provisions of this chapter shall constitute a separate offense.

11 **23-26-12. Sterilization ~~permits~~ registrations.**

12 Any sterilization process, before being used in connection with this chapter, must receive
13 the approval of the director. Every person, firm, or corporation desiring to operate the sterilization
14 process shall first obtain a numbered ~~permit~~ [registration](#) from the director and shall not operate
15 the process unless the ~~permit~~ [registration](#) is kept conspicuously posted in the establishment. Fee
16 for original ~~permit~~ [registration](#) shall be eighty-four dollars (\$84.00). Application for the ~~permit~~
17 [registration](#) shall be accompanied by specifications in duplicate, in such form as the director shall
18 require. Each ~~permit~~ [registration](#) shall expire one year from date of issue. Fee for annual renewal
19 of a sterilizing ~~permit~~ [registration](#) shall be one-half (1 / 2) the original fee.

20 **23-26-13. Contents of tag on bedding articles for sale.**

21 Every article of bedding made for sale, sold, or offered for sale shall have attached
22 thereto a tag which shall state the name of the material used, that the material used is new, or
23 second-hand and, when required to be sterilized, that the material has been sterilized, and the
24 number of the sterilizing ~~permit~~ [registration](#). The tag shall also contain the name and address of
25 the maker or the vendor and the registry number of the maker. All tags attached to new articles
26 shall be legibly stamped or marked by the retail vendor with the date of delivery to the customer.

27 **23-26-15. Contents of tag on shipments of filling material.**

28 Any shipment or delivery, however contained, of material used for filling articles of
29 bedding shall have firmly and conspicuously attached thereto a tag which shall state the name of
30 the maker, preparer or vendor, and the address of the maker, preparer, or vendor, the name of the
31 contents and whether the contents are new or second-hand, and, if sterilized, the number of the
32 sterilizing ~~permit~~ [registration](#).

33 **23-26-25. Rules, regulations, and findings -- Suspension or revocation of ~~permits~~**
34 **registrations. [Effective until July 1, 2019.]**

1 The director is hereby authorized and empowered to make general rules and regulations
2 and specific rulings, demands, and findings for the enforcement of this chapter, in addition hereto
3 and not inconsistent herewith. The director may suspend or revoke any ~~permit or~~ registration for
4 violation of any provision of this chapter, or any rule, regulation, ruling, or demand made
5 pursuant to the authority granted by this chapter.

6 **23-26-25. Rules, regulations, and findings -- Suspension or revocation of ~~permits~~**
7 **registrations. [Effective July 1, 2019.]**

8 (a) The director is hereby authorized and empowered to make general rules and
9 regulations and specific rulings, demands, and findings for the enforcement of this chapter, in
10 addition hereto and not inconsistent herewith. The director may suspend or revoke any ~~permit or~~
11 registration for violation of any provision of this chapter, or any rule, regulation, ruling, or
12 demand made pursuant to the authority granted by this chapter.

13 (b) The director of the department of health shall investigate and enforce the provisions
14 of § 23-26-3.1, and promulgate rules and regulations deemed necessary to enforce it.

15 **23-26-26. Appeal of director's decisions.**

16 Any person aggrieved by the action of the director in denying an application for a ~~permit~~
17 ~~or for~~ registration, or in revoking or suspending any permit or registration, or by any order or
18 decision of the director, shall have the right to appeal to the supreme court and the procedure in
19 case of the appeal shall be the same as that provided in § 42-35-15.

20 **23-26-27. Penalty for violations. [Effective until July 1, 2019.]**

21 Any person who:

22 (1) Makes, remakes, renovates, sterilizes, prepares, sells, or offers for sale, exchange, or
23 lease any article of bedding as defined by § 23-26-1, not properly tagged as required by this
24 chapter; or

25 (2) Uses in the making, remaking, renovating, or preparing of the article of bedding or in
26 preparing cotton or other material therefor which has been used as a mattress, pillow, or bedding
27 in any public or private hospital, or which has been used by or about any person having an
28 infectious or contagious disease, and which after such use has not been sterilized and approved
29 for use, by the director of business regulation; or

30 (3) Counterfeits or imitates any stamp or ~~permit~~ registration issued under this chapter
31 shall be guilty of a misdemeanor, punishable by a fine of not more than five hundred dollars
32 (\$500) or by imprisonment for not more than six (6) months or both.

33 **23-26-27. Penalty for violations. [Effective July 1, 2019.]**

34 Any person who:

1 (1) Makes, remakes, renovates, sterilizes, prepares, sells, or offers for sale, exchange, or
2 lease any article of bedding as defined by § 23-26-1, not properly tagged as required by this
3 chapter; or

4 (2) Uses in the making, remaking, renovating, or preparing of the article of bedding or in
5 preparing cotton or other material therefor that has been used as a mattress, pillow, or bedding in
6 any public or private hospital, or that has been used by or about any person having an infectious
7 or contagious disease, and that after such use has not been sterilized and approved for use, by the
8 director of business regulation; or

9 (3) Counterfeits or imitates any stamp or ~~permit~~ [registration](#) issued under this chapter
10 shall be guilty of a misdemeanor, punishable by a fine of not more than five hundred dollars
11 (\$500) or by imprisonment for not more than six (6) months or both.

12 (4) Any person or entity who or that violates the provisions of § 23-26-3.1 shall be civilly
13 fined not to exceed five thousand dollars (\$5,000) for the first violation and up to ten thousand
14 dollars (\$10,000) for each subsequent violation.

15 **23-26-30. ~~License~~ required -- Application -- Issuance and term of ~~license~~**
16 **registration.**

17 No person shall be engaged: (1) as a manufacturer of articles of bedding for sale at
18 wholesale; (2) as a manufacturer of articles of bedding for sale at retail; (3) as a supply dealer; (4)
19 as a repairer-renovator; or (5) as a retailer of second-hand articles of bedding, unless he or she has
20 obtained the appropriate numbered ~~license~~ [registration](#) therefor from the director, who is hereby
21 empowered to issue the ~~license~~ [registration](#). Application for the ~~license~~ [registration](#) shall be made
22 on forms provided by the director and shall contain such information as the director may deem
23 material and necessary. Based on the information furnished in the application and on any
24 investigation deemed necessary by the director, the applicant's classification shall be determined.
25 Each ~~license~~ [registration](#) issued by the director pursuant to this section shall be conspicuously
26 posted in the establishment of the person to whom issued. The director may withhold the issuance
27 of a ~~license~~ [registration](#) to any person who shall make any false statement in the application for a
28 ~~license~~ [registration](#) under this chapter. The director shall promulgate rules and regulations
29 mandating the term of ~~license~~ [registration](#) for each category of ~~license~~ [registration](#) issued pursuant
30 to this chapter; however, no ~~license~~ [registration](#) shall remain in force for a period in excess of
31 three (3) years. The fee for the initial issuance or renewal of a ~~license~~ [registration](#) shall be
32 determined by multiplying the per annum fee by the number of years in the term of the ~~license~~
33 [registration](#). The entire fee must be paid in full for the total number of years of ~~license~~ [registration](#)
34 prior to the issuance of the ~~license~~ [registration](#).

1 **23-26-31. Fees.**

2 (a) The per annum fees imposed for ~~licenses~~ registrations issued pursuant to § 23-26-30
3 shall be as follows:

4 (1) Every applicant classified as a manufacturer of articles of bedding for sale at
5 wholesale or retail or as a supply dealer shall pay, prior to the issuance of a general ~~license~~
6 registration, a per annum fee of two hundred ten dollars (\$210) and the ~~licensee~~ registrant may be
7 engaged in any or all of the following:

8 (i) Manufacture of articles of bedding for sale at wholesale;

9 (ii) Manufacture of articles of bedding for sale at retail;

10 (iii) Supply dealer;

11 (iv) Repairer-renovator.

12 (2) Every applicant classified as a repairer-renovator or retailer of second-hand articles of
13 bedding shall pay, prior to the issuance of a limited ~~license~~ registration, a per annum fee of sixty
14 dollars (\$60.00), and the ~~licensee~~ registrant may be engaged in any or all of the following:

15 (i) Repairer-renovator;

16 (ii) Retailer of second-hand articles of bedding; provided, however, that if a ~~licensee~~
17 registrant is reclassified from one category to another which calls for a higher ~~license~~ registration
18 fee, he or she shall pay a pro rata share of the higher ~~license~~ registration fee for the unexpired
19 period and shall be issued a new ~~license~~ registration to expire on the expiration date of the
20 original ~~license~~ registration.

21 (b) If, through error, a ~~licensee~~ registrant has been improperly classified as of the date of
22 issue of his or her current ~~license~~ registration, the proper fee for the entire period shall be payable.
23 Any overpayment shall be refunded to the ~~licensee~~ registrant. No refunds shall be allowed to any
24 ~~licensee~~ registrant who has discontinued business, or whose ~~license~~ registration has been revoked
25 or suspended or who has been reclassified to a category calling for a greater or lesser ~~license~~
26 registration fee, except as provided herein. The fee shall be paid to the director of business
27 regulation. For reissuing a revoked or expired ~~license~~ registration the fee shall be the same as for
28 an original ~~license~~ registration.

29 (c) All payments for registration fees, sterilization process, ~~permits~~, fines and penalties,
30 and other money received under this chapter shall constitute inspection fees for the purpose of
31 enforcing this chapter.

32 SECTION 12. Section 31-36.1-3 of the General Laws in Chapter 31-36.1 entitled "Fuel
33 Use Reporting Law" is hereby amended to read as follows:

34 **31-36.1-3. Motor carrier license and identification -- Temporary licenses.**

1 (a) Each carrier operating a qualified motor vehicle in two (2) or more jurisdictions shall
2 apply to the administrator for a motor carrier fuel use license upon forms approved by the
3 administrator and there shall be no fee for this license. ~~be shall upon application, pay a license fee~~
4 ~~of ten dollars (\$10.00).~~ The license shall remain in effect until surrendered or revoked under the
5 provisions of § 31-36.1-4. The tax administrator shall, in addition, provide identification devices
6 in the quantity requested to each licensed motor carrier. One such device must be displayed on
7 the exterior portion of each side of the cab of each qualified motor vehicle. ~~The fee for such~~
8 ~~identification device shall be ten dollars (\$10.00) per qualified motor vehicle.~~ Identification
9 devices shall be issued each year by the administrator and shall be displayed on or before March
10 1.

11 (b) The administrator may refuse to issue a license if the application for it:

12 (1) Is filed by a motor carrier whose license at any time theretofore has been revoked by
13 the administrator.

14 (2) Contains any misrepresentation, misstatement, or omission of material information
15 required by the application.

16 (3) Is filed by some other motor carrier as a subterfuge of the real motor carrier in interest
17 whose license or registration previously has been revoked for cause by the administrator.

18 (4) Is filed by any motor carrier who is delinquent in the payment of any fee, tax, penalty,
19 or other amount due the administrator for its account.

20 The finding may be made by the administrator after granting the applicant a hearing of
21 which the applicant shall be given ten (10) days notice in writing, and in which the applicant shall
22 have the right to appear in person or by counsel and present testimony.

23 (c) Temporary license. Upon application to the administrator ~~and payment of a fee of ten~~
24 ~~dollars (\$10.00),~~ an unlicensed motor carrier may obtain a temporary license which will authorize
25 one qualified motor vehicle to be operated on the highways of this state, for a period not to
26 exceed ten (10) days, without compliance with the fees imposed in this section, the tax imposed
27 in § 31-36.1-5, and the bond required in § 31-36.1-6. There shall be no fee for this license.

28 (d) The administrator may adopt rules and regulations specifying the conditions under
29 which temporary licenses will be issued and providing for their issuance.

30 SECTION 13. Sections 31-37-10 and 31-37-21 of the General Laws in Chapter 31-37
31 entitled "Retail Sale of Gasoline" are hereby amended to read as follows:

32 **31-37-10. Term of licenses -- Fee.**

33 (a) Any license issued by the tax administrator to an owner for the operation of a retail
34 filling station, or to a peddler of gasoline, shall, from the date of the issuance of the license, be

1 and remain in full force and effect until or unless:

2 (1) Suspended or revoked by the tax administrator,

3 (2) The business with respect to which the license was issued shall change ownership, or

4 (3) The owner or peddler shall cease to transact the business for which the license was
5 issued.

6 (b) In any of which cases the license shall expire and terminate, and its holder shall
7 immediately return the license to the tax administrator. [There shall be no fee for this license.](#)

8 ~~The charge or fee for the license shall be five dollars (\$5.00).~~

9 **31-37-21. Enforcement.**

10 The tax administrator shall enforce the provisions of this chapter and chapter 36 of this
11 title, except that the director of ~~business regulation~~ [labor and training](#) shall enforce the provisions
12 of §§ 31-37-11 -- 31-37-17 and §§ 11-18-13 -- 11-18-18. The department of ~~business regulation~~
13 [labor and training](#) shall cause any violation subject to its jurisdiction under this chapter to be
14 referred to law enforcement officials in the city or town where the violation has or is occurring
15 for prosecution.

16 SECTION 14. Effective September 1, 2019, Section 36-3-5 of the General Laws in
17 Chapter 36-3 entitled "Division of Personnel Administration" is hereby amended to read as
18 follows:

19 **36-3-5. Powers and duties of the administrator.**

20 In addition to the duties imposed upon the personnel administrator elsewhere in the law
21 and the personnel rules, it shall be the duty of the personnel administrator:

22 (1) As executive head of the division of personnel administration, to direct, supervise,
23 develop, and authorize all personnel related administrative and technical activities including
24 personnel administration and personnel management.

25 (2) To prepare and recommend to the director of administration such rules as are deemed
26 necessary to carry out the provisions of the law.

27 (3) To supervise the operation of the classification plan and to recommend to the director
28 amendments and additions thereto.

29 (4) To supervise the operation of the pay plan and to recommend to the director
30 amendments and additions thereto.

31 (5) To establish and supervise the maintenance of employment lists, promotion lists, and
32 reemployment lists; to develop recruitment procedures, monitor agency recruitment processes for
33 compliance with the statutes and policies, and make available to state agencies qualified
34 candidates as vacancies occur; direct and supervise equal opportunity programs; manage

1 employee benefit plans including the coordination of health insurance, prescription/vision care,
2 group life insurance, dental care, prepaid legal services, deferred compensation and cancer
3 programs, and any other programs established by the legislature related to employee benefits; and
4 to manage career awards programs and state and local enforcement firefighters incentive training
5 programs.

6 (6) To perform any other lawful act which he or she may consider necessary or desirable
7 to carry out the purposes and provisions of this chapter, and chapter 4 of this title, and the rules
8 and to conduct innovative demonstration projects to improve state personnel management.

9 (7) To facilitate and/or coordinate state and national background checks for applicants
10 and/or employees in state positions with access to federal tax information, as defined in § 36-3-
11 16(a)(6).

12 SECTION 15. Effective September 1, 2019, Chapter 36-3 of the General Laws entitled
13 "Division of Personnel Administration" is hereby amended by adding thereto the following
14 section:

15 **36-3-16. Authority to conduct state and national background checks for applicants**
16 **and employees in state positions with access to federal tax information.**

17 (a) Definitions. As used in this section, the following terms are hereby defined as follows:

18 (1) "Access," shall mean the direct use, contact, handling or viewing of federal tax
19 information, as defined herein, in paper or electronic form, regardless of the frequency, likelihood
20 or extent of such access.

21 (2) "Agency" or "state agency," shall mean a Rhode Island state agency within the
22 executive branch.

23 (3) "Agency head," shall mean the director or designee of a state agency holding the
24 position with access (as defined herein).

25 (4) "Applicant for employment," shall mean an individual who has applied for or may be
26 offered employment, transfer or promotional opportunities with a state agency, including
27 employment as a full-time or part-time employee, intern, temporary or seasonal employee, or
28 volunteer, in a position with access (as defined herein).

29 (5) "Current agency employee," shall mean a full-time or part-time state employee,
30 intern, temporary or seasonal employee or volunteer in a position with access (as defined herein).

31 (6) "Federal tax information" or "FTI" shall mean:

32 i) Federal tax returns or information created or derived from federal tax returns that is in
33 an agency's possession or control, which is covered by the confidentiality protections of the
34 Internal Revenue Code and subject to 26 U.S.C. section 6103 (p)(4) safeguarding requirements,

1 including oversight by the Internal Revenue Service (“IRS”); and received directly from the IRS
2 or obtained through an authorized secondary source, such as the Social Security Administration
3 (SSA), Federal Office of Child Support Enforcement (OCSE), Bureau of the Fiscal Service
4 (BFS), Centers for Medicare and Medicaid Services (CMS), or another entity acting on behalf of
5 the IRS pursuant to an Internal Revenue Code (“IRC”) 6103(p)(2)(B) agreement; and

6 ii) FTL shall expressly not include federal tax returns or information created or derived
7 from federal tax returns received from taxpayers or other third-parties.

8 (7) “Law enforcement authorized agency” shall mean a government entity authorized to
9 conduct national background checks using the federal bureau of investigation’s fingerprinting
10 national background check system.

11 (b) The personnel administrator or designee shall require to be obtained a state and
12 national fingerprint-based criminal background check initially and at least every ten years, as
13 authorized by Public Law 92-544, to determine the suitability of an applicant for employment
14 prior to hiring or a current agency employee, if the position applied for or held requires or
15 includes access to FTL.

16 (c) An applicant for employment or current agency employee who refuses to comply with
17 the fingerprint-based background check requirements shall be considered unsuitable for serving
18 in a position requiring or involving, or which may require or involve, access to FTL.

19 (d) The national fingerprint-based criminal background check shall be facilitated through
20 the office of the attorney general or another law enforcement authorized agency and forwarded to
21 the federal bureau of investigation for a national criminal history check, according to the policies,
22 procedures, and/or regulations established by the office of the attorney general or another law
23 enforcement authorized agency.

24 (1) For current agency employees, the agency shall pay the applicable fee charged
25 through the office attorney general or other law enforcement authorized agency to conduct state
26 and national background checks. However, applicants for employment shall be required to pay
27 the fee charged through the office attorney general or other law enforcement authorized agency.

28 (2) Fingerprint submissions may be retained by the federal bureau of Investigation and
29 the office of the attorney general or other law enforcement authorized agency to assist the
30 personnel administrator authorized pursuant to this section to ensure the continued suitability of
31 an applicant for employment or a current agency employee for access to FTL.

32 (3) The office of the attorney general or other law enforcement authorized agency may
33 disseminate the results of the state and national criminal background checks to the personnel
34 administrator or designee of the personnel administrator.

1 (4) Notwithstanding any law to the contrary, solely for the purposes of this chapter, the
2 personnel administrator, agency head and authorized staff of an agency may receive criminal
3 offender record information to the extent required by federal law and the results of checks of
4 national criminal history information databases under Public Law 92-544.

5 (5) Upon receipt of the results of state and national criminal background checks, the
6 personnel administrator, agency head and other authorized staff shall treat the information as non-
7 public and exempt from disclosure in accordance with the Rhode Island Access to Public Records
8 Act, R.I. Gen. Laws 38-2-2(4)(A)(I)(b). Information acquired by any agency in the background
9 check process pursuant to this section shall be used solely for the purposes of making a
10 determination as to the suitability of a particular current employee or applicant for employment
11 for and assignment to duties in a position that requires or includes, or may require or include,
12 access to FTI.

13 (e) If the office of the attorney general or other law enforcement authorized agency
14 receives criminal record information from the state or national fingerprint-based criminal
15 background checks that includes no disposition or is otherwise incomplete, the office of the
16 attorney general or other law enforcement authorized agency shall notify the personnel
17 administrator and the subject person. The applicant for employment or the current agency
18 employee shall be responsible for resolving any issues in other jurisdictions causing an
19 incomplete background check. Within fifteen (15) business days from being notified, the
20 applicant for employment or current agency employee must resolve any incomplete background
21 check. For the purposes of this chapter, the personnel administrator, in his or her sole discretion,
22 may extend the amount of time to resolve an incomplete report. Once resolved, the applicant's
23 suitability for employment in a position requiring or involving, or which may require or involve,
24 access to FTI shall be determined in accordance with subsection (f).

25 (1) In the event that an applicant for employment fails to resolve an issue with an
26 incomplete background check by the deadline stated herein, the person shall no longer be
27 considered for employment to the position with access.

28 (2) In the event that a current agency employee fails to resolve an issue with an
29 incomplete background check by the deadline provided herein, along with any extension, the
30 employee may be terminated or discharged from employment; provided, however, that a current
31 agency employee may be placed on administrative leave or reassigned to a position that does not
32 require access to FTI if that position is available and subject to the business needs of the agency
33 at the discretion of the personnel administrator and agency head. Any such employment action
34 shall be subject to same appeal or grievance procedures as normally authorized.

1 (f) The personnel administrator or designee shall review the results to determine the
2 suitability of the applicant for employment or current agency employee, based on criteria
3 established through regulation, to serve in a position requiring or involving, or which may require
4 or involve, access to FTI. In making such a determination of suitability, the personnel
5 administrator or designee may consult with the agency head and consider mitigating factors
6 relevant to the current agency employee's employment and the nature of any disqualifying
7 offense.

8 (1) In the event that an applicant for employment receives a final determination that the
9 person is unsuitable, the person shall no longer be considered for employment into a position with
10 access.

11 (2) A current employee may appeal a determination of unsuitability to the personnel
12 administrator. While the appeal is pending, the employee may be placed on administrative leave
13 in the discretion of the personnel administrator. A final determination of unsuitability after
14 appeal may result in termination or discharge from employment; provided, however, that subject
15 to the discretion of the personnel administrator and the agency head, a current agency employee
16 may be reassigned to a position that does not require access to FTI if that position is available and
17 subject to the business needs of the agency. Any such employment action shall be subject to
18 further appeal or grievance procedures as normally authorized.

19 (g) Nothing in this section shall limit or preclude an agency's right to carry on a
20 background investigation of an applicant for employment or a current agency employee using
21 other authorized means.

22 (h) The Department of Administration is hereby authorized to promulgate and adopt
23 regulations necessary to carry out this section.

24 (i) The judicial branch is hereby authorized to comply with the provisions herein related
25 to employees with access to FTI.

26 SECTION 16. Effective September 1, 2019, Chapter 37-2 of the General Laws entitled
27 "State Purchases" is hereby amended by adding thereto the following section:

28 **37-2-81. Authority to conduct state and national background checks for vendors**
29 **with access to federal tax information.**

30 (a) Definitions. As used in this section, the following terms shall be defined as follows:

31 (1) "Access," shall mean the direct and indirect use, contact, handling or viewing of
32 federal tax information, as defined herein, in paper or electronic form, regardless of the
33 frequency, likelihood or extent of such access or whether the access is intentional or inadvertent.

34 (2) "Agency" or "state agency," shall mean a Rhode Island state agency within the

1 executive branch.

2 (3) "Agency head" shall mean the director or designee of a state agency for which the
3 vendor is providing services.

4 (4) "Division" shall mean the division of purchases.

5 (5) "Federal tax information" or "FTI" shall mean:

6 i) Federal tax returns or information created or derived from federal tax returns that is in
7 an agency's possession or control, which is covered by the confidentiality protections of the
8 Internal Revenue Code and subject to 26 U.S.C. section 6103 (p)(4) safeguarding requirements,
9 including oversight by the Internal Revenue Service ("IRS"); and is received directly from the
10 IRS or obtained through an authorized secondary source, such as the Social Security
11 Administration (SSA), Federal Office of Child Support Enforcement (OCSE), Bureau of the
12 Fiscal Service (BFS), Centers for Medicare and Medicaid Services (CMS), or another entity
13 acting on behalf of the IRS pursuant to an Internal Revenue Code ("IRC") 6103(p)(2)(B)
14 agreement; and

15 ii) shall not include federal tax returns or information created or derived from federal tax
16 returns received directly from taxpayers or other third-parties.

17 (5) "Vendor" shall mean any individual, firm, corporation, partnership or other entity,
18 including, but not limited to, employees, subcontractors, and/or agents of the vendor, who is
19 performing services for the state and has access, as defined herein, to FTI.

20 (b) The agency head shall require a vendor's employees, subcontractors and other agents
21 to complete a state and national fingerprint-based criminal background check, as authorized by
22 Public Law 92-544, to determine the suitability of a vendor if the services to the state requires or
23 includes, or may require or include, access to FTI. This requirement for a vendor shall be
24 incorporated by reference into the vendor's agreement with the state. No new vendor employee,
25 subcontractor or other agent who has or may have access to FTI shall perform services for the
26 State until the person is deemed suitable by the agency head. Existing vendor employees,
27 subcontractors or other agents, as of the effective date of this statute, shall complete the
28 background check requirement within a reasonable time as approved by the agency head.

29 (c) The national fingerprint-based criminal background check shall be facilitated through
30 the Rhode Island office of the attorney general or other law enforcement authorized agency, using
31 the same criteria established under § 36-3-16 for applicants and current state employees. The
32 information shall be forwarded to the Federal Bureau of Investigation (FBI) for a national
33 criminal history check, according to the policies, procedures, and/or regulations established by
34 the office of the attorney general or other law enforcement authorized agency. The office of the

1 attorney general or other law enforcement authorized agency may disseminate the results of the
2 national criminal background checks to the Department of Administration and/or the agency head
3 where the services are being provided.

4 (d) Reciprocity. Nothing herein shall prevent the agency head, at his or her discretion,
5 from accepting a recent national fingerprint-based criminal background check for a vendor
6 employee, subcontractor or other agent related to FTI access conducted in another suitable
7 jurisdiction.

8 (e) The agency head may receive criminal offender record information to the extent
9 required by federal law and the results of checks of national criminal history information
10 databases under Public Law 92-544. Upon receipt of the results of state and national criminal
11 background checks, the agency head shall treat the information as non-public and exempt from
12 disclosure in accordance with the Rhode Island Access to Public Records Act, R.I. Gen. Laws 38-
13 2-2(4)(B). Information acquired by any agency in the background check process pursuant to this
14 section shall be used solely for the purpose of making a determination as to the suitability of a
15 vendor in a position which requires or includes, or may require or include, access to FTI.

16 (f) The state shall not be responsible for any fees charged through the office attorney
17 general, other law enforcement authorized agency or other jurisdiction to conduct the state and
18 national background check for vendor employees, subcontractors or other agents.

19 (f) A vendor, or its employees, subcontractors or other agents, who refuses to comply
20 with the fingerprint-based background check requirement shall be considered unsuitable for
21 services requiring or involving, or which may require or involve, access to FTI. Refusal to
22 comply by the vendor may result in termination of the contract with the State and/or other
23 procurement sanctions if appropriate. Nothing herein shall prevent the vendor from replacing an
24 employee, subcontractor or other agent who refuses to comply with this requirement, subject to
25 written approval by the agency head.

26 (g) Upon receipt of the results of a state and national criminal background check for the
27 vendor employees, subcontractors or other agents, the agency head shall review the results and
28 determine the suitability of the person with regard to service in a position requiring or involving,
29 or which may require or involve, access to FTI. In making a determination of suitability, the
30 agency head may consider mitigating factors relevant to the vendor's scope of work and the
31 nature of any disqualifying offense. Unsuitability of a vendor may result in termination of the
32 contract with the State and/or a requirement that the vendor to replace the employee,
33 subcontractor or other agent, with a suitable person, subject to written approval by the agency
34 head.

1 (h) If the office of the attorney general or other law enforcement authorized agency
2 receives criminal record information from the state or national fingerprint-based criminal
3 background checks that includes no disposition or is otherwise incomplete, the subject person
4 shall be responsible for resolving any issues in other jurisdictions causing an incomplete
5 background check. The vendor shall immediately notify the state in writing the name and
6 circumstances of any employees, subcontractors or agents who have received an incomplete
7 background check. Failure to establish suitability of a vendor employee, subcontractor or other
8 agent may result in termination of the contract with the State and/or a requirement that the vendor
9 to replace the employee, subcontractor or other agent with a suitable person, subject to written
10 approval by the agency head.

11 (j) Nothing in this section shall limit or preclude an agency's right to carry on a
12 background investigation of a vendor using other authorized means.

13 (k) The department of administration is hereby authorized to promulgate and adopt
14 regulations necessary to carry out this section.

15 (l) The judicial branch is hereby authorized to comply with the provisions herein related
16 to vendors working on behalf of the judiciary receiving access to FTI.

17 SECTION 17. Effective September 1, 2019, sections 40-13.2-2, 40-13.2-4 and 40-13.2-5
18 in Chapter 40-13.2 entitled "Certification of Child Care and Youth Serving Agency Workers" are
19 hereby amended to read as follows:

20 **40-13.2-2. Qualification for childcare employment.**

21 Notwithstanding any other provisions of law to the contrary, any person seeking to
22 operate or seeking employment in any facility which is, or is required to be, licensed or registered
23 with the department of children youth and families, the department of human services, or seeking
24 employment at the training school for youth if that employment involves supervisory or
25 disciplinary power over a child or children or involves routine contact with a child or children
26 without the presence of other employees, shall undergo an employment background check, a
27 CANTS (child abuse and neglect tracking system) check of substantiated complaints, and
28 criminal records check as provided for in this chapter. The director of the department of children,
29 youth, and families and the director of the department of human services may by rule identify
30 those positions requiring background checks, CANTS checks and criminal records checks.

31 **40-13.2-4. Criminal records check -- Operators of child care facilities which must be**
32 **licensed or registered with the department.**

33 Any person seeking to operate a facility, that is, or is required to be, licensed or registered
34 with the department of human services, shall apply to the Rhode Island bureau of criminal

1 identification, [attorney general's office](#), or the department of children, youth and families, for a
2 nationwide, criminal-records check. The check will conform to the applicable federal standards,
3 including the taking of fingerprints to identify the applicant, and any expense associated with
4 providing the criminal-records check shall be paid by the applicant and/or requesting agency. The
5 director [of human services](#) will determine by rule those items of information appearing on a
6 criminal-records check, which constitute disqualifying information because that information
7 would indicate that the employment could endanger the health or welfare of a child or children.
8 Upon the discovery of any disqualifying information with respect to a proposed operator, the
9 Rhode Island bureau of criminal identification will inform the director, in writing, of the nature of
10 the disqualifying information.

11 **40-13.2-5. Criminal-records check -- Employee of child-care facilities which must be**
12 **licensed by the department.**

13 (a) A ~~Any~~ person seeking employment [in a "child day care" program, a "family day care](#)
14 [home", "group family day care home", or in a "child day care center" as defined in section 42-](#)
15 [12.5-2 of the general laws, if that employment involves supervisory or disciplinary power over a
16 child or children or involves routine contact with a child or children without the presence of other
17 employees, ~~in any facility that is, or is required to be, licensed or registered with the department,~~
18 or \[any adult household member of any operator of a "family day-care home" and "group family\]\(#\)
19 \[day-care home,"\]\(#\) or seeking that employment \[or to volunteer\]\(#\) at the training school for youth,
20 shall, after acceptance by the employer of the affidavit required by § 40-13.2-3, apply to the
21 bureau of criminal identification of the state police or the local police department, or \[the office of\]\(#\)
22 \[the attorney general, or\]\(#\) the department of children, youth and families, for a nationwide, criminal-
23 records check. The check will conform to applicable federal standards including the taking of
24 fingerprints to identify the applicant. \[Further, any person seeking employment in a "child\]\(#\)
25 \[day care" program, in a "child day care center", and/or in a "child day care provider" as\]\(#\)
26 \[defined in section 42-12.5-2 of the general laws, if that employment involves\]\(#\)
27 \[supervisory or disciplinary power over a child or children or involves routine contact\]\(#\)
28 \[with a child or children without the presence of other employees shall apply the bureau of\]\(#\)
29 \[criminal identification of the state police or the local police department or the office of\]\(#\)
30 \[the attorney general to search the National Crime Information Center's National Sex\]\(#\)
31 \[Offender Registry and a search of the Rhode Island Sex Offender Registry. The criminal\]\(#\)
32 \[record checks and the checks of the National Sex Offender Registry and the Rhode Island\]\(#\)
33 \[Sex Offender Registry, as referenced in this section, shall be conducted for every five\]\(#\)](#)

1 years of continuous child care employment from the date of the previous criminal
2 background check.

3 (b) Any person seeking employment in a “child placing agency” as defined in
4 section 42-72.1-2 of the general laws, if that employment involves supervisory or
5 disciplinary power over a child or children or involves routine contact with a child or
6 children without the presence of other employees, shall, after acceptance by the employer
7 of the affidavit required by § 40-13.2-3, apply to the bureau of criminal identification of
8 the state police or the local police department, or the office of the attorney general or the
9 department of children, youth and families, for a nationwide, criminal-records check. The
10 check will conform to applicable federal standards including the taking of fingerprints to
11 identify the applicant.

12 (c) Any person seeking employment in a “child caring agency”, “children’s
13 behavioral health program”, or in a “foster and adoptive home” as defined in section 42-
14 72.1-2 of the general laws, that is, or is required to be, licensed or registered with the
15 department, shall, after acceptance by the employer of the affidavit required by § 40-
16 13.2-3, apply to the bureau of criminal identification of the state police or the local police
17 department, or the office of the attorney general, or the department of children, youth and
18 families, for a nationwide, criminal-records check. The check will conform to applicable
19 federal standards including the taking of fingerprints to identify the applicant.

20 ~~(b)~~(d) Upon the discovery of any disqualifying information as defined in accordance with
21 the rule promulgated by the director, the bureau of criminal identification of the state police or the
22 local police department or the office of the attorney general or the department of children,
23 youth and families will inform the applicant, in writing, of the nature of the disqualifying
24 information. In addition, the bureau of criminal identification of the state police or the office of
25 the attorney general, or department of children, youth and families, or the local police
26 department will inform the relevant employer, in writing, without disclosing the nature of the
27 disqualifying information, that an item of disqualifying information has been discovered.

28 ~~(e)~~(e) In those situations in which no disqualifying information has been found, the
29 bureau of criminal identification of the state police or the local police department or the office of
30 the attorney general, or the department of children, youth and families will inform both the
31 applicant and the employer, in writing, of this fact.

32 ~~(f)~~(d) The employer will maintain on file, subject to inspection by the department,

1 evidence that criminal-records checks have been initiated on all employees seeking employment
2 after August 1, 1985, and the results of the checks.

3 ~~(g) (e)~~ Failure to maintain that evidence on file will be prima facie grounds to revoke the
4 license or registration of the operator of the facility.

5 ~~(h) or (f)~~ It will be the responsibility of the bureau of criminal identification of the state
6 police or the office of the attorney general, or the local police department, or the department of
7 children, youth and families, to conduct the nationwide, criminal-records check pursuant to this
8 section. The nationwide, criminal-records check will be provided to the applicant for employment
9 without charge.

10 SECTION 18. Section 41-5.2-2 of Chapter 41-5.2 of the General Laws in entitled "Mixed
11 Martial Arts" is hereby amended to read as follows:

12 **41-5.2-2. License required for mixed-martial-arts exhibitions.**

13 (a) No mixed-martial-arts match or exhibition for a prize or a purse, or at which an
14 admission fee is charged, either directly or indirectly, in the form of dues or otherwise, shall take
15 place or be conducted in this state unless licensed by the division of gaming and athletics
16 licensing in accordance with this chapter; provided that the provisions of this chapter shall not
17 apply to any mixed-martial-arts match or exhibition in which the contestants are amateurs and
18 that is conducted under the supervision and control of:

19 (1) Any educational institution recognized by the council on postsecondary education and
20 the council on elementary and secondary education of this state, or

21 (2) Any religious or charitable organization or society engaged in the training of youth
22 and recognized as such by the division of gaming and athletics licensing of this state.

23 (b) For the purposes of this section, an "amateur" shall be deemed to mean a person who
24 engages in mixed-martial-arts matches or exhibitions for which no cash prizes are awarded to the
25 participants, and for which the prize competed for, if any, shall not exceed in value the sum of
26 twenty-five dollars (\$25.00).

27 SECTION 19. Chapter 41-5.2 of the General Laws entitled "Mixed Martial Arts" is
28 hereby amended by adding thereto the following section:

29 **41-5.2-30. Fees of officials.**

30 The fees of the referee and other licensed officials, as established by this chapter, shall be
31 fixed by the division of gaming and athletics licensing, and shall be paid by the licensed
32 organization prior to the exhibition.

33 SECTION 20. Section 42-14.2-13 of the General Laws in Chapter 42-14.2 entitled
34 "Department of Business Regulation - Automobile Wrecking and Salvage Yards" is hereby

1 amended to read as follows:

2 **42-14.2-13. Penalties.**

3 Any person, firm, corporation, or association violating any of the provisions of this
4 chapter or the regulations promulgated hereunder shall ~~upon conviction be guilty of a~~
5 ~~misdemeanor. Any person, firm, corporation, or association who is convicted for violation of any~~
6 ~~section of this chapter shall be punished by~~ subject to payment of a ~~fine~~ not to exceed ~~five~~
7 ~~hundred one thousand~~ one thousand dollars (~~\$5001,000~~) ~~or by imprisonment for a term not to exceed one year,~~
8 ~~or both fine and imprisonment~~ for each violation ~~of the provisions of this chapter.~~

9 SECTION 21. Sections 42-35.1-5 and 42-35.1-7 of the General Laws in Chapter 42-35.1
10 entitled "Small Business Regulatory Fairness in Administrative Procedures" are hereby amended
11 to read as follows:

12 **42-35.1-5. Small business enforcement ombudsman.**

13 (a) The director of the ~~office of regulatory reform~~ department of business regulation shall
14 designate an existing staff member as a "small business regulatory enforcement ombudsman";
15 who shall report ~~directly~~ to the director of business regulation.

16 (b) The ombudsman shall:

17 (1) Work with each agency with regulatory authority over small businesses to ensure that
18 small business concerns that receive or are subject to an audit, on-site inspection, compliance
19 assistance effort, or other enforcement related communication or contact by agency personnel are
20 provided with a means to comment on the enforcement activity conducted by such personnel;

21 (2) Establish means to receive comments from small business concerns regarding actions
22 by agency employees conducting compliance or enforcement activities;

23 (3) Within six (6) months of appointment, work with each regulating entity to develop
24 and publish reporting policies;

25 (4) Based on substantiated comments received from small business concerns the
26 ombudsman shall annually report to the general assembly and affected agencies evaluating the
27 enforcement activities of agency personnel including a rating of the responsiveness of the
28 regulatory agencies policies;

29 (5) Coordinate and report annually on the activities, findings and recommendations to the
30 general assembly and the directors of affected agencies; and

31 (6) Provide the affected agency with an opportunity to comment on reports prepared
32 pursuant to this chapter, and include a section of the final report in which the affected agency may
33 make such comments as are not addressed by the ombudsman.

34 **42-35.1-7. Expenses.**

1 Except as provided in § 42-35.1-5, The director of administration shall annually
2 appropriate such sums as it may deem necessary to carry out the provisions of this chapter.

3 SECTION 22. Chapter 44-1 of the General Laws entitled "State Tax Officials " is hereby
4 amended by adding thereto the following section:

5 **44-1-40. Tax Administrator to prepare list of licensed taxpayers - Notice - Public**
6 **inspection.**

7 (a) Notwithstanding any other provision of law, the tax administrator may, on a periodic
8 basis;

9 (1) Prepare and publish for public distribution a list of entities and their active licenses
10 administered under Title 44.

11 (2) Prepare and publish for public distribution a list of entities and licenses for the current
12 year, as administered by a city or town under Chapter 5 of Title 3 of the Rhode Island General
13 Laws.

14 (3) Prepare and publish for public distribution a list of entities and licenses for the
15 upcoming year, as administered by a city or town under Chapter 5 of Title 3 of the Rhode Island
16 General Laws.

17 (4) Each list may contain the license type, name, and address of each registered entity
18 with a license.

19 (b) The tax administrator shall not list any taxpayers that do not have an active license.

20 (c) Any such list prepared by the tax division shall be available to the public for
21 inspection by any person and may be published by the tax administrator on the tax division
22 website.

23 SECTION 23. Section 44-5.2-4 of the General Laws in Chapter 44-5.2 entitled "Powers
24 and Duties of Fire Districts in the Town of Coventry" is hereby repealed.

25 ~~**44-5.2-4. Compliance.**~~

26 ~~Unless otherwise provided, the division of municipal finance in the department of~~
27 ~~revenue shall monitor fire district compliance with this chapter and issue periodic reports to the~~
28 ~~general assembly on compliance.~~

29 SECTION 24. Sections 44-11-2.2 and 44-11-19 of the General Laws in Chapter 44-11
30 entitled "Business Corporation Tax" are hereby amended to read as follows:

31 **44-11-2.2. Pass-through entities -- Definitions -- Withholding -- Returns.**

32 (a) Definitions.

33 (1) "Administrative Adjustment Request" means an administrative adjustment request
34 filed by a partnership under IRC section 6227.

1 (2) “Audited Partnership” means a partnership or an entity taxed as a partnership
2 federally subject to a partnership level audit resulting in a federal adjustment.

3 (3) “Direct Partner” means a partner that holds an interest directly in a partnership or
4 pass-through entity.

5 (4) “Federal Adjustment” means a change to an item or amount determined under the
6 Internal Revenue Code (IRC) that is used by a taxpayer to compute Rhode Island tax owed
7 whether that change results from action by the IRS, including a partnership level audit, or the
8 filing of an amended federal return, federal refund claim, or an administrative adjustment request
9 by the taxpayer. A federal adjustment is positive to the extent that it increases state taxable
10 income as determined under Rhode Island state laws and is negative to the extent that it decreases
11 state taxable income as determined under Rhode Island state laws.

12 (5) “Final Determination Date” means if the federal adjustment arises from an IRS audit
13 or other action by the IRS, the final determination date is the first day on which no federal
14 adjustments arising from that audit or other action remain to be finally determined, whether by
15 IRS decision with respect to which all rights of appeal have been waived or exhausted, by
16 agreement, or, if appealed or contested, by a final decision with respect to which all rights of
17 appeal have been waived or exhausted. For agreements required to be signed by the IRS and the
18 taxpayer, the final determination date is the date on which the last party signed the agreement.

19 (6) “Final Federal Adjustment” means a federal adjustment after the final determination
20 date for that federal adjustment has passed.

21 (7) “Indirect Partner” means a partner in a partnership or pass-through entity that itself
22 holds an interest directly, or through another indirect partner, in a partnership or pass-through
23 entity.

24 ~~(1) “Pass-through entity” means a corporation that for the applicable tax year is treated as~~
25 ~~an S Corporation under IRC § 1362(a) [26 U.S.C. § 1362(a)], and a general partnership, limited~~
26 ~~partnership, limited liability partnership, trust, or limited liability company that for the applicable~~
27 ~~tax year is not taxed as a corporation for federal tax purposes under the state’s check the box~~
28 ~~regulation.~~

29 ~~(2)~~(8) “Member” means an individual who is a shareholder of an S corporation; a partner
30 in a general partnership, a limited partnership, or a limited liability partnership; a member of a
31 limited liability company; or a beneficiary of a trust;

32 ~~(3)~~(9) “Nonresident” means an individual who is not a resident of or domiciled in the
33 state, a business entity that does not have its commercial domicile in the state, and a trust not
34 organized in the state.

1 (10) "Partner" means a person that holds an interest directly or indirectly in a partnership
2 or other pass-through entity.

3 (11) "Partnership" means an entity subject to taxation under Subchapter K of the IRC.

4 (12) "Partnership Level Audit" means an examination by the IRS at the partnership level
5 pursuant to Subchapter C of Title 26, Subtitle F, Chapter 63 of the IRC, as enacted by the
6 Bipartisan Budget Act of 2015, Public Law 114-74, which results in Federal Adjustments.

7 (13) "Pass-through entity" means a corporation that for the applicable tax year is treated
8 as an S Corporation under IRC § 1362(a) [26 U.S.C. § 1362(a)], and a general partnership,
9 limited partnership, limited liability partnership, trust, or limited liability company that for the
10 applicable tax year is not taxed as a corporation for federal tax purposes under the state's check-
11 the-box regulation.

12 (14) "Tiered Partner" means any partner that is a partnership or pass-through entity.

13 (b) Withholding.

14 (1) A pass-through entity shall withhold income tax at the highest Rhode Island
15 withholding tax rate provided for individuals or seven percent (7%) for corporations on the
16 member's share of income of the entity that is derived from or attributable to sources within this
17 state distributed to each nonresident member and pay the withheld amount in the manner
18 prescribed by the tax administrator. The pass-through entity shall be liable for the payment of the
19 tax required to be withheld under this section and shall not be liable to such member for the
20 amount withheld and paid over in compliance with this section. A member of a pass-through
21 entity that is itself a pass-through entity (a "lower-tier pass-through entity") shall be subject to
22 this same requirement to withhold and pay over income tax on the share of income distributed by
23 the lower-tier pass-through entity to each of its nonresident members. The tax administrator shall
24 apply tax withheld and paid over by a pass-through entity on distributions to a lower-tier pass-
25 through entity to the withholding required of that lower-tier pass-through entity.

26 (2) A pass-through entity shall, at the time of payment made pursuant to this section,
27 deliver to the tax administrator a return upon a form prescribed by the tax administrator showing
28 the total amounts paid or credited to its nonresident members, the amount withheld in accordance
29 with this section, and any other information the tax administrator may require. A pass-through
30 entity shall furnish to its nonresident member annually, but not later than the fifteenth day of the
31 third month after the end of its taxable year, a record of the amount of tax withheld on behalf of
32 such member on a form prescribed by the tax administrator.

33 (c) Notwithstanding subsection (b), a pass-through entity is not required to withhold tax
34 for a nonresident member if:

1 (1) The member has a pro rata or distributive share of income of the pass-through entity
2 from doing business in, or deriving income from sources within, this state of less than \$1,000 per
3 annual accounting period;

4 (2) The tax administrator has determined by regulation, ruling, or instruction that the
5 member's income is not subject to withholding;

6 (3) The member elects to have the tax due paid as part of a composite return filed by the
7 pass-through entity under subsection (d); or

8 (4) The entity is a publicly traded partnership as defined by 26 U.S.C. § 7704(b) that is
9 treated as a partnership for the purposes of the Internal Revenue Code and that has agreed to file
10 an annual information return reporting the name, address, taxpayer identification number and
11 other information requested by the tax administrator of each unitholder with an income in the
12 state in excess of \$500.

13 (d) Composite return.

14 (1) A pass-through entity may file a composite income tax return on behalf of electing
15 nonresident members reporting and paying income tax at the state's highest marginal rate on the
16 members' pro rata or distributive shares of income of the pass-through entity from doing business
17 in, or deriving income from sources within, this State.

18 (2) A nonresident member whose only source of income within a state is from one or
19 more pass-through entities may elect to be included in a composite return filed pursuant to this
20 section.

21 (3) A nonresident member that has been included in a composite return may file an
22 individual income tax return and shall receive credit for tax paid on the member's behalf by the
23 pass-through entity.

24 (e) Partnership Level Audit

25 (1) A partnership shall report final federal adjustments pursuant to IRC section
26 6225(a)(2) arising from a partnership level audit or an administrative adjustment request and
27 make payments by filing the applicable supplemental return as prescribed under § 44-11-
28 2.2(e)(1)(ii), and as required under § 44-11-19(b), in lieu of taxes owed by its direct and indirect
29 partners.

30 (i) Failure of the audited partnership or tiered partner to report final federal adjustments
31 pursuant to IRC section 6225(a) and 6225(c) or pay does not prevent the Tax Administrator
32 from assessing the audited partnership, direct partners or indirect partners for taxes they owe,
33 using the best information available, in the event that a partnership or tiered partner fails to timely
34 make any report or payment required by § 44-11-19(b) for any reason.

1 [\(ii\) The tax administrator may promulgate rules and regulations, not inconsistent with](#)
2 [law, to carry into effect the provisions of this chapter.](#)

3 **44-11-19. Supplemental returns -- Additional tax or refund.**

4 (a) Any taxpayer which fails to include in its return any items of income or assets or any
5 other information required by this chapter or by regulations prescribed in pursuance of this
6 chapter shall make a supplemental return disclosing these facts. [Except in the case of final federal](#)
7 [adjustments that are required to be reported by a partnership and its partners using the procedures](#)
8 [under section \(b\) below,](#) Any taxpayer whose return to the collector of internal revenue, or
9 whose net income returned, shall be changed or corrected by any official of the United States
10 government in any respect affecting a tax imposed by this [chapter including a return or other](#)
11 [similar report filed pursuant to IRC section 6225\(c\)\(2\),](#) shall, within sixty (60) days after receipt
12 of a notification of the final adjustment and determination of the change or correction, make the
13 supplemental return required by this section [\(a\).](#)

14 [\(b\) Except for the distributive share of adjustments that have been reported as required](#)
15 [under section \(a\), partnerships and partners shall, within one hundred and eighty \(180\) days after](#)
16 [receipt of notification of the final federal adjustments arising from a partnership level audit or an](#)
17 [administrative adjustment, make the supplemental return and make payments as required by this](#)
18 [section \(b\).](#)

19 ~~(b)c~~ Upon the filing of a supplemental return the tax administrator shall examine the
20 return and shall determine any additional tax or refund that may be due and shall notify the
21 taxpayer. Any additional tax shall be paid within fifteen (15) days after the notification together
22 with interest at the annual rate provided by § 44-1-7 from the original due date of the return for
23 the taxable year to the date of payment of the additional tax. Any refund shall be made by the tax
24 administrator together with interest at the annual rate provided by § 44-1-7.1 from the date of
25 payment of the tax to the date of the refund.

26 SECTION 25. Sections 44-30-59, 44-30-71.2, 44-30-71.4 and 44-30-84 of the General
27 Laws in Chapter 44-30 entitled "Personal Income Tax" are hereby amended to read as follows:

28 **44-30-59. Report of change in federal taxable income.**

29 [\(a\)](#) Subject to regulations of the tax administrator, if the amount of a taxpayer's federal
30 taxable income reported on his or her federal income tax return for any taxable year beginning on
31 or after January 1, 1971, is changed or corrected by the United States Internal Revenue Service or
32 other competent authority, or as the result of a renegotiation of a contract or subcontract with the
33 United States, the taxpayer shall report the change or correction in federal taxable income within
34 ninety (90) days after the final determination of the change, correction, or renegotiation, or as

1 otherwise required by the tax administrator, and shall concede the accuracy of the determination
2 or state wherein it is erroneous. Any taxpayer filing an amended federal income tax return shall
3 also file within ninety (90) days thereafter an amended Rhode Island personal income tax return
4 and shall give any information that the tax administrator may require.

5 (b) In the case of a partnership level audit pursuant to § 44-11-2.2(e)(1), partners shall,
6 within one hundred and eighty days (180) days after receipt of notification of the final federal
7 adjustments arising from a partnership level audit or an administrative adjustment, make the
8 supplemental return and make payments as required by this subsection (b).

9 **44-30-71.2. Withholding of tax from lottery and pari-mutuel betting winnings.**

10 (a) The director of lotteries shall deduct and withhold from the prize money, income from
11 casino gambling or income from sports wagering revenue as prescribed by 42-61.2-1, of any
12 person winning a prize from the state lottery, casino gambling or sports wagering, a tax computed
13 in such a manner as to result, so far as practicable, in an amount substantially equivalent to the tax
14 reasonably estimated to be due resulting from the inclusion in the individual's Rhode Island
15 income of his or her prize money received during the calendar year. The method of determining
16 the amount to be withheld shall be prescribed by regulations of the tax administrator, which
17 regulations and amounts shall be based upon the federal rules, regulations and procedures.

18 (b) Every licensee conducting or operating events upon which pari-mutuel betting is
19 allowed shall deduct and withhold from the winnings of any person a tax computed in such
20 manner as to result, so far as practicable, in an amount substantially equivalent to the tax
21 reasonably estimated to be due resulting from the inclusion in the individual's Rhode Island
22 income of his or her winnings received during the calendar year. The method of determining the
23 amount to be withheld shall be prescribed by regulations of the tax administrator, which
24 regulations and the amounts shall be based upon the federal rules, regulations and procedures.

25 **44-30-71.4. Employee leasing companies -- Payroll companies.**

26 (a) Employee leasing company certification.

27 (1) Every "employee leasing company", defined in this section as any individual, firm,
28 partnership or corporation engaged in providing workers to employers or firms under a contract
29 or leasing arrangement, shall, as a condition of doing business in this state, be certified by the
30 division of taxation each year, that the company has complied with the withholding provisions of
31 chapter 30 of this title.

32 (2) Employee leasing companies must apply to the division of taxation during the month
33 of July of each year on forms prescribed by the tax administrator for a certificate executed by the
34 tax administrator certifying that all taxes withheld from employees, or subject to withholding

1 from employees have been remitted to the division of taxation including the withholding
2 provisions of chapter 30 of this title and the contribution, interest, and penalty provisions pursuant
3 to the Employment Security Act, chapters 42 -- 44 of title 28, and the Temporary Disability
4 Insurance Act, chapters 39 -- 41 of title 28 have been remitted to the department of labor and
5 training. No certificate shall be issued if taxes subject to withholding or contributions have not
6 been withheld and remitted.

7 (3) No employee leasing firm may conduct business in this state without the certification
8 prescribed in subdivision (2) of this subsection. Any employer or firm that engages any employee
9 leasing company that is not certified by the tax administrator shall be jointly and severally liable
10 for the taxes required to be withheld and remitted under § 44-30-71 or chapters 39 -- 44 of title
11 28.

12 (b) Payroll companies -- Joint liability. Every payroll company, herein defined as any
13 individual, firm, partnership or corporation engaging in providing payroll services to employers
14 which services include the withholding of tax including the withholding provisions of chapter 30
15 of this title and the contribution, interest, and penalty provisions pursuant to the Employment
16 Security Act, chapters 42 -- 44 of title 28, and the Temporary Disability Insurance Act, chapters
17 39 -- 41 of title 28 from employee wages and which receives moneys from a customer or
18 employer for Rhode Island withholding from the wages of the customer's employees, and who
19 fails to remit said withholding to the division of taxation or contributions to the department of
20 labor and training on a timely basis, shall be jointly and severally liable with the customer or
21 employer for said withholdings.

22 **44-30-84. Interest on underpayment.**

23 (a) General.

24 (1) If any amount of Rhode Island personal income tax, including any amount of the tax
25 withheld by an employer, is not paid on or before the due date, interest on the amount at the
26 annual rate provided by § 44-1-7 shall be paid for the period from the due date to the date paid,
27 whether or not any extension of time for payment was granted. The interest shall not be paid if its
28 amount is less than two dollars (\$2.00).

29 (2) Interest prescribed under this section may be waived by the tax administrator in the
30 event the underpayment results from the state's closing of banks and credit unions in which the
31 taxpayer's monies are deposited and the taxpayer has no other funds from which to pay his or her
32 tax.

33 (b) Estimated tax. If an individual fails to file a declaration of estimated Rhode Island
34 personal income tax as required by § 44-30-55, or to pay any installment of the tax as required by

1 § 44-30-56, the individual shall pay interest at the annual rate provided by § 44-1-7 for the period
2 the failure continues, until the fifteenth day of the fourth month following the close of the taxable
3 year. The interest in respect of any unpaid installment shall be computed on the amount by which
4 his or her actual payments and credits in respect of the tax are less than eighty percent (80%) of
5 the installment at the time it is due. Notwithstanding the foregoing, no interest shall be payable if
6 one of the exceptions specified in 26 U.S.C. § 6654(d)(1) or (2) would apply if the exceptions
7 referred to the corresponding Rhode Island tax amounts and returns.

8 (c) Payment prior to notice of deficiency. If, prior to the mailing to the taxpayer of notice
9 of deficiency under § 44-30-81, the tax administrator mails to the taxpayer a notice of proposed
10 increase of tax and within thirty (30) days after the date of the notice of the proposed increase the
11 taxpayer pays all amounts shown on the notice to be due to the tax administrator, no interest
12 under this section on the amount so paid shall be imposed for the period after the date of the
13 notice of proposed increase.

14 (d) Payment within ten (10) days after notice and demand. If notice and demand is made
15 for payment of any amount, and the amount is paid within ten (10) days after the effective date of
16 the notice and demand under § 44-30-81(b), interest under this section on the amount so paid
17 shall not be imposed for the period after the date of the notice and demand.

18 (e) Suspension of interest on deficiencies. If a waiver of restrictions on assessment of a
19 deficiency has been filed by the taxpayer, and if notice and demand by the tax administrator for
20 payment of the deficiency is not made within thirty (30) days after the filing of the waiver,
21 interest shall thereupon cease to accrue until the date of notice and demand.

22 (f) Interest treated as tax. Interest under this section shall be paid upon notice and demand
23 and shall be assessed, collected, and paid in the same manner as the tax, except that interest under
24 subsection (b) of this section may be assessed without regard to the restrictions of § 44-30-81.

25 (g) No interest on interest. No interest shall be imposed on any interest provided in this
26 section.

27 (h) Interest on civil penalties and additions to tax. Interest shall be imposed under
28 subsection (a) of this section in respect of any assessable civil penalty or addition to tax only if
29 the assessable penalty or addition to tax is not paid within fifteen (15) days from the effective
30 date of notice and demand therefor under § 44-30-81(b), and in that case interest shall be imposed
31 only for the period from the effective date of the notice and demand to the date of payment.

32 (i) Tax reduced by carryback. If the amount of tax for any taxable year is reduced by
33 reason of a carryback of a net operating loss, the reduction in tax shall not affect the computation
34 of interest under this section for the period ending with the last day of the taxable year in which

1 the net operating loss arises.

2 (j) Limitation on assessment or collection. Interest prescribed under this section may be
3 assessed or collected at any time during the period within which the tax or other amount to which
4 the interest relates may be assessed or collected.

5 (k) Interest on erroneous refund. Any portion of tax or other amount which has been
6 erroneously refunded, and which is recoverable by the tax administrator, shall bear interest at the
7 annual rate provided by § 44-1-7 from the date of the payment of the refund.

8 (l) Timely Deposits for Withheld Tax. If an entity fails to remit withheld tax at the times
9 prescribed by the tax administrator, there may be interest assessed at the annual rate provided by
10 § 44-1-7 for the period the failure continues, until the thirty-first day of the first month following
11 the close of the taxable year. The interest with respect to any failed remittances shall be computed
12 as prescribed by the tax administrator.

13 SECTION 26. Chapter 44-30 of the General Laws entitled "Personal Income Tax" is
14 hereby amended by adding thereto the following section:

15 **44-30-85.1. Electronic filing of withholding tax returns and penalties.**

16 (1) Beginning on January 1, 2020, every employer required to deduct and withhold tax
17 under this chapter, who had an average tax amount of two hundred dollars (\$200) or more per
18 month for the previous calendar year, shall file a return and remit said payments by electronic
19 funds transfer or other electronic means as defined by the tax administrator. The tax administrator
20 shall adopt any rules necessary to administer a program of electronic funds transfer or other
21 electronic filing system.

22 (2) Beginning on January 1, 2020, if any person fails to pay said taxes by electronic funds
23 transfer or other electronic means defined by the tax administrator as required hereunder, there
24 shall be added to the amount of tax the lesser of five percent (5%) of the withheld tax payment
25 amount that was not filed electronically or five hundred dollars (\$500), whichever is less, unless
26 there was reasonable cause for the failure and such failure was not due to negligence or willful
27 neglect.

28 (3) Notwithstanding the provisions of 44-30-85(j)(2), beginning on January 1, 2020, if
29 any person fails to file a return by electronic means defined by the tax administrator as required
30 hereunder, there shall be added to the amount of tax equal to fifty dollars (\$50), unless there was
31 reasonable cause for the failure and such failure was not due to negligence or willful neglect.

32 SECTION 27. Section 45-19-1 of the General Laws in Chapter 45-19 entitled "Relief of
33 Injured and Deceased Fire Fighters and Police Officers" is hereby amended to read as follows:

34 **45-19-1. Salary payment during line of duty illness or injury.**

1 (a) Whenever any police officer of the Rhode Island Airport Corporation or whenever
2 any police officer, fire fighter, crash rescue crewperson, fire marshal, chief deputy fire marshal,
3 or deputy fire marshal of any city, town, fire district, or the state of Rhode Island is wholly or
4 partially incapacitated by reason of injuries received or sickness contracted in the performance of
5 his or her duties or due to their rendering of emergency assistance within the physical boundaries
6 of the state of Rhode Island at any occurrence involving the protection or rescue of human life
7 which necessitates that they respond in a professional capacity when they would normally be
8 considered by their employer to be officially off-duty, the respective city, town, fire district, state
9 of Rhode Island or Rhode Island Airport Corporation by which the police officer, fire fighter,
10 crash rescue crewperson, fire marshal, chief deputy fire marshal, or deputy fire marshal, is
11 employed, shall, during the period of the incapacity, pay the police officer, fire fighter, crash
12 rescue crewperson, fire marshal, chief deputy fire marshal, or deputy fire marshal, the salary or
13 wage and benefits to which the police officer, fire fighter, crash rescue crewperson, fire marshal,
14 chief deputy fire marshal, or deputy fire marshal, would be entitled had he or she not been
15 incapacitated, and shall pay the medical, surgical, dental, optical, or other attendance, or
16 treatment, nurses, and hospital services, medicines, crutches, and apparatus for the necessary
17 period, except that if any city, town, fire district, the state of Rhode Island or Rhode Island
18 Airport Corporation provides the police officer, fire fighter, crash rescue crewperson, fire
19 marshal, chief deputy fire marshal, or deputy fire marshal, with insurance coverage for the related
20 treatment, services, or equipment, then the city, town, fire district, the state of Rhode Island or
21 Rhode Island Airport Corporation is only obligated to pay the difference between the maximum
22 amount allowable under the insurance coverage and the actual cost of the treatment, service, or
23 equipment. In addition, the cities, towns, fire districts, the state of Rhode Island or Rhode Island
24 Airport Corporation shall pay all similar expenses incurred by a member who has been placed on
25 a disability pension and suffers a recurrence of the injury or illness that dictated his or her
26 disability retirement, subject to the provisions of subsection (j) herein.

27 (b) As used in this section, "police officer" means and includes any chief or other
28 member of the police department of any city or town regularly employed at a fixed salary or wage
29 and any deputy sheriff, member of the fugitive task force, or capitol police officer, permanent
30 environmental police officer or criminal investigator of the department of environmental
31 management, or airport police officer.

32 (c) As used in this section, "fire fighter" means and includes any chief or other member of
33 the fire department or rescue personnel of any city, town, or fire district, and any person
34 employed as a member of the fire department of the town of North Smithfield, or fire department

1 or district in any city or town.

2 (d) As used in this section, "crash rescue crewperson" means and includes any chief or
3 other member of the emergency crash rescue section, division of airports, or department of
4 transportation of the state of Rhode Island regularly employed at a fixed salary or wage.

5 (e) As used in this section, "fire marshal," "chief deputy fire marshal", and "deputy fire
6 marshal" mean and include the fire marshal, chief deputy fire marshal, and deputy fire marshals
7 regularly employed by the state of Rhode Island pursuant to the provisions of chapter 28.2 of title
8 23.

9 (f) Any person employed by the state of Rhode Island, except for sworn employees of the
10 Rhode Island State Police, who is otherwise entitled to the benefits of chapter 19 of this title shall
11 be subject to the provisions of chapters 29 -- 38 of title 28 for all case management procedures
12 and dispute resolution for all benefits.

13 (g) In order to receive the benefits provided for under this section, a police officer or
14 firefighter must prove to their employer that he or she had reasonable grounds to believe that
15 there was an emergency which required an immediate need for their assistance for the protection
16 or rescue of human life.

17 (h) Any claims to the benefits provided for under this section resulting from the rendering
18 of emergency assistance in the state of Rhode Island at any occurrence involving the protection or
19 rescue of human life while off-duty, shall first require those covered by this section to submit a
20 sworn declaration to their employer attesting to the date, time, place and nature of the event
21 involving the protection or rescue of human life causing the professional assistance to be rendered
22 and the cause and nature of any injuries sustained in the protection or rescue of human life. Sworn
23 declarations shall also be required from any available witness to the alleged emergency involving
24 the protection or rescue of human life.

25 (i) All declarations required under this section shall contain the following language:

26 "Under penalty of perjury, I declare and affirm that I have examined this declaration,
27 including any accompanying schedules and statements, and that all statements contained herein
28 are true and correct."

29 (j) Any person receiving injured on-duty benefits pursuant to this section, and subject to
30 the jurisdiction of the state retirement board for accidental retirement disability, ~~for an injury~~
31 ~~occurring on or after July 1, 2011,~~ shall apply for an accidental disability retirement allowance
32 from the state retirement board not later than ~~the later of eighteen (18) months after the date of the~~
33 ~~person's injury that resulted in said person's injured on duty status or~~ sixty (60) days from the date
34 on which ~~a the~~ treating physician or an independent medical examiner certifies that the person has

1 reached maximum medical improvement, and in any event not later than eighteen (18) months
2 after the date of the person's injury that resulted in said person being on injured on-duty. Nothing
3 herein shall be construed to limit or alter any and all rights of the parties with respect to
4 independent medical examination or otherwise, as set forth in the applicable collective bargaining
5 agreement. Notwithstanding the forgoing, any person receiving injured on duty benefits as the
6 result of a static and incapacitating injury whose permanent nature is readily obvious and
7 ascertainable shall be required to apply for an accidental disability retirement allowance within
8 sixty (60) days from the date on which ~~a the~~ treating physician or an independent medical
9 examiner certifies that the person's injury is permanent, or sixty (60) days from the date on which
10 such determination of permanency is made in accordance with the independent medical
11 examination procedures as set forth in the applicable collective bargaining agreement.

12 (1) If a person with injured on duty status fails to apply for an accidental disability
13 retirement allowance from the state retirement board within the time frame set forth above, that
14 person's injured on duty payment shall terminate. Further, any person suffering a static and
15 incapacitating injury as set forth in subsection (j) above and who fails to apply for an accidental
16 disability benefit allowance as set forth in subsection (j) shall have his or her injured on duty
17 payment terminated.

18 (2) A person who so applies shall continue to receive injured on duty payments, and the
19 right to continue to receive ~~IOD~~ injured on-duty payments of a person who so applies shall
20 terminate upon final adjudication by the state retirement board approving or denying either
21 ordinary or accidental disability payments and, notwithstanding §45-21.2-9, this termination of
22 injured on duty benefits shall not be stayed. ~~in the event of a final ruling of the workers~~
23 ~~compensation court allowing accidental disability benefits. Nothing herein shall be construed to~~
24 ~~limit or alter any and all rights of the parties with respect to independent medical examination or~~
25 ~~otherwise, as set forth in the applicable collective bargaining agreement.~~

26 (3)(a) Notwithstanding any other provision of law, all persons entitled to benefits under
27 this section who were injured prior to July 1, 2019 and who have been receiving injured on duty
28 benefits pursuant to this section for a period of eighteen (18) months or longer as of July 1, 2019
29 shall have up to ninety (90) days from July 1, 2019 to apply for an accidental disability retirement
30 benefit allowance. Any person receiving injured on-duty benefits for a period less than eighteen
31 (18) months as of July 1, 2019 shall apply for an accidental disability retirement benefit
32 allowance within eighteen (18) months of the date of injury that resulted in said person receiving
33 injured on-duty pay, provided however, said person shall have a minimum of ninety (90) days to
34 apply.

1 authorized and empowered to make appropriate changes in said Title 28, Chapters 39, 40, 42 and
2 43 and any other section of the laws to carry out the intent of this act.

3 SECTION 3. Chapter 30-17.1 of the General Laws entitled "Veterans' Affairs" is hereby
4 amended by adding thereto the following section:

5 **30-17.1-14. Assistance on veterans claims.**

6 The office shall prepare and present before the veterans benefit administration of the
7 United States all legal claims of veterans for compensation, disability allowance, insurance, and
8 pensions of veterans of World War I, and all other veterans to whom benefits have been extended
9 pursuant to the provisions of chapter 22 of title 30, entitled "Extension of Veterans Benefits,"
10 who had a legal residence in this state at the time of entrance into the service or who have been
11 qualified electors in this state for two (2) years preceding the application for aid, and their
12 personal representatives or dependents, or both, and shall render to such persons reasonable
13 assistance in the preparation and presentation of any of those claims and shall perform such other
14 duties as may be required by law. The office shall render such assistance without charge to the
15 claimant.

16 **30-17.1-15. Special veterans' funds.**

17 The director of the office shall have control and supervision over any special funds
18 provided for decorating and installing metal markers on the graves of soldiers, sailors, airmen,
19 and marines, for the burial of honorably discharged soldiers, for the assistance of World War I
20 veterans, and other expenditures relating to veteran soldiers, sailors, airmen, and marines.

21 SECTION 4. Sections 30-17.1-1, 30-17.1-4, 30-17.1-6, 30-17.1-7, 30-17.1-9, 30-17.1-10,
22 30-17.1-11 and 30-17.1-13 of the General Laws in Chapter 30-17.1 entitled "Veterans' Affairs"
23 are hereby amended to read as follows:

24 **30-17.1-6. Establishment of the office of veterans' affairs; director.**

25 (a) There is hereby established within the executive branch of government an office of
26 veterans' affairs. The director of the office of veterans' affairs shall be a person qualified through
27 experience and training and shall be an honorably discharged war veteran of the United States
28 armed forces. The director of the office of veterans' affairs shall be appointed by and report
29 directly to the governor, but the office shall reside within the ~~department of human services~~
30 executive office of health and human services for administrative purposes.

31 (b) The director of veterans' affairs shall have all such powers, consistent with law, as are
32 necessary and/or convenient to effectuate the purposes of this chapter and to administer its
33 functions, including, but, not limited to, the power to promulgate and adopt regulations. The
34 director shall have authority to apply for, receive, and administer grants and funds from the

1 federal government and all other public and private entities to accomplish the purposes of the
2 office.

3 **30-17.1-7. Annual report to general assembly.**

4 The director of veterans' affairs shall report annually, no later than January 31st of each
5 year, to the governor, speaker of the house of representatives, the senate president, and house and
6 senate finance committees, setting forth, in detail, the condition of the veterans' home, any
7 veterans' cemetery authorized and established by the general assembly, and in general the
8 character of the work of veterans' affairs [the office](#), and shall render in the report a faithful
9 account of all moneys received and expended by the director of human services [secretary of the](#)
10 [office of health and human services](#) and by the office of veterans' affairs in the execution of the
11 provisions of this chapter and chapter 24 of this title, excepting the names of persons to whom
12 they have furnished assistance which shall be omitted.

13 **30-17.1-10. Veterans' services strategic plan advisory committee established.**

14 (a) There is hereby created a veterans' services strategic plan advisory committee known
15 as "the Rhode Island veterans' services strategic plan advisory committee" consisting of fourteen
16 (14) members as follows:

17 (1) One of whom shall be the director of the office of veterans' affairs, or his or her
18 designee, who shall serve as chairperson;

19 (2) One of whom shall be the ~~director of the department of human services~~ [secretary of](#)
20 [the executive office of health and human services](#), or his or her designee;

21 (3) One of whom shall be the executive director of the public transit authority, or his or
22 her designee;

23 (4) One of whom shall be the postsecondary education commissioner, or his or her
24 designee;

25 (5) One of whom shall be the director of the department of behavioral healthcare,
26 developmental disabilities and hospitals, or his or her designee;

27 (6) One of whom shall be the director of the department of health, or his or her designee;

28 (7) One of whom shall be the director of the ~~division~~ [office](#) of elderly affairs, or his or her
29 designee;

30 (8) One of whom shall be the director of the department of business regulation, or his or
31 her designee;

32 (9) One of whom shall be the chief judge of the district court, or his or her designee;

33 (10) One of whom shall be the director of the department of labor and training, or his or
34 her designee;

1 (11) One of whom shall be the director of the Rhode Island commerce corporation, or his
2 or her designee;

3 (12) One of whom shall be the secretary of state, or his or her designee;

4 (13) One of whom shall be the adjutant general of the Rhode Island national guard, or his
5 or her designee; and

6 (14) One of whom shall be a representative for Rhode Island municipal governments.

7 (b) Forthwith upon the passage of this chapter, the members of the advisory committee
8 shall meet at the call of the chairperson and organize. Thereafter, the committee shall meet at the
9 call of the chairperson or three (3) members of the advisory committee.

10 (c) All departments and agencies of the state shall furnish such advice and information,
11 documentation, and otherwise to the committee and its agents as is deemed necessary or desirable
12 by the advisory committee to facilitate the purposes of this chapter.

13 (d) The office of veterans' affairs is hereby directed to provide suitable quarters and staff
14 for the advisory committee.

15 (e) [Deleted by P.L. 2017, ch. 131, § 1 and P.L. 2017, ch. 152, § 1].

16 (f) The members of the advisory committee shall receive no compensation for their
17 services.

18 **30-17.1-11. The duties of the committee.**

19 (a) The advisory committee, acting through the office of veterans' affairs, shall work in
20 conjunction with ~~the department of human services~~ [executive office of health and human services](#)
21 to develop, maintain, and annually update a five-year (5) statewide veterans' services strategic
22 plan ("VSSP") that includes goals and measurable outcomes to ensure that all departments deliver
23 comprehensive services and supports for veterans and their families.

24 (b) The advisory committee shall conduct an analysis of study toward the development of
25 the "VSSP" that shall include, but not be limited to, the following veterans' issues:

- 26 (1) Living in poverty;
- 27 (2) Disability benefits;
- 28 (3) Employment and training;
- 29 (4) Education;
- 30 (5) Family members and caregivers;
- 31 (6) Financial planning;
- 32 (7) Homelessness;
- 33 (8) Legal services;
- 34 (9) Long-term care;

- 1 (10) Mortuary affairs;
- 2 (11) Healthcare;
- 3 (12) Transitional assistance; and
- 4 (13) Transportation.

5 (c) The chairperson of the committee shall consult regularly with veterans and
6 community groups that represent diverse interests and viewpoints and the federal department of
7 veterans' affairs, to receive input on all matters pertaining to the preparation or implementation of
8 the veterans' services strategic plan.

9 (d) The "VSSP" shall:

- 10 (1) Be based upon comprehensive data gained through open and transparent engagement
11 of veterans' stakeholders;
- 12 (2) Produce veteran-centric policies and procedures informed by forward looking
13 planning;
- 14 (3) Realistically assess resource adequacy and capabilities delivered;
- 15 (4) Ensure that existing resources are aligned to mission critical objectives;
- 16 (5) Complement, as well as leverage, existing U.S. Veterans' Administration programs
17 and best practices;
- 18 (6) Foster state, federal, and private partnerships that seamlessly deliver exceptional
19 services to the state's veteran population; and
- 20 (7) More effectively coordinate the delivery of veterans' services to all current and future
21 veterans in Rhode Island.

22 SECTION 5. Sections 30-24-1, 30-24-2, 30-24-5, 30-24-6, 30-24-9 and 30-24-10 of the
23 General Laws in Chapter 30-24 entitled "Rhode Island Veterans' Home" are hereby amended to
24 read as follows:

25 **30-24-1. Management and control.**

26 The management and control of the Rhode Island veterans' home, established in this state
27 for those who served in the army, navy, marine corps, coast guard, merchant marines, or air force
28 of the United States in any war or conflict and were honorably discharged therefrom, who shall
29 be in need of such care as is provided at the home, shall be the responsibility of the ~~director of~~
30 ~~human services~~ secretary of the executive office of health and human services, or his or her
31 designee.

32 **30-24-2. Bylaws and regulations -- Supervision by director.**

33 (a) The ~~director of human services~~ secretary of the executive office of health and human
34 services, or his or her designee, shall have the general supervision over, and shall prescribe rules

1 for, the government and management of the Rhode Island veterans' home. He or she shall make
2 all needful bylaws and regulations governing the admission, maintenance, and discharge of the
3 residents of the home, which shall not be inconsistent with the spirit and intent of this chapter,
4 and generally may do all things necessary to successfully carry into effect the purposes of this
5 chapter.

6 (b) The director ~~director of human services~~ [secretary of the executive office of health and](#)
7 [human services](#) shall appoint and employ all subordinate officials and persons needed for the
8 proper management of the home.

9 **30-24-6. Acceptance of gifts -- Veterans' home restricted account.**

10 (a) The ~~director of human services~~ [secretary of the executive office of health and human](#)
11 [services](#) is hereby authorized and empowered to take and receive in the name of the state any
12 grant, devise, gift, or bequest of real or personal property that may be made for the use and
13 benefit of the Rhode Island veterans' home or the residents or purposes thereof. All money so
14 received, and all money received under the provisions of §§ 30-24-9 and 30-24-10, shall be paid
15 over to the general treasurer and shall be kept by him or her as a restricted account to be known as
16 the "veterans' home restricted account". Use of the "veterans' home restricted account" funds may
17 only be made upon prior approval of the house of representatives' finance committee and senate
18 finance committee. The ~~director,~~ [secretary of the executive office of health and human services](#)
19 may sell and dispose of any real or personal property received under this section, and any
20 property received under § 30-24-9, and the proceeds of the sale shall be paid over to the general
21 treasurer to be made a part of the restricted account. The restricted account shall be used for the
22 improvement of social, recreational, and educational programs, including the purchase of
23 educational and recreational supplies and equipment for the welfare of members and for
24 operational expenses and capital improvements at the veterans' home and veterans' cemetery, as
25 deemed necessary by the ~~director of human services~~ [secretary of the executive office of health](#)
26 [and human services](#).

27 (b) [Deleted by P.L. 1999, ch. 11, section 5.]

28 (c) Notwithstanding the provisions of subsection (a) of this section, there is hereby
29 established a restricted receipt account within the general fund of the state for the sole purpose of
30 the collection and disbursement of any grant, devise, gift, or bequest of real or personal property
31 that may be made for the use and benefit of the design, construction, and furnishing of a new
32 Rhode Island veterans home in Bristol. This account shall be known as "donations -- new
33 veterans' home construction".

34 **30-24-9. Property of deceased residents.**

1 All goods, chattels, property, money, and effects of a deceased resident of the Rhode
2 Island veterans' home that have not been disposed of by him or her by a completed inter vivos
3 conveyance or gift, or by a valid will, after payment therefrom of the funeral expenses, which
4 shall not exceed ten thousand dollars (\$10,000), and after payment therefrom of the reasonable
5 debts and expenses of the deceased resident to be determined by rules and regulations as shall be
6 adopted by the director, shall upon his or her decease become the property of the state, and shall
7 be applied by the ~~director of human services~~ [secretary of the executive office of health and human](#)
8 [services](#), or his or her designee, to the uses and purposes of the veterans' restricted account;
9 provided, however, that the director may, in his or her discretion, deliver to any surviving relative
10 of the deceased resident any of the property or effects as may serve as a memento of the deceased
11 resident. For purposes of this section, the provisions of chapter 24 of title 33 shall be applicable.

12 **30-24-10. Admissible to home -- Fees.**

13 (a) Any person who has served in the army, navy, marine corps, coast guard, or air force
14 of the United States for a period of ninety (90) days or more and that period began or ended
15 during any foreign war in which the United States shall have been engaged or in any expedition
16 or campaign for which the United States government issues a campaign medal, and who was
17 honorably discharged from it, and who shall be deemed to be in need of care provided at the
18 Rhode Island veterans' home, may be admitted to that facility subject to such rules and
19 regulations as shall be adopted by the ~~director of human services~~ [secretary of the executive office](#)
20 [of health and human services](#) to govern the admission of applicants to the facility. Any person
21 who has served in the armed forces of the United States designated herein and otherwise
22 qualified, who has served less than the ninety-day (90) period described in this section, and who
23 was honorably discharged from service, and who, as a result of the service, acquired a service-
24 connected disability or disease, may be admitted. No person shall be admitted to the facility
25 unless the person has been accredited to the enlistment or induction quota of the state or has
26 resided in the state for at least two (2) consecutive years next prior to the date of the application
27 for admission to the facility.

28 (b)(1) The ~~director~~ [secretary of the executive office of health and human services](#) shall, at
29 the end of each fiscal year, determine the net, per-diem expenses of maintenance of residents in
30 the facility and shall assess against each resident who has "net income", as defined in this section,
31 a fee equal to eighty percent (80%) of the resident's net income, provided that fee shall not exceed
32 the actual cost of care and maintenance for the resident; and provided that an amount equal to
33 twenty percent (20%) of the maintenance fee assessed shall be allocated to, and deposited in, the
34 veterans' restricted account. For the purposes of this section, "net income" is defined as gross

1 income minus applicable federal and state taxes and minus:

2 (i) An amount equal to one hundred fifty dollars (\$150) per month of residency and fifty
3 percent (50%) of any sum received due to wounds incurred under battle conditions for which the
4 resident received the purple heart; and

5 (ii) The amount paid by a resident for the support and maintenance of his or her spouse,
6 parent(s), minor child(ren), or child(ren) who is/are blind or permanently and totally disabled as
7 defined in title XVI of the Federal Social Security Act, 42 U.S.C. §§ 1381 -- 1383d, subject to a
8 maximum amount to be determined by rules and regulations as shall be adopted by the director.

9 (2) The fees shall be paid monthly to the home and any failure to make payment when
10 due shall be cause for dismissal from the facility. Prior to dismissal, the resident shall be afforded
11 administrative due process.

12 (c) Admissions to the veterans' home shall be made without discrimination as to race,
13 color, national origin, religion, sex, disability, marital status, age, sexual orientation, gender
14 identity or expression, assets, or income.

15 (d) Laundry services shall be provided to the residents of the Rhode Island veterans'
16 home at no charge to the residents, with such funds to cover the cost of providing laundry
17 services for residents of the Rhode Island veterans' home derived from monies appropriated to the
18 ~~department of human services~~ [executive office of health and human services](#).

19 SECTION 6. Sections 30-25-8, 30-25-9, 30-25-10, 30-25-11, 30-25-12, 30-25-13 and 30-
20 25-14 of the General Laws in Chapter 30-25 entitled "Burial of Veterans" are hereby amended to
21 read as follows:

22 **30-25-8. Maintenance of north cemetery.**

23 The director of human services [secretary of the executive office of health and human](#)
24 [services](#) shall be custodian of the Rhode Island soldiers' burial lots, and the monument and grave
25 markers thereon, located in the north cemetery in the town of Bristol. He or she shall, from time
26 to time, cause such work to be done as may be necessary in keeping the lots, monuments, and
27 markers in good condition and repair.

28 **30-25-9. Expenses of north cemetery.**

29 The director of human services [secretary of the executive office of health and human](#)
30 [services](#), is authorized to make such expenditures as may be necessary in carrying out the
31 purposes of § 30-25-8, and the state controller is hereby authorized and directed upon receipt of
32 proper vouchers approved by the state ~~director of human services~~ [secretary of the executive](#)
33 [office of health and human services](#), to draw orders upon the general treasurer for the payment of
34 such sums as may be required, from the funds under the control of the ~~director of human services~~

1 [secretary of the executive office of health and human services](#), known as the veterans' home,
2 restricted account.

3 **30-25-10. Care of neglected graves.**

4 The ~~director of human services~~ [secretary of the executive office of health and human](#)
5 [services](#) is authorized and empowered to undertake the care of any grave of any soldier or sailor
6 who fought in the war of the revolution, or who at any time served the United States in any war,
7 when the grave appears to have been neglected or abandoned. For that purpose, the ~~director~~
8 [secretary](#), and the agents or employees of the ~~division~~ [office](#), when duly authorized thereunto by
9 the ~~director~~ [secretary](#), may enter into and upon any public or private cemetery or burial place to
10 clear any grave of grass, weeds, brush, briars, or rubbish; to erect, replace, repair, or renovate
11 fences, memorial stones, or markers; and to perform the other tasks as may be necessary to
12 restore and maintain the grave and its surroundings in a decent and orderly condition.

13 **30-25-11. Consent of custodian of neglected grave.**

14 When any cemetery or burial place containing a neglected grave is found by the ~~director~~
15 ~~of human services~~ [secretary of the executive office of health and human services](#), or the agents or
16 employees of the division ~~division~~ [executive office](#), to be under the custody or control of some
17 private owner or public authority, then the ~~director~~ [secretary](#) shall obtain permission, in writing,
18 from the person or persons having custody or control before entering into and upon the cemetery
19 or burial place; provided, that if no person or persons can be found having the custody or control
20 of the cemetery or burial place, the ~~director~~ [secretary](#) shall assume the right of entry and shall
21 perform the duties specified in § 30-25-10, without further notice.

22 **30-25-12. Appropriations for care of graves.**

23 The general assembly shall, from time to time, appropriate such sums as it may deem
24 necessary to be expended by the ~~director of human services~~ [secretary of the executive office of](#)
25 [health and human services](#) in carrying out the purposes of §§ 30-25-10 and 30-25-11, and the
26 state controller is hereby authorized and directed, upon the receipt of the proper vouchers
27 approved by the director ~~director~~ [secretary](#), to draw orders upon the general treasurer for the
28 payment of such sums as may be required, within the amount appropriated therefor.

29 **30-25-13. Acceptance and administration of gifts.**

30 The ~~director of human services~~ [secretary of the executive office of health and humans](#)
31 [services](#) may accept in the name of the state, and may administer, any devise, bequest, or gift that
32 is to be expended for the general purposes of this chapter. All sums received by devise, bequest,
33 or gift from any person or corporation shall be deposited with the general treasurer, and by him or
34 her kept in a special fund, to be known as "the veterans' cemetery fund", and held subject to the

1 order of the director.

2 **30-25-14. Rhode Island veterans' memorial cemetery.**

3 (a) The Rhode Island veterans' memorial cemetery, located on the grounds of the Joseph
4 H. Ladd school in the town of Exeter, shall be under the management and control of the director
5 of the department of human services ~~director of the department of human services~~ secretary of the
6 executive office of health and human services. The ~~director of the department of human services~~
7 secretary of the executive office of health and human services shall appoint an administrator for
8 the Rhode Island veterans' memorial cemetery who shall be an honorably discharged veteran of
9 the United States Armed Forces and shall have the general supervision over, and shall prescribe
10 rules for, the government and management of the cemetery. He or she shall make all needful rules
11 and regulations governing the operation of the cemetery and generally may do all things
12 necessary to ensure the successful operation thereof. The ~~director~~ secretary shall promulgate rules
13 and regulations, not inconsistent with the provisions of 38 U.S.C. § 2402, to govern the eligibility
14 for burial in the Rhode Island veterans' memorial cemetery. In addition to all persons eligible for
15 burial pursuant to rules and regulations established by the director, any person who served in the
16 army, navy, air force, or marine corps of the United States for a period of not less than two (2)
17 years and whose service was terminated honorably, shall be eligible for burial in the Rhode Island
18 veterans' memorial cemetery. The ~~director~~ secretary shall appoint and employ all subordinate
19 officials and persons needed for the proper management of the cemetery. National guard
20 members who are killed in the line of duty or who are honorably discharged after completion of
21 at least twenty (20) years' of service in the Rhode Island national guard and their spouse shall be
22 eligible for interment in the Rhode Island veterans' memorial cemetery. For the purpose of
23 computing service under this section, honorable service in the active forces or reserves shall be
24 considered toward the twenty (20) years of national guard service. The general assembly shall
25 make an annual appropriation to the ~~department of human services~~ executive office of health and
26 human services to provide for the operation and maintenance for the cemetery. The ~~director~~
27 secretary shall charge and collect a grave liner fee per interment of the eligible spouse and/or
28 eligible dependents of the qualified veteran equal to the department's cost for the grave liner.

29 (b) No domestic animal shall be allowed on the grounds of the Rhode Island veterans'
30 memorial cemetery, whether at large or under restraint, except for seeing eye guide dogs, hearing
31 ear signal dogs or any other service animal, as required by federal law or any personal assistance
32 animal, as required by chapter 9.1 of title 40. Any person who violates the provisions of this
33 section shall be subject to a fine of not less than five hundred dollars (\$500).

34 (c) The state of Rhode Island office of veterans' affairs shall bear the cost of all tolls

1 incurred by any motor vehicles that are part of a veteran's funeral procession, originating from
2 Aquidneck Island ending at the veterans' memorial cemetery, for burial or internment. The
3 executive director of the turnpike and bridge authority shall assist in the administration and
4 coordination of this toll reimbursement program.

5 SECTION 7. Section 30-27-1 of the General Laws in Chapter 30-27 entitled "Veterans'
6 Organizations" is hereby repealed as follows.

7 ~~**30-27-1. Appropriations for annual encampment of Spanish war veterans.**~~

8 ~~The general assembly shall annually appropriate such sum as it may deem necessary to~~
9 ~~defray the expenses of the annual encampment of the united spanish war veterans, department of~~
10 ~~Rhode Island, to be expended under the direction of the department of human services or of any~~
11 ~~other department as the general assembly shall indicate and direct at any future time; and the~~
12 ~~controller is hereby authorized and directed to draw orders upon the general treasurer for the~~
13 ~~payment of that sum, or so much thereof as may be necessary from time to time, upon the receipt~~
14 ~~by the controller of proper vouchers approved by the director of human services, or such other~~
15 ~~approving authority as the general assembly may direct.~~

16 SECTION 8. Section 30-28-10 of the General Laws in Chapter 30-28 entitled
17 "Monuments and Memorials" is hereby amended to read as follows:

18 **30-28-10. Rhode Island veterans memorial chapel.**

19 The Rhode Island Veterans Memorial Chapel Building Fund, Inc. is hereby authorized to
20 construct a nonsectarian memorial chapel in the Rhode Island veterans cemetery located in
21 Exeter, Rhode Island; provided, however, that the plans for the memorial chapel shall be
22 approved by the director of administration; provided further that the Rhode Island Veterans
23 Memorial Chapel Building Fund, Inc. grant to the state all of its right, title, and interest in the
24 chapel; and provided further that the management and control of the chapel shall be with the
25 ~~director of the department of human services~~ [secretary of the executive office of health and](#)
26 [human services.](#)

27 SECTION 9. Sections 31-38-7 and 31-38-18 of the General Laws in Chapter 31-38
28 entitled "Inspection of Motor Vehicles" are hereby amended to read as follows:

29 **31-38-7. Operation of official stations.**

30 (a) No permit for an official station shall be assigned or transferred or used at any
31 location other than designated in it, and the permit shall be posted in a conspicuous place at the
32 designated location.

33 (b) The state certified person operating an official inspection station shall issue a
34 certificate of inspection and approval upon an official form to the owner of a vehicle upon

1 inspection of the vehicle and determining that its equipment required under the provisions of this
2 chapter is in good condition and proper adjustment, otherwise, no certificate shall be issued. A
3 record and report shall be made of every inspection and every certificate issued. The records shall
4 be kept available for review by ~~the motor vehicle inspection station commission or~~ those
5 employees of the department of revenue that the director may designate.

6 (c) The following fees shall be charged for inspection and issuance of certificate of
7 inspection and approval:

8 (1) For every vehicle with a registered gross weight of not more than eight thousand five
9 hundred pounds (8,500 lbs.), the fee shall be included with the fee charged pursuant to § 31-47.1-
10 11;

11 (2) For every vehicle of a registered gross weight of more than eight thousand five
12 hundred pounds (8,500 lbs.) or more, except trailers, fifteen dollars (\$15.00);

13 (3) For every motorcycle and electrically powered vehicle, eleven dollars (\$11.00);

14 (4) For every trailer or semi-trailer with a registered gross weight of more than one
15 thousand pounds (1,000 lbs.), eleven dollars (\$11.00); and

16 (5) Provided that for the inspection of vehicles used for the transportation of persons for
17 hire, as provided in § 31-22-12, and subject to an inspection pursuant to chapter 47.1 of this title,
18 the fee shall be included with the fee charged pursuant to § 31-47.1-11.

19 (d) The director of the department of revenue may establish a state inspection facility at
20 which any motor vehicle may be reinspected at no cost to the owner. The state inspection facility
21 may inspect all public conveyance vehicles or these inspections may be otherwise provided for by
22 the director, or any other vehicles which in the opinion of the director of revenue, or his or her
23 designee, require specific testing to ensure for the health and safety of the general public.

24 (e) Any other inspections or activities which may be required to be performed at a state
25 inspection facility may be performed at any official inspection station if determined by the
26 director.

27 **31-38-18. Conduct of hearings.**

28 The ~~director of the department of revenue~~ ~~commission~~ shall hold and conduct hearings in
29 accordance with § 31-38-17. These hearings shall be governed by rules to be adopted by the
30 ~~director of the department of revenue~~ ~~commission~~, and the ~~director of the department of~~
31 ~~revenue~~ ~~commission~~ shall not be bound by technical rules of evidence. The ~~director of the~~
32 ~~department of revenue~~ ~~commission~~ may subpoena witnesses and require the producing of
33 documental evidence, ~~and shall sit as an impartial independent body~~ in order to make decisions
34 affecting the interest of the motor vehicle inspection owner and/or operator. ~~The concurrence of a~~

1 ~~majority of the members present and voting of the commission is required for a decision.~~

2 SECTION 10. Sections 31-38-15 and 31-38-16 of the General Laws in Chapter 31-38
3 entitled "Inspection of Motor Vehicles" are hereby repealed.

4 ~~**31-38-15. Motor vehicle inspection commission.**~~

5 ~~(a) Within the department of revenue there shall be a motor vehicle inspection~~
6 ~~commission, referred to in this chapter as the "commission", which shall function as a unit in the~~
7 ~~department. The commission shall consist of seven (7) members who shall be appointed by the~~
8 ~~governor, with the advice and consent of the senate. In making said appointments, the governor~~
9 ~~shall give due consideration to including in the commission's membership one or more garage~~
10 ~~keeper(s) and/or inspection station owner(s).~~

11 ~~(b) The tenure of all members of the commission as of the effective date of this act~~
12 ~~[March 29, 2006] shall expire on the effective date of this act [March 29, 2006], and the governor~~
13 ~~shall nominate seven (7) new members as follows:~~

14 ~~(1) The governor shall appoint seven (7) members of the commission; three (3) of whom~~
15 ~~shall serve initial terms of three (3) years; two (2) of whom shall serve an initial term of two (2)~~
16 ~~years; and two (2) of whom shall serve an initial term of one year.~~

17 ~~(2) Thereafter, all members of the commission shall be appointed to serve three (3) year~~
18 ~~terms.~~

19 ~~(c) The governor shall designate one member of the commission to serve as chairperson.~~
20 ~~The commission may elect from among its members such other officers as they deem necessary.~~

21 ~~(d) No person shall be eligible for appointment to the commission after the effective date~~
22 ~~of this act [March 29, 2006] unless he or she is a resident of this state.~~

23 ~~(e) Four (4) members of the commission shall constitute a quorum.~~

24 ~~(f) Members of the commission shall be removable by the governor pursuant to the~~
25 ~~provisions of § 36-1-7 of the general laws and for cause only, and removal solely for partisan or~~
26 ~~personal reasons unrelated to capacity of fitness for the office shall be unlawful.~~

27 ~~(g) Within ninety (90) days after the end of each fiscal year, the commission shall~~
28 ~~approve and submit an annual report to the governor, the speaker of the house of representatives,~~
29 ~~the president of the senate, and the secretary of state of its activities during that fiscal year. The~~
30 ~~report shall provide: an operating statement summarizing meetings or hearings held, including~~
31 ~~meeting minutes, subjects addressed, decisions rendered, licenses considered and their~~
32 ~~disposition, rules or regulations promulgated, studies conducted, policies and plans developed,~~
33 ~~approved or modified and programs administered or initiated; a consolidated financial statement~~
34 ~~of all funds received and expended including the source of the funds, a listing of any staff~~

1 supported by these funds and a summary of any clerical, administrative or technical support
2 received; a summary of performance during the previous fiscal year including accomplishments,
3 shortcomings and remedies; a synopsis of hearings, complaints, suspensions or other legal matters
4 related to the authority of the commission; a summary of any training courses held pursuant to the
5 provisions of this section; a briefing on anticipated activities in the upcoming fiscal year; and
6 findings and recommendations for improvements. The report shall be posted electronically on the
7 general assembly and secretary of state's websites as prescribed in § 42-20-8.2. The director of
8 the department of revenue shall be responsible for the enforcement of the provisions of this
9 subsection.

10 ~~(h) To conduct a training course for newly appointed and qualified members within six~~
11 ~~(6) months of their qualification or designation. The course shall be developed by the chair of the~~
12 ~~commission, approved by the commission, and conducted by the chair of the commission. The~~
13 ~~commission may approve the use of any commission or staff members or other individuals to~~
14 ~~assist with training. The training course shall include instruction in the following areas: the~~
15 ~~provisions of chapters 42-46, 36-14, and 38-2; and the commission's rules and regulations. The~~
16 ~~director of the department of revenue shall, within ninety (90) days of the effective date of this act~~
17 ~~[March 29, 2006], prepare and disseminate training material relating to the provisions of chapters~~
18 ~~42-46, 36-14, and 38-2.~~

19 ~~**31-38-16. Meetings -- Compensation.**~~

20 ~~The commission shall meet at least once a month to consider any matters that may be~~
21 ~~proper before it. The members of the commission shall receive no compensation for their~~
22 ~~services, but each member shall be reimbursed for traveling or other expenses that are actually~~
23 ~~incurred in the discharge of the member's duties.~~

24 SECTION 11. Sections 35-1.1-1 through 35-1.1-5 of the General Laws in Chapter 35-1.1
25 entitled "Office of Management and Budget" are hereby amended to read as follows:

26 ~~**35-1.1-1. Statement of intent.**~~

27 The purpose of this chapter is to establish a comprehensive public finance and
28 management system for the State of Rhode Island that manages a data-driven budget process,
29 monitors state departments' and agencies' performance, ~~maximizes the application for and use of~~
30 ~~federal grants~~ improves the regulatory climate and ensures accountability and transparency
31 regarding the use of public funds and regulatory impact.

32 ~~**35-1.1-2. Establishment of the office of management and budget.**~~

33 There is hereby established within the department of administration an office of
34 management and budget. This office shall serve as the principal agency of the executive branch of

1 state government for managing budgetary functions, [regulatory review](#), performance
2 management, internal audit, and federal grants management. In this capacity, the office shall:

3 (1) Establish an in-depth form of data analysis within and between departments and
4 agencies, creating a more informed process for resource allocation to best meet the needs of
5 Rhode Island citizens;

6 ~~(2) Identify federal grant funding opportunities to support the governor's and general
7 assembly's major policy initiatives and provide technical assistance with the application process
8 and post-award grants management;~~

9 [\(2\) Analyze the impact of proposed regulations on the public and state as required by
10 chapters 42-64.13 and 42-35;](#)

11 (3) Analyze federal budgetary issues and report on potential impacts to the state;

12 (4) Coordinate the budget functions of the state with performance management
13 objectives;

14 (5) Maximize efficiencies in departments, agencies, advisory councils, and
15 instrumentalities of the state by improving processes and prioritizing programs;

16 (6) Be responsible for the internal audit function of state government and conduct audits
17 of any state department, state agency, or private entity that is a recipient of state funding or state
18 grants; provide management advisory and consulting services; or conduct investigations relative
19 to the financial affairs or the efficiency of management, or both, of any state department or
20 agency.

21 **35-1.1-3. Director of management and budget -- Appointment and responsibilities.**

22 (a) Within the department of administration there shall be a director of management and
23 budget who shall be appointed by the director of administration with the approval of the
24 governor. The director shall be responsible to the governor and director of administration for
25 supervising the office of management and budget and for managing and providing strategic
26 leadership and direction to the budget officer, the performance management office, and the
27 federal grants management office.

28 (b) The director of management and budget shall be responsible to:

29 (1) Oversee, coordinate, and manage the functions of the budget officer as set forth by
30 chapter 3 of this title; program performance management as set forth by § 35-3-24.1; approval of
31 agreements with federal agencies defined by § 35-3-25; and budgeting, appropriation, and receipt
32 of federal monies as set forth by chapter 41 of title 42;

33 [\(2\) Oversee the director of regulatory reform as set forth by § 42-64.13-6;](#)

34 ~~(2) Manage federal fiscal proposals and guidelines and serve as the state clearinghouse~~

1 ~~for the application of federal grants;~~

2 (3) Maximize the indirect cost recoveries by state agencies set forth by § 35-4-23.1; and

3 (4) Undertake a comprehensive review and inventory of all reports filed by the executive
4 office and agencies of the state with the general assembly. The inventory should include, but not
5 be limited to: the type, title, and summary of reports; the author(s) of the reports; the specific
6 audience of the reports; and a schedule of the reports' release. The inventory shall be presented to
7 the general assembly as part of the budget submission on a yearly basis. The office of
8 management and budget shall also make recommendations to consolidate, modernize the reports,
9 and to make recommendations for elimination or expansion of each report.

10 **35-1.1-4. Offices and functions assigned to the office of management and budget --**

11 **Powers and duties.**

12 (a) The offices assigned to the office of management and budget include the budget
13 office, [the office of regulatory reform](#), the performance management office, [and the](#) office of
14 internal audit, ~~and the federal grants management office.~~

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

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

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

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

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

29 **35-1.1-5. Federal grants management.**

30 (a) The ~~office of management and budget~~ [controller](#) shall be responsible for managing
31 federal grant applications, providing administrative assistance to agencies regarding reporting
32 requirements, providing technical assistance and approving agreements with federal agencies
33 pursuant to § 35-1-1. The ~~director~~ [controller](#) shall:

34 (1) Establish state goals and objectives for maximizing the utilization of federal aid

1 programs;

2 (2) Ensure that the state establishes and maintains statewide federally-mandated grants
3 management processes and procedures as mandated by the federal Office of Management and
4 Budget;

5 (3) Promulgate procedures and guidelines for all state departments, agencies, advisory
6 councils, instrumentalities of the state and public higher education institutions covering
7 applications for federal grants;

8 (4) Require, upon request, any state department, agency, advisory council,
9 instrumentality of the state or public higher education institution receiving a grant of money from
10 the federal government to submit a report to the ~~director~~ controller of expenditures and program
11 measures for the fiscal period in question;

12 (5) Ensure state departments and agencies adhere to the requirements of § 42-41-5
13 regarding Legislative appropriation authority and delegation thereof;

14 (6) ~~Assist the state controller in managing and overseeing~~ overseeing Manage and
15 oversee the disbursements of federal funds in accordance with § 35-6-42;

16 (7) ~~Assist the state controller in the preparation of~~ Prepare the statewide cost allocation
17 plan and serve as the monitoring agency to ensure that state departments and agencies are
18 working within the guidelines contained in the plan; and,

19 (8) Provide technical assistance to agencies to ensure resolution and closure of all single
20 state audit findings and recommendations made by the Auditor General related to Federal
21 funding.

22 (b) ~~The office of management and budget~~ Accounts and control shall serve as the ~~S~~state
23 ~~C~~clearinghouse for purposes of coordinating federal grants, aid and assistance applied for and/or
24 received by any state department, agency, advisory council or instrumentality of the state. Any
25 state department, agency, advisory council, or instrumentality of the state applying for federal
26 funds, aids, loans, or grants shall file a summary notification of the intended application with the
27 ~~director~~ controller.

28 (1) When as a condition to receiving federal funds, the state is required to match the
29 federal funds, a statement shall be filed with the notice of intent or summary of the application
30 stating:

31 (i) The amount and source of state funds needed for matching purposes;

32 (ii) The length of time the matching funds shall be required;

33 (iii) The growth of the program;

34 (iv) How the program will be evaluated;

1 (v) What action will be necessary should the federal funds be canceled, curtailed, or
2 restricted; and,

3 (vi) Any other financial and program management data required by the office or by law.

4 (2) Except as otherwise required, any application submitted by an executive agency for
5 federal funds, aids, loans, or grants which will require state matching or replacement funds at the
6 time of application or at any time in the future, must be approved by the director [of the office of](#)
7 [management and budget](#) or their designated agents prior to its filing with the appropriate federal
8 agency. Any application submitted by an executive agency for federal funds, aids, loans, or grants
9 which will require state matching or replacement funds at the time of application or at any time in
10 the future, when funds have not been appropriated for that express purpose, must be approved by
11 the General Assembly in accordance with § 42-41-5. When the general assembly is not in session,
12 the application shall be reported to and reviewed by the Director pursuant to rules and regulations
13 promulgated by the Director.

14 (3) When any federal funds, aids, loans, or grants are received by any state department,
15 agency, advisory council or instrumentality of the state, a report of the amount of funds received
16 shall be filed with the office; and this report shall specify the amount of funds which would
17 reimburse an agency for indirect costs, as provided for under federal ~~OMB Circular A-~~
18 [87requirements](#).

19 (4) The ~~director-controller~~ may refuse to issue approval for the disbursement of any state
20 or federal funds from the State Treasury as the result of any application which is not approved as
21 provided by this section, or in regard to which the statement or reports required by this section
22 were not filed.

23 (5) The ~~director-controller~~ shall be responsible for the orderly administration of this
24 section and for issuing the appropriate guidelines and regulations from each source of funds used.

25 SECTION 12. Section 35-6-1 of the General Laws in Chapter 35-6 entitled "Accounts
26 and Control" is hereby amended to read as follows:

27 **35-6-1. Controller -- Duties in general.**

28 (a) Within the department of administration there shall be a controller who shall be
29 appointed by the director of administration pursuant to chapter 4 of title 36. The controller shall
30 be responsible for accounting and expenditure control and shall be required to:

31 (1) Administer a comprehensive accounting and recording system which will classify the
32 transactions of the state departments and agencies in accordance with the budget plan;

33 (2) Maintain control accounts for all supplies, materials, and equipment for all
34 departments and agencies except as otherwise provided by law;

1 (3) Prescribe a financial, accounting, and cost accounting system for state departments
2 and agencies;

3 (4) Identify federal grant funding opportunities to support the governor's and general
4 assembly's major policy initiatives and provide technical assistance with the application process
5 and post-award grants management;

6 (5) Manage federal fiscal proposals and guidelines and serve as the state clearinghouse
7 for the application of federal grants;

8 ~~(4)~~(6) Preaudit all state receipts and expenditures;

9 ~~(5)~~(7) Prepare financial statements required by the several departments and agencies, by
10 the governor, or by the general assembly;

11 ~~(6)~~ (8) Approve the orders drawn on the general treasurer; provided, that the preaudit of
12 all expenditures under authority of the legislative department and the judicial department by the
13 state controller shall be purely ministerial, concerned only with the legality of the expenditure and
14 availability of the funds, and in no event shall the state controller interpose his or her judgment
15 regarding the wisdom or expediency of any item or items of expenditure;

16 ~~(7)~~(9) Prepare and timely file, on behalf of the state, any and all reports required by the
17 United States, including, but not limited to, the internal revenue service, or required by any
18 department or agency of the state, with respect to the state payroll; and

19 ~~(8)~~(10) Prepare a preliminary closing statement for each fiscal year. The controller shall
20 forward the statement to the chairpersons of the house finance committee and the senate finance
21 committee, with copies to the house fiscal advisor and the senate fiscal and policy advisor, by
22 September 1 following the fiscal year ending the prior June 30 or thirty (30) days after enactment
23 of the appropriations act, whichever is later. The report shall include but is not limited to:

24 (i) A report of all revenues received by the state in the completed fiscal year, together
25 with the estimates adopted for that year as contained in the final enacted budget, and together
26 with all deviations between estimated revenues and actual collections. The report shall also
27 include cash collections and accrual adjustments;

28 (ii) A comparison of actual expenditures with each of the actual appropriations, including
29 supplemental appropriations and other adjustments provided for in the Rhode Island General
30 Laws;

31 (iii) A statement of the opening and closing surplus in the general revenue account; and

32 (iv) A statement of the opening surplus, activity, and closing surplus in the state budget
33 reserve and cash stabilization account and the state bond capital fund.

34 (b) The controller shall provide supporting information on revenues, expenditures, capital

1 projects, and debt service upon request of the house finance committee chairperson, senate
2 finance committee chairperson, house fiscal advisor, or senate fiscal and policy advisor.

3 (c) Upon issuance of the audited annual financial statement, the controller shall provide a
4 report of the differences between the preliminary financial report and the final report as contained
5 in the audited annual financial statement.

6 (d) The controller shall create a special fund not part of the general fund and shall deposit
7 amounts equivalent to all deferred contributions under this act into that fund. Any amounts
8 remaining in the fund on June 15, 2010, shall be transferred to the general treasurer who shall
9 transfer such amounts into the retirement system as appropriate.

10 (e) The controller shall implement a direct deposit payroll system for state employees.

11 (i) There shall be no service charge of any type paid by the state employee at any time
12 which shall decrease the net amount of the employee's salary deposited to the financial institution
13 of the personal choice of the employee as a result of the use of direct deposit.

14 (ii) Employees hired after September 30, 2014, shall participate in the direct deposit
15 system. At the time the employee is hired, the employee shall identify a financial institution that
16 will serve as a personal depository agent for the employee.

17 (iii) No later than June 30, 2016, each employee hired before September 30, 2014, who is
18 not a participant in the direct deposit system, shall identify a financial institution that will serve as
19 a personal depository agent for the employee.

20 (iv) The controller shall promulgate rules and regulations as necessary for
21 implementation and administration of the direct deposit system, which shall include limited
22 exceptions to required participation.

23 SECTION 13. Chapter 39-3 of the General Laws entitled "Regulatory Powers of
24 Administration" is hereby amended by adding thereto the following section:

25 **39-3-45. Transfer of powers, functions and resources from the water resources**
26 **board.** [\(a\) There are hereby transferred to the division of public utilities and carriers those](#)
27 [powers and duties formerly administered by the department of administration and/or the](#)
28 [employees of the water resources board as provided for in chapter 46-15 \("Water Resources](#)
29 [Management"\) through 46-15.8 \("Water Use and Efficiency Act"\), inclusive, and any other](#)
30 [applicable provisions of the general laws.](#)

31 [\(b\) Unless otherwise specified by statute, all resources of the water resources board,](#)
32 [including, but not limited to, property, employees and accounts, are hereby transferred to the](#)
33 [division of public utilities and carriers effective July 1, 2019.](#)

34 [\(c\) As part of the above transfer, except for the general manager, all employees of the](#)

1 [water resources board currently subject to the provisions of chapter 4 of title 36 shall continue to](#)
2 [be subject to those provisions.](#)

3 SECTION 14. Sections 40-1-4 and 40-1-6 of the General Laws in Chapter 40-1 entitled
4 "Department of Human Services" are hereby amended to read as follows:

5 **40-1-4. Organization of department.**

6 All functions, services, and duties of the department of human services shall be organized
7 by the director with the approval of the governor as to:

8 (1) Community services to include generally and specifically the administration of all
9 forms of human services excluding child welfare services, which are the responsibility of the
10 department of children, youth, and families.

11 (2) Management services to include generally and specifically all central management,
12 financial, forms of relief, and other services concerned with the business and servicing operations
13 of the department.

14 ~~(3) Veterans' affairs to include all forms of services to veterans of the armed forces. There~~
15 ~~shall be within the department of human services a division of veterans' affairs.~~

16 **40-1-6. Officers required to be veterans.**

17 The respective officers appointed by the ~~director of human services~~ [secretary of the](#)
18 [executive office of health and human services](#) to be in charge of the state's administration of
19 veterans' relief, of graves' registration, and the commandant and the assistant commandant of the
20 Rhode Island veterans' home, in addition to any other qualifications required for their respective
21 positions as already provided in law, shall each be an honorably discharged war veteran of any
22 war in which the United States has been engaged.

23 SECTION 15. Sections 42-6-1, 42-6-2 and 42-6-3 of the General Laws in Chapter 42-6
24 entitled "Departments of State Government" are hereby amended to read as follows:

25 **42-6-1. Enumeration of departments.**

26 All the administrative powers and duties heretofore vested by law in the several state
27 departments, boards, divisions, bureaus, commissions, and other agencies shall be vested in the
28 following departments and other agencies which are specified in this title:

- 29 (a) Executive department (chapter 7 of this title);
- 30 (b) Department of state (chapter 8 of this title);
- 31 (c) Department of the attorney general (chapter 9 of this title);
- 32 (d) Treasury department (chapter 10 of this title);
- 33 (e) Department of administration (chapter 11 of this title);
- 34 (f) Department of business regulation (chapter 14 of this title);

- 1 (g) Department of children, youth and families (chapter 72 of this title);
2 (h) Department of corrections (chapter 56 of this title);
3 ~~(i) Department of elderly affairs (chapter 66 of this title);~~
4 (j) Department of elementary and secondary education (chapter 60 of title 16);
5 (k) Department of environmental management (chapter 17.1 of this title);
6 (l) Department of health (chapter 18 of this title);
7 (m) Board of governors for higher education (chapter 59 of title 16);
8 (n) Department of labor and training (chapter 16.1 of this title);
9 (o) Department of behavioral healthcare, developmental disabilities and hospitals
10 (chapter 12.1 of this title);
11 (p) Department of human services (chapter 12 of this title);
12 (q) Department of transportation (chapter 13 of this title);
13 (r) Public utilities commission (chapter 14.3 of this title);
14 (s) Department of revenue (chapter 142 of title 42);
15 (t) Department of public safety (chapter 7.3 of this title).

16 **42-6-2. Heads of departments.**

17 The governor, secretary of state, attorney general, and general treasurer, hereinafter
18 called general officers, shall each be in charge of a department. There shall also be a director of
19 administration, a director of revenue, a director of public safety, a director of human services, a
20 director of behavioral healthcare, developmental disabilities and hospitals, a director of
21 transportation, a director of business regulation, a director of labor and training, a director of
22 environmental management, a director for children, youth and families, ~~a director of elderly~~
23 ~~affairs~~, and a director of corrections. Each director shall hold office at the pleasure of the
24 governor and he or she shall serve until his or her successor is duly appointed and qualified unless
25 the director is removed from office by special order of the governor.

26 **42-6-3. Appointment of directors.**

27 (a) At the January session following his or her election to office, the governor shall
28 appoint a director of administration, a director of revenue, a director of public safety, a director of
29 human services, a director of behavioral healthcare, developmental disabilities and hospitals, a
30 director of transportation, a director of business regulation, a director of labor and training, a
31 director of environmental management, a director for children, youth and families, ~~a director of~~
32 ~~elderly affairs~~, and a director of corrections. The governor shall, in all cases of appointment of a
33 director while the senate is in session, notify the senate of his or her appointment and the senate
34 shall, within sixty (60) legislative days after receipt of the notice, act upon the appointment. If the

1 senate shall, within sixty (60) legislative days, vote to disapprove the appointment it shall so
2 notify the governor, who shall forthwith appoint and notify the senate of the appointment of a
3 different person as director and so on in like manner until the senate shall fail to so vote
4 disapproval of the governor's appointment. If the senate shall fail, for sixty (60) legislative days
5 next after notice, to act upon any appointment of which it has been notified by the governor, the
6 person so appointed shall be the director. The governor may withdraw any appointment of which
7 he or she has given notice to the senate, at any time within sixty (60) legislative days thereafter
8 and before action has been taken thereon by the senate.

9 (b) Except as expressly provided in § 42-6-9, no director of any department shall be
10 appointed or employed pursuant to any contract of employment for a period of time greater than
11 the remainder of the governor's current term of office. Any contract entered into in violation of
12 this section after July 1, 1994 is hereby declared null and void.

13 SECTION 16. Sections 42-7.2-2, 42-7.2-4, 42-7.2-5, 42-7.2-6, 42-7.2-6.1, 42-7.2-9, 42-
14 7.2-15 and 42-7.2-17 of the General Laws in Chapter 42-7.2 entitled "Office of Health and
15 Human Services" are hereby amended to read as follows:

16 **42-7.2-2. Executive office of health and human services.**

17 There is hereby established within the executive branch of state government an executive
18 office of health and human services to serve as the principal agency of the executive branch of
19 state government for managing the departments of children, youth and families, health, human
20 services, and behavioral healthcare, developmental disabilities and hospitals [and offices of elder](#)
21 [and veterans' affairs](#). In this capacity, the office shall:

22 (a) Lead the state's four (4) health and human services departments [and the offices of](#)
23 [elder and veterans' affairs](#) in order to:

24 (1) Improve the economy, efficiency, coordination, and quality of health and human
25 services policy and planning, budgeting, and financing.

26 (2) Design strategies and implement best practices that foster service access, consumer
27 safety, and positive outcomes.

28 (3) Maximize and leverage funds from all available public and private sources, including
29 federal financial participation, grants, and awards.

30 (4) Increase public confidence by conducting independent reviews of health and human
31 services issues in order to promote accountability and coordination across departments.

32 (5) Ensure that state health and human services policies and programs are responsive to
33 changing consumer needs and to the network of community providers that deliver assistive
34 services and supports on their behalf.

1 (6) Administer Rhode Island Medicaid in the capacity of the single state agency
2 authorized under title XIX of the U.S. Social Security Act, 42 U.S.C. § 1396a et seq., and
3 exercise such single state agency authority for such other federal and state programs as may be
4 designated by the governor. Except as provided for herein, nothing in this chapter shall be
5 construed as transferring to the secretary the powers, duties, or functions conferred upon the
6 departments [or offices](#) by Rhode Island general laws for the management and operations of
7 programs or services approved for federal financial participation under the authority of the
8 Medicaid state agency.

9 (7) To act in conjunction with the department of behavioral healthcare, developmental
10 disabilities and hospitals as the state's co-designated agency (42 U.S.C. § 300x-30(a)) for
11 administering federal aid and for the purposes of the calculation of expenditures relative to the
12 substance-abuse block grant and federal funding maintenance of effort.

13 **42-7.2-4. Responsibilities of the secretary.**

14 (a) The secretary shall be responsible to the governor for supervising the executive office
15 of health and human services and for managing and providing strategic leadership and direction
16 to the four (4) departments [and two \(2\) offices](#).

17 (b) Notwithstanding the provisions set forth in this chapter, the governor shall appoint the
18 directors of the departments within the executive office of health and human services. Directors
19 appointed to those departments shall continue to be subject to the advice and consent of the senate
20 and shall continue to hold office as set forth in §§ 42-6-1 et seq. and 42-72-1(c).

21 **42-7.2-5. Duties of the secretary.**

22 The secretary shall be subject to the direction and supervision of the governor for the
23 oversight, coordination and cohesive direction of state administered health and human services
24 and in ensuring the laws are faithfully executed, notwithstanding any law to the contrary. In this
25 capacity, the Secretary of Health and Human Services shall be authorized to:

26 (1) Coordinate the administration and financing of health-care benefits, human services
27 and programs including those authorized by the state's Medicaid section 1115 demonstration
28 waiver and, as applicable, the Medicaid State Plan under Title XIX of the U.S. Social Security
29 Act. However, nothing in this section shall be construed as transferring to the secretary the
30 powers, duties or functions conferred upon the departments by Rhode Island public and general
31 laws for the administration of federal/state programs financed in whole or in part with Medicaid
32 funds or the administrative responsibility for the preparation and submission of any state plans,
33 state plan amendments, or authorized federal waiver applications, once approved by the secretary.

34 (2) Serve as the governor's chief advisor and liaison to federal policymakers on Medicaid

1 reform issues as well as the principal point of contact in the state on any such related matters.

2 (3)(a) Review and ensure the coordination of the state's Medicaid section 1115
3 demonstration waiver requests and renewals as well as any initiatives and proposals requiring
4 amendments to the Medicaid state plan or category two (II) or three (III) changes, as described in
5 the special terms and conditions of the state's Medicaid section 1115 demonstration waiver with
6 the potential to affect the scope, amount or duration of publicly-funded health-care services,
7 provider payments or reimbursements, or access to or the availability of benefits and services as
8 provided by Rhode Island general and public laws. The secretary shall consider whether any such
9 changes are legally and fiscally sound and consistent with the state's policy and budget priorities.
10 The secretary shall also assess whether a proposed change is capable of obtaining the necessary
11 approvals from federal officials and achieving the expected positive consumer outcomes.
12 Department [and office](#) directors shall, within the timelines specified, provide any information and
13 resources the secretary deems necessary in order to perform the reviews authorized in this
14 section;

15 (b) Direct the development and implementation of any Medicaid policies, procedures, or
16 systems that may be required to assure successful operation of the state's health and human
17 services integrated eligibility system and coordination with HealthSource RI, the state's health
18 insurance marketplace.

19 (c) Beginning in 2015, conduct on a biennial basis a comprehensive review of the
20 Medicaid eligibility criteria for one or more of the populations covered under the state plan or a
21 waiver to ensure consistency with federal and state laws and policies, coordinate and align
22 systems, and identify areas for improving quality assurance, fair and equitable access to services,
23 and opportunities for additional financial participation.

24 (d) Implement service organization and delivery reforms that facilitate service
25 integration, increase value, and improve quality and health outcomes.

26 (4) Beginning in 2006, prepare and submit to the governor, the chairpersons of the house
27 and senate finance committees, the caseload estimating conference, and to the joint legislative
28 committee for health-care oversight, by no later than March 15 of each year, a comprehensive
29 overview of all Medicaid expenditures outcomes, and utilization rates. The overview shall
30 include, but not be limited to, the following information:

31 (i) Expenditures under Titles XIX and XXI of the Social Security Act, as amended;

32 (ii) Expenditures, outcomes and utilization rates by population and sub-population served
33 (e.g. families with children, persons with disabilities, children in foster care, children receiving
34 adoption assistance, adults ages nineteen (19) to sixty-four (64), and elders);

1 (iii) Expenditures, outcomes and utilization rates by each state department or other
2 municipal or public entity receiving federal reimbursement under Titles XIX and XXI of the
3 Social Security Act, as amended; and

4 (iv) Expenditures, outcomes and utilization rates by type of service and/or service
5 provider.

6 The directors of the departments [or offices](#), as well as local governments and school
7 departments, shall assist and cooperate with the secretary in fulfilling this responsibility by
8 providing whatever resources, information and support shall be necessary.

9 (5) Resolve administrative, jurisdictional, operational, program, or policy conflicts
10 among departments [and offices](#) and their executive staffs and make necessary recommendations
11 to the governor.

12 (6) Assure continued progress toward improving the quality, the economy, the
13 accountability and the efficiency of state-administered health and human services. In this
14 capacity, the secretary shall:

15 (i) Direct implementation of reforms in the human resources practices of the executive
16 office and the departments [and offices](#) that streamline and upgrade services, achieve greater
17 economies of scale and establish the coordinated system of the staff education, cross-training, and
18 career development services necessary to recruit and retain a highly-skilled, responsive, and
19 engaged health and human services workforce;

20 (ii) Encourage EOHHS-wide consumer-centered approaches to service design and
21 delivery that expand their capacity to respond efficiently and responsibly to the diverse and
22 changing needs of the people and communities they serve;

23 (iii) Develop all opportunities to maximize resources by leveraging the state's purchasing
24 power, centralizing fiscal service functions related to budget, finance, and procurement,
25 centralizing communication, policy analysis and planning, and information systems and data
26 management, pursuing alternative funding sources through grants, awards and partnerships and
27 securing all available federal financial participation for programs and services provided EOHHS-
28 wide;

29 (iv) Improve the coordination and efficiency of health and human services legal functions
30 by centralizing adjudicative and legal services and overseeing their timely and judicious
31 administration;

32 (v) Facilitate the rebalancing of the long term system by creating an assessment and
33 coordination organization or unit for the expressed purpose of developing and implementing
34 procedures EOHHS-wide that ensure that the appropriate publicly-funded health services are

1 provided at the right time and in the most appropriate and least restrictive setting;

2 (vi) Strengthen health and human services program integrity, quality control and
3 collections, and recovery activities by consolidating functions within the office in a single unit
4 that ensures all affected parties pay their fair share of the cost of services and are aware of
5 alternative financing.

6 (vii) Assure protective services are available to vulnerable elders and adults with
7 developmental and other disabilities by reorganizing existing services, establishing new services
8 where gaps exist and centralizing administrative responsibility for oversight of all related
9 initiatives and programs.

10 (7) Prepare and integrate comprehensive budgets for the health and human services
11 departments [and offices](#) and any other functions and duties assigned to the office. The budgets
12 shall be submitted to the state budget office by the secretary, for consideration by the governor,
13 on behalf of the state's health and human services agencies in accordance with the provisions set
14 forth in § 35-3-4 of the Rhode Island general laws.

15 (8) Utilize objective data to evaluate health and human services policy goals, resource use
16 and outcome evaluation and to perform short and long-term policy planning and development.

17 (9) Establishment of an integrated approach to interdepartmental information and data
18 management that complements and furthers the goals of the unified health infrastructure project
19 initiative and that will facilitate the transition to consumer-centered integrated system of state
20 administered health and human services.

21 (10) At the direction of the governor or the general assembly, conduct independent
22 reviews of state-administered health and human services programs, policies and related agency
23 actions and activities and assist the department [and office](#) directors in identifying strategies to
24 address any issues or areas of concern that may emerge thereof. The [office and](#) department
25 directors shall provide any information and assistance deemed necessary by the secretary when
26 undertaking such independent reviews.

27 (11) Provide regular and timely reports to the governor and make recommendations with
28 respect to the state's health and human services agenda.

29 (12) Employ such personnel and contract for such consulting services as may be required
30 to perform the powers and duties lawfully conferred upon the secretary.

31 (13) Assume responsibility for complying with the provisions of any general or public
32 law or regulation related to the disclosure, confidentiality and privacy of any information or
33 records, in the possession or under the control of the executive office or the departments [and](#)
34 [offices](#) assigned to the executive office, that may be developed or acquired or transferred at the

1 direction of the governor or the secretary for purposes directly connected with the secretary's
2 duties set forth herein.

3 (14) Hold the director of each health and human services department [and office](#)
4 accountable for their administrative, fiscal and program actions in the conduct of the respective
5 powers and duties of their agencies.

6 **42-7.2-6. Departments assigned to the executive office -- Powers and duties.**

7 (a) The departments [and offices](#) assigned to the secretary shall:

8 (1) Exercise their respective powers and duties in accordance with their statutory
9 authority and the general policy established by the governor or by the secretary acting on behalf
10 of the governor or in accordance with the powers and authorities conferred upon the secretary by
11 this chapter;

12 (2) Provide such assistance or resources as may be requested or required by the governor
13 and/or the secretary; and

14 (3) Provide such records and information as may be requested or required by the
15 governor and/or the secretary to perform the duties set forth in subsection 6 of this chapter. Upon
16 developing, acquiring or transferring such records and information, the secretary shall assume
17 responsibility for complying with the provisions of any applicable general or public law,
18 regulation, or agreement relating to the confidentiality, privacy or disclosure of such records or
19 information.

20 (4) Forward to the secretary copies of all reports to the governor.

21 (b) Except as provided herein, no provision of this chapter or application thereof shall be
22 construed to limit or otherwise restrict the department of children, youth and families, the
23 department of health, the department of human services, and the department of behavioral
24 healthcare, developmental disabilities and hospitals [or the offices of elder and veterans' affairs](#)
25 from fulfilling any statutory requirement or complying with any valid rule or regulation.

26 **42-7.2-6.1. Transfer of powers and functions.**

27 (a) There are hereby transferred to the executive office of health and human services the
28 powers and functions of the departments with respect to the following:

29 (1) Fiscal services including budget preparation and review, financial management,
30 purchasing and accounting and any related functions and duties deemed necessary by the
31 secretary;

32 (2) Legal services including applying and interpreting the law, oversight to the rule-
33 making process, and administrative adjudication duties and any related functions and duties
34 deemed necessary by the secretary;

1 (3) Communications including those functions and services related to government
2 relations, public education and outreach and media relations and any related functions and duties
3 deemed necessary by the secretary;

4 (4) Policy analysis and planning including those functions and services related to the
5 policy development, planning and evaluation and any related functions and duties deemed
6 necessary by the secretary;

7 (5) Information systems and data management including the financing, development and
8 maintenance of all data-bases and information systems and platforms as well as any related
9 operations deemed necessary by the secretary;

10 (6) Assessment and coordination for long-term care including those functions related to
11 determining level of care or need for services, development of individual service/care plans and
12 planning, identification of service options, the pricing of service options and choice counseling;
13 and

14 (7) Program integrity, quality control and collection and recovery functions including any
15 that detect fraud and abuse or assure that beneficiaries, providers, and third-parties pay their fair
16 share of the cost of services, as well as any that promote alternatives to publicly financed
17 services, such as the long-term care health insurance partnership.

18 (8) Protective services including any such services provided to children, elders and adults
19 with developmental and other disabilities;

20 (9) [Deleted by P.L. 2010, ch. 23, art. 7, § 1].

21 (10) The HIV/AIDS care and treatment programs.

22 [\(11\) The Office of Elder Affairs functions, formerly administered by the Department of](#)
23 [Human Services, and rules and regulations promulgated by the office.](#)

24 [\(12\) The Office of Veterans' Affairs functions, formerly administered by the Department](#)
25 [of Human Services, and rules and regulations promulgated by the office.](#)

26 (b) The secretary shall determine in collaboration with the department directors whether
27 the officers, employees, agencies, advisory councils, committees, commissions, and task forces of
28 the departments who were performing such functions shall be transferred to the office.

29 (c) In the transference of such functions, the secretary shall be responsible for ensuring:

30 (1) Minimal disruption of services to consumers;

31 (2) Elimination of duplication of functions and operations;

32 (3) Services are coordinated and functions are consolidated where appropriate;

33 (4) Clear lines of authority are delineated and followed;

34 (5) Cost-savings are achieved whenever feasible;

1 (6) Program application and eligibility determination processes are coordinated and,
2 where feasible, integrated; and

3 (7) State and federal funds available to the office and the entities therein are allocated and
4 utilized for service delivery to the fullest extent possible.

5 (d) Except as provided herein, no provision of this chapter or application thereof shall be
6 construed to limit or otherwise restrict the departments of children, youth and families, human
7 services, health, and behavioral healthcare, developmental disabilities and hospitals [or offices of](#)
8 [elder and veterans' affairs](#) from fulfilling any statutory requirement or complying with any
9 regulation deemed otherwise valid.

10 (e) The secretary shall prepare and submit to the leadership of the house and senate
11 finance committees, by no later than January 1, 2010, a plan for restructuring functional
12 responsibilities across the departments to establish a consumer centered integrated system of
13 health and human services that provides high quality and cost-effective services at the right time
14 and in the right setting across the life-cycle.

15 **42-7.2-9. Appointment of employees.**

16 The secretary, subject to the provisions of applicable state law, shall be the appointing
17 authority for all employees of the executive office of health and human services. The secretary
18 may assign this function to such subordinate officers and employees of the executive office as
19 may to him or her seem feasible or desirable. The appointing authority of the secretary provided
20 for herein shall not affect, interfere with, limit, or otherwise restrict the appointing authority
21 vested in the directors for the employees of the departments [and offices](#) under applicable general
22 and public laws.

23 **42-7.2-15. Applicability.**

24 Nothing in this chapter shall change, transfer or interfere with, or limit or otherwise
25 restrict the general assembly's sole authority to appropriate and re-appropriate fiscal resources to
26 the departments [and offices](#); the statutory or regulatory duties of the directors of the departments
27 [and offices](#), or the appointing authority for the employees of the departments [and offices](#) vested in
28 the directors under applicable general and public laws.

29 **42-7.2-17. Statutory reference to the office of health and human services.**

30 Notwithstanding other statutory references to the department of human services,
31 wherever in the general or public laws, or any rule or regulation, any reference shall appear to the
32 "department of human services" or to "department" as it relates to any responsibilities for and/or
33 to Medicaid, [the office of elder affairs or the office of veterans' affairs](#) unless the context
34 otherwise requires, it shall be deemed to mean "the office of health and human services."

1 SECTION 17. Section 42-11-10 of the General Laws in Chapter 42-11 entitled
2 "Department of Administration" is hereby amended to read as follows:

3 **42-11-10. Statewide planning program.**

4 (a) Findings. The general assembly finds that the people of this state have a fundamental
5 interest in the orderly development of the state; the state has a positive interest and demonstrated
6 need for establishment of a comprehensive, strategic state planning process and the preparation,
7 maintenance, and implementation of plans for the physical, economic, and social development of
8 the state; the continued growth and development of the state presents problems that cannot be met
9 by the cities and towns individually and that require effective planning by the state; and state and
10 local plans and programs must be properly coordinated with the planning requirements and
11 programs of the federal government.

12 (b) Establishment of statewide planning program.

13 (1) A statewide planning program is hereby established to prepare, adopt, and amend
14 strategic plans for the physical, economic, and social development of the state and to recommend
15 these to the governor, the general assembly, and all others concerned.

16 (2) All strategic planning, as defined in subsection (c) of this section, undertaken by all
17 departments and agencies of the executive branch unless specifically exempted, shall be
18 conducted by or under the supervision of the statewide planning program. The statewide planning
19 program shall consist of a state planning council, and the division of planning, which shall be a
20 division within the department of administration.

21 (c) Strategic planning. Strategic planning includes the following activities:

22 (1) Establishing or identifying general goals.

23 (2) Refining or detailing these goals and identifying relationships between them.

24 (3) Formulating, testing, and selecting policies and standards that will achieve desired
25 objectives.

26 (4) Preparing long-range or system plans or comprehensive programs that carry out the
27 policies and set time schedules, performance measures, and targets.

28 (5) Preparing functional, short-range plans or programs that are consistent with
29 established or desired goals, objectives, and policies, and with long-range or system plans or
30 comprehensive programs where applicable, and that establish measurable, intermediate steps
31 toward their accomplishment of the goals, objectives, policies, and/or long-range system plans.

32 (6) Monitoring the planning of specific projects and designing of specific programs of
33 short duration by the operating departments, other agencies of the executive branch, and political
34 subdivisions of the state to ensure that these are consistent with, and carry out the intent of,

1 applicable strategic plans.

2 (7) Reviewing the execution of strategic plans, and the results obtained, and making
3 revisions necessary to achieve established goals.

4 (d) State guide plan. Components of strategic plans prepared and adopted in accordance
5 with this section may be designated as elements of the state guide plan. The state guide plan shall
6 be comprised of functional elements or plans dealing with land use; physical development and
7 environmental concerns; economic development; housing production; energy supply, including
8 the development of renewable energy resources in Rhode Island, and energy access, use, and
9 conservation; human services; and other factors necessary to accomplish the objective of this
10 section. The state guide plan shall be a means for centralizing, integrating, and monitoring long-
11 range goals, policies, plans, and implementation activities related thereto. State agencies
12 concerned with specific subject areas, local governments, and the public shall participate in the
13 state guide planning process, which shall be closely coordinated with the budgeting process.

14 (e) Membership of state planning council. The state planning council shall consist of the
15 following members:

16 (1) The director of the department of administration as chairperson;

17 (2) The director, policy office, in the office of the governor, as vice-chairperson;

18 (3) The governor, or his or her designee;

19 (4) The budget officer;

20 (5) The chairperson of the housing resources commission;

21 (6) The highest-ranking administrative officer of the division of planning, as secretary;

22 (7) The president of the Rhode Island League of Cities and Towns or his or her designee
23 and one official of local government who shall be appointed by the governor from a list of not
24 less than three (3) submitted by the Rhode Island League Cities and Towns;

25 (8) The executive director of the Rhode Island League of Cities and Towns;

26 (9) One representative of a nonprofit community development or housing organization
27 appointed by the governor;

28 (10) Six (6) public members, appointed by the governor, one of whom shall be an
29 employer with fewer than fifty (50) employees and one of whom shall be an employer with
30 greater than fifty (50) employees;

31 (11) Two (2) representatives of a private, nonprofit, environmental advocacy
32 organization, both to be appointed by the governor;

33 (12) The director of planning and development for the city of Providence;

34 (13) The director of the department of transportation;

- 1 (14) The director of the department of environmental management;
- 2 (15) The director of the department of health;
- 3 (16) The chief executive officer of the commerce corporation;
- 4 (17) The commissioner of the Rhode Island office of energy resources;
- 5 (18) The chief executive officer of the Rhode Island public transit authority;
- 6 (19) The executive director of Rhode Island housing; and
- 7 (20) The executive director of the coastal resources management council.

8 (f) Powers and duties of state planning council. The state planning council shall have the
9 following powers and duties:

10 (1) To adopt strategic plans as defined in this section and the long-range state guide plan,
11 and to modify and amend any of these, following the procedures for notification and public
12 hearing set forth in § 42-35-3, and to recommend and encourage implementation of these goals to
13 the general assembly, state and federal agencies, and other public and private bodies; approval of
14 strategic plans by the governor; and to ensure that strategic plans and the long-range state guide
15 plan are consistent with the findings, intent, and goals set forth in § 45-22.2-3, the "Rhode Island
16 Comprehensive Planning and Land Use Regulation Act";

17 (2) To coordinate the planning and development activities of all state agencies, in
18 accordance with strategic plans prepared and adopted as provided for by this section;

19 (3) To review and comment on the proposed annual work program of the statewide
20 planning program;

21 (4) To adopt rules and standards and issue orders concerning any matters within its
22 jurisdiction as established by this section and amendments to it;

23 (5) To establish advisory committees and appoint members thereto representing diverse
24 interests and viewpoints as required in the state planning process and in the preparation or
25 implementation of strategic plans. The state planning council shall appoint a permanent
26 committee comprised of:

27 (i) Public members from different geographic areas of the state representing diverse
28 interests; and

29 (ii) Officials of state, local, and federal government, who shall review all proposed
30 elements of the state guide plan, or amendment or repeal of any element of the plan, and shall
31 advise the state planning council thereon before the council acts on any such proposal. This
32 committee shall also advise the state planning council on any other matter referred to it by the
33 council; and

34 (6) To establish and appoint members to an executive committee consisting of major

1 participants of a Rhode Island geographic information system with oversight responsibility for its
2 activities.

3 (7) To adopt, amend, and maintain, as an element of the state guide plan or as an
4 amendment to an existing element of the state guide plan, standards and guidelines for the
5 location of eligible, renewable energy resources and renewable energy facilities in Rhode Island
6 with due consideration for the location of such resources and facilities in commercial and
7 industrial areas, agricultural areas, areas occupied by public and private institutions, and property
8 of the state and its agencies and corporations, provided such areas are of sufficient size, and in
9 other areas of the state as appropriate.

10 (8) To act as the single, statewide metropolitan planning organization for transportation
11 planning, and to promulgate all rules and regulations that are necessary thereto.

12 (g) Division of planning.

13 (1) The division of planning shall be the principal staff agency of the state planning
14 council for preparing and/or coordinating strategic plans for the comprehensive management of
15 the state's human, economic, and physical resources. The division of planning shall recommend
16 to the state planning council specific guidelines, standards, and programs to be adopted to
17 implement strategic planning and the state guide plan and shall undertake any other duties
18 established by this section and amendments thereto.

19 (2) The division of planning shall maintain records (which shall consist of files of
20 complete copies) of all plans, recommendations, rules, and modifications or amendments thereto
21 adopted or issued by the state planning council under this section. The records shall be open to
22 the public.

23 (3) The division of planning shall manage and administer the Rhode Island geographic
24 information system of land-related resources, and shall coordinate these efforts with other state
25 departments and agencies, including the University of Rhode Island, which shall provide
26 technical support and assistance in the development and maintenance of the system and its
27 associated data base.

28 (4) The division of planning shall coordinate and oversee the provision of technical
29 assistance to political subdivisions of the state in preparing and implementing plans to accomplish
30 the purposes, goals, objectives, policies, and/or standards of applicable elements of the state guide
31 plan and shall make available to cities and towns data and guidelines that may be used in
32 preparing comprehensive plans and elements thereof and in evaluating comprehensive plans and
33 elements thereby.

34 (h) [Deleted by P.L. 2011, ch. 215, § 4, and by P.L. 2011, ch. 313, § 4].

1 ~~(i) The division of planning shall be the principal staff agency of the water resources~~
2 ~~board established pursuant to chapter 15 of title 46 ("Water Resources Board") and the water~~
3 ~~resources board corporate established pursuant to chapter 15.1 of title 46 ("Water Supply~~
4 ~~Facilities").~~

5 SECTION 18. Section 42-11-10.1 of the General Laws in Chapter 42-11 entitled
6 "Department of Administration" is hereby repealed.

7 ~~**42-11-10.1. Transfer of powers, functions and resources from the water resources**~~
8 ~~**board.**~~

9 ~~(a) There are hereby transferred to the division of planning within the department of~~
10 ~~administration those powers and duties formerly administered by the employees of the water~~
11 ~~resources board as provided for in chapter 46-15 ("Water Resources Board") through 46-15.8~~
12 ~~("Water Use and Efficiency Act"), inclusive, and any other applicable provisions of the general~~
13 ~~laws; provided, however, the governor shall submit to the 2012 assembly any recommended~~
14 ~~statutory changes necessary to facilitate the merger.~~

15 ~~(b) All resources of the water resources board, including, but not limited to, property,~~
16 ~~employees and accounts, are hereby transferred to the division of planning.~~

17 ~~(c) As part of the above transfer, except for the general manager, all employees of the~~
18 ~~water resources board currently subject to the provisions of chapter 4 of title 36 shall continue to~~
19 ~~be subject to those provisions.~~

20 SECTION 19. Sections 42-12-1.3, 42-12-2, 42-12-5 and 42-12-7 of the General Laws in
21 Chapter 42-12 entitled "Department of Human Services" are hereby repealed.

22 ~~**42-12-1.3. Transfer of functions from the department of elderly affairs.**~~

23 ~~There is hereby transferred from the department of elderly affairs to the department of~~
24 ~~human services the following function: to provide and coordinate the "elderly/disabled~~
25 ~~transportation" program including a passenger cost sharing program as defined and provided for~~
26 ~~under rules and regulations promulgated by the department.~~

27 ~~**42-12-2. Management of institutions.**~~

28 ~~The department of human services shall have the management, supervision, and control~~
29 ~~of the adult correctional institutions, training school for boys, training school for girls, Doctor~~
30 ~~Patrick I. O'Rourke children's center, and Rhode Island veterans' home, and such other functions~~
31 ~~as have been or may be assigned. The department also shall operate, maintain and repair the~~
32 ~~buildings, grounds, and other physical property at the institutions, other than the roads and~~
33 ~~driveways thereof which shall be under the care and supervision of the department of~~
34 ~~transportation.~~

1 **42-12-5. Assistance on veterans' claims.**

2 ~~The department of human services shall also prepare and present before the Veterans~~
3 ~~Administration of the United States all legal claims of veterans for compensation, disability~~
4 ~~allowance, insurance and pensions of veterans of World War I, and all other veterans to whom~~
5 ~~benefits have been extended pursuant to the provisions of chapter 22 of title 30 entitled~~
6 ~~"Extension of Veterans' Benefits" who had a legal residence in this state at the time of entrance~~
7 ~~into the service or who have been qualified electors in this state for two (2) years next preceding~~
8 ~~the application for aid, and their personal representatives or dependents, or both, and shall render~~
9 ~~to such persons reasonable assistance in the preparation and presentation of any of those claims~~
10 ~~and shall perform such other duties as may be by law required. The department shall render such~~
11 ~~assistance without charge to the claimant.~~

12 **42-12-7. Special veterans' funds.**

13 ~~The director of the department of human services shall have control and supervision over~~
14 ~~any special funds provided for decorating and installing metal markers on the graves of soldiers,~~
15 ~~sailors, airmen, and marines, for the burial of honorably discharged soldiers, for the assistance of~~
16 ~~World War I veterans and other expenditures relating to veteran soldiers, sailors, airmen, and~~
17 ~~marines.~~

18 SECTION 20. Sections 42-12-23 and 42-12-23.1 of the General Laws in Chapter 42-12
19 entitled "Department of Human Services" are hereby amended to read as follows:

20 **42-12-23. Child care -- Planning and coordinating.**

21 (a) The department of human services shall be the principal agency of the state for the
22 planning and coordination of state involvement in the area of child care. To accomplish this
23 purpose, the department's duties shall include submitting an annual report to the governor and the
24 general assembly on the status of child care in Rhode Island.

25 (b) The annual report of the department shall include, but not be limited to, the following
26 information:

27 (1) The amount of state and federal funds spent on child care in each of the two (2)
28 preceding years;

29 (2) The number of child care providers licensed; ~~pursuant to the provisions of chapter~~
30 ~~72.1 of this title;~~

31 (3) The number of children served in state subsidized programs;

32 (4) The number of taxpayers who have claimed the child care assistance and development
33 tax credit pursuant to chapter 47 of title 44;

34 (5) The average cost for both infant and preschool child care;

- 1 (6) An estimate of unmet needs for child care;
- 2 (7) Information on child care staff salaries and training and education programs, and
- 3 (8) Recommendations for any changes in child care public policy.

4 ~~(e) The department shall cooperate with the unit of the department of children, youth, and~~
5 ~~families which licenses and monitors child care providers pursuant to the terms of chapter 72.1 of~~
6 ~~this title.~~

7 ~~(d)~~(c) The department is hereby charged with the responsibility of assuring that a
8 statewide child care resource and referral system exists in this state to provide services and
9 consumer information to assist parents in locating and choosing licensed, approved and/or
10 certified providers, and to maintain data necessary for such referrals.

11 **42-12-23.1. Quality of early care and education and school-age child care through**
12 **voluntary quality rating system.**

13 (a) There is hereby established a voluntary quality rating system which will assess quality
14 in early care and education programs and school-age child care. For purposes of this section,
15 early care and education programs and school-age child care shall mean programs licensed under
16 chapter ~~72.1, title 42~~ [12.5, title 42](#) and approved under chapter 48, title 16, including without
17 limitation child care centers, family child care homes, group family child care homes, school-age
18 child care programs and preschools, but excluding child placement agencies. The voluntary
19 quality rating system is established to promote continuous quality improvement of programs and
20 to further the goals of Rhode Island's "starting right" initiative.

21 (b) The department of human services, the department of children, youth and families, the
22 department of health, the department of elementary and secondary education and other partners
23 and agencies shall share information and work cooperatively with the Rhode Island quality rating
24 system, a public-private partnership, to ensure that Rhode Island children have access to quality
25 early care and education programs and school-age child care.

26 (c) The voluntary quality rating system shall also provide a mechanism to gather data
27 about program quality, and shall report this information to parents, providers and other persons
28 interested in the quality of early care and education programs and school-age child care services
29 in Rhode Island.

30 SECTION 21. Title 42 of the General Laws entitled "STATE AFFAIRS AND
31 GOVERNMENT" is hereby amended by adding thereto the following chapter:

32 [CHAPTER 42-12.5](#)
33 [LICENSING AND MONITORING OF CHILD DAY CARE PROVIDERS](#)

34 **42-12.5-1. Statement of purpose.**

1 (a) The director of the department of human services shall establish within the
2 department a unit to license and monitor child day care service providers to protect the health,
3 safety and wellbeing of children while being cared for as a commercial service and are away from
4 their homes.

5 (b) Services for children requiring licensure under this chapter shall include all child day
6 care providers which offer services within the state, except as defined in § 42-12.5-5

7 **42-12.5-2. Definitions.**

8 As used in this chapter:

9 (1) "Administrator of licensing" means the director of the licensing unit (or his/her
10 designee) that carries out the provisions of this chapter, hereafter referred to as the
11 "administrator".

12 (2) "Applicant" means a child day care provider that applies for a license to operate.

13 (3) "Child" means any person less than eighteen (18) years of age;

14 (4) "Child day care" means daily care and/or supervision offered commercially to the
15 public for any part of a twenty-four (24) hour day to children away from their homes.

16 (5) "Child day care center" means any person, firm, corporation, association, or agency
17 who, on a regular or irregular basis, receives any child under the age of sixteen (16) years, for the
18 purpose of care and/or supervision, not in a home or residence, apart from the child's parent or
19 guardian for any part of a twenty-four (24) hour day irrespective of compensation. It shall include
20 child day care programs that are offered to employees at the worksite. It does not include
21 preschool programs operating in schools approved by the commissioner of elementary and
22 secondary education.

23 (6) "Child day care provider" means a person or agency, which offers daily care and/or
24 supervision offered commercially to the public for any part of a twenty-four (24) hour day to
25 children away from their homes.

26 (7) "Department" means the department of human services (DHS).

27 (8) "Director" means the director of the department of human services, or the director's
28 designee.

29 (9) "Family day care home" means any home other than the child's home in which child
30 day care in lieu of parental care and/or supervision is offered at the same time to four (4) or more
31 children who are not relatives of the care giver.

32 (10) "Group family day care home" means a residence occupied by an individual of at
33 least twenty-one (21) years of age who provides care for not less than nine (9) and not more than
34 twelve (12) children, with the assistance of one or more approved adults, for any part of a twenty-

1 four (24) hour day. These programs shall be subject to yearly licensing as addressed in this
2 chapter and shall comply with all applicable state and local fire, health, and zoning regulations.

3 (11) "Licensee" means any person, firm, corporation, association, or agency, which holds
4 a valid license under this chapter.

5 (12) "Regulation" means any requirement for licensure, promulgated pursuant to this
6 chapter having the force of law.

7 (13) "Related" means any of the following relationships, by marriage, blood or adoption,
8 even following the death or divorce of a natural parent: parent, grandparent, brother, sister, aunt,
9 uncle, and first cousin. In a prosecution under this chapter or of any law relating thereto, a
10 defendant who relies for a defense upon the relationship of any child to him or herself, the
11 defendant shall have the burden of proof as to the relationship.

12 **42-12.5-3. Powers and scope of activities.**

13 (a) The department shall issue, deny, suspend, and revoke licenses for, and monitor the
14 operation of, facilities and programs by child day care providers, as defined in § 42-12.5-2.

15 (b) The department is hereby authorized and directed to adopt, amend, and rescind
16 regulations in accordance with this chapter and implement its provisions. The regulations shall be
17 promulgated and become effective in accordance with the provisions of the Administrative
18 Procedures Act, chapter 35 of title 42 and shall address, but need not be limited to the following:

19 (1) Financial, administrative and organizational ability, and stability of the applicant;

20 (2) Compliance with specific fire and safety codes and health regulations;

21 (3) Character, health suitability, qualifications of child day care providers;

22 (4) Staff/child ratios and workload assignments of staff providing care or supervision to
23 children;

24 (5) Type and content of records or documents that must be maintained to collect and
25 retain information for the planning and caring for children;

26 (6) Procedures and practices regarding basic child day care to ensure protection to the
27 child;

28 (7) Service to families of children in care;

29 (8) Program activities, including components related to physical growth, social,
30 emotional, educational, and recreational activities;

31 (9) Investigation of previous employment, criminal record check and department records
32 check; and

33 (10) Immunization and testing requirements for communicable diseases, including, but
34 not limited to, tuberculosis, of child day care providers and children at any child day-care center

1 or family day-care home as is specified in regulations promulgated by the director of the
2 department of health. Notwithstanding the foregoing, all licensing and monitoring authority shall
3 remain with the department of human services.

4 (c) The department through its licensing unit shall administer and manage the regulations
5 pertaining to the licensing and monitoring of child day care providers, and shall exercise all
6 statutory and administrative powers necessary to carry out its functions.

7 (d) The administrator shall investigate complaints of noncompliance, and shall take
8 licensing action as may be necessary pursuant to this chapter.

9 (e) The administrator may:

10 (1) Prescribe any forms for reports, statements, notices, and other documents deemed
11 necessary;

12 (2) Prepare and publish manuals and guides explaining this chapter and the regulations to
13 facilitate compliance with and enforcement of the regulations;

14 (3) Prepare reports and studies to advance the purpose of this chapter;

15 (4) Provide consultation and technical assistance, as requested, to assist licensees in
16 maintaining compliance; and

17 (f) The department may promulgate rules and regulations for the establishment of child
18 day care centers located on the second floor.

19 (g) When the department is otherwise unsuccessful in remedying noncompliance with the
20 provisions of this chapter and the regulations promulgated thereunder it may petition the superior
21 court for an order enjoining the noncompliance or for any order that equity and justice may
22 require.

23 (h) The department shall collaborate with the departments of children, youth, and
24 families, elementary and secondary education, and health to provide monitoring, mentoring,
25 training, technical assistance, and other services which are necessary and appropriate to
26 improving the quality of child day care offered by child day care providers who are certified,
27 licensed, or approved by the department or the department of elementary and secondary education
28 or who are seeking certification, licensure, or approval pursuant to § 42-12.5 or § 16-48-2,
29 including non-English speaking providers.

30 **42-12.5-4. License required.**

31 (a) No person shall receive or place children in child day care services, including day care
32 arrangements, without a license issued pursuant to this chapter. This requirement does not apply
33 to a person related by blood, marriage, guardianship or adoption to the child, unless that
34 arrangement is for the purposes of day care.

1 (b) The licensing requirement does not apply to shelter operations for parents with
2 children, boarding schools, recreation camps, nursing homes, hospitals, maternity residences, and
3 centers for developmentally disabled children.

4 (c) No person, firm, corporation, association, or agency shall operate a family day care
5 home without a registration certificate issued by the department, unless they hold an unexpired
6 registration certificate issued by the Department of Children, Youth, and Families prior to
7 January 1, 2020.

8 (d) No state, county, city, or political subdivision shall operate a child day care agency or
9 center, program or facility without a license issued pursuant to this chapter.

10 (e) No person shall be exempt from a required license by reason of public or private,
11 sectarian, non-sectarian, child day care program, for profit or non-profit status, or by any other
12 reason of funding, sponsorship, or affiliation.

13 **42-12.5-5. General licensing provisions.**

14 The following general licensing provisions shall apply:

15 (1) A license issued under this chapter is not transferable and applies only to the licensee
16 and the location stated in the application and remains the property of the department. A license
17 shall be publicly displayed. A license shall be valid for one year from the date of issue and upon
18 continuing compliance with the regulations, except that a certificate issued to a family day care
19 home shall be valid for two (2) years from the date of issue.

20 (2) Every license application issued pursuant to § 42-12.5-4 shall be accompanied by a
21 nonrefundable application fee paid to the State of Rhode Island as follows:

22 (a) Child day care center license- five hundred dollars (\$500);

23 (b) Group family day care home license – two hundred and fifty dollars (\$250);

24 (c) Family day care home license- one hundred dollars (\$100).

25 (3) All fees collected by the State pursuant to paragraph (2) of this section shall be
26 deposited by the general treasurer as general revenues.

27 (4) A licensee shall comply with applicable state fire and health safety standards.

28 (5) The department may grant a provisional license to an applicant who is not able to
29 demonstrate compliance with all of the regulations because the program or residence is not in full
30 operation; however, the applicant must meet all regulations that can be met in the opinion of the
31 administrator before the program is fully operational. The provisional license shall be granted for
32 a limited period not to exceed six (6) months and shall be subject to review every three (3)
33 months.

34 (6) The department may grant a probationary license to a licensee who is temporarily

1 unable to comply with a rule or rules when the noncompliance does not present an immediate
2 threat to the health and well-being of the children, and when the licensee has obtained a plan
3 approved by the administrator to correct the areas of noncompliance within the probationary
4 period. A probationary license shall be issued for up to twelve (12) months; it may be extended
5 for an additional six (6) months at the discretion of the administrator. A probationary license that
6 states the conditions of probation may be issued by the administrator at any time for due cause.
7 Any prior existing license is invalidated when a probationary license is issued. When the
8 probationary license expires, the administrator may reinstate the original license to the end of its
9 term, issue a new license, suspend, or revoke the license.

10 (7) The administrator will establish criteria and procedure for granting variances as part
11 of the regulations.

12 (8) The above exceptions (probationary and provisional licensing and variances) do not
13 apply to and shall not be deemed to constitute any variance from state fire and health safety
14 standards. However, if a request for a variance of fire inspection deficiencies has been submitted
15 to the fire safety code board of appeal and review, DHS may grant a provisional license to
16 terminate no later than thirty (30) days following the board's decision on said variance.

17 (9) A license under this chapter shall be granted to a child day care program without the
18 necessity for a separate fire, building, or radon inspection, when said child day care program is
19 conducted at a Rhode Island elementary or secondary school which has already been found in
20 compliance with said inspections, provided that an applicant complies with all other provisions of
21 DHS regulations, or has been granted appropriate variances by the department.

22 **42-12.5-6. Violations, suspensions and revocations of license.**

23 (a) When a licensee violates the terms of the license, the provisions of this chapter, or any
24 regulation thereunder, the department may pursue the administrative remedies herein provided, in
25 addition to other civil or criminal remedies according to the general laws.

26 (b) After notice and hearing, as provided by the Administrative Procedures Act, chapter
27 35 of title 42, the administrator may revoke the license, or suspend the license for a period not
28 exceeding six (6) months.

29 (c) During a suspension, the facility or program shall cease operation.

30 (d) To end a suspension, the licensee shall, within thirty (30) days of the notice of
31 suspension, submit an acceptable plan of corrective action to the administrator. The plan shall
32 outline the steps and timetables for immediate correction of the areas of noncompliance and is
33 subject to the approval of the administrator.

34 (e) At the end of the suspension, the administrator may reinstate the license for the term

1 of the original license, revoke the license, issue a new license, or deny a reapplication.

2 (f) Upon revocation, the licensed program or facility shall cease operation. The licensee
3 whose license has been revoked may not apply for a similar license within a three (3) year period
4 from the date of revocation.

5 **42-12.5-7. Penalties for violations.**

6 (a) Any person who violates any of the provisions of this chapter, or any regulations
7 issued pursuant to this chapter, or who shall intentionally make any false statement or reports to
8 the director with reference to the matters contained herein, shall, upon conviction for the first
9 offense, be imprisoned for a term not exceeding six (6) months or be fined not exceeding five
10 hundred dollars (\$500), or both, and for a second or subsequent offense, shall be imprisoned for a
11 term not exceeding one year or be fined not exceeding one thousand dollars (\$1000), or both the
12 fine and imprisonment.

13 (b) Anyone who maintains or conducts a program or facility without first having obtained
14 a license pursuant to this chapter, or who maintains or conducts a program or facility after a
15 license has been revoked or suspended, or who shall refuse to permit a reasonable inspection and
16 examination of a program or facility, shall be guilty of a misdemeanor and, upon conviction, shall
17 be fined not more than five hundred dollars (\$500) for each week that the program or facility
18 shall have been maintained without a license or for each refusal to permit inspection and
19 examination by the director.

20 (c) Any individual, firm, corporation, or other entity who maintains or conducts a family
21 day care home without first having obtained a registration certificate for the home pursuant to this
22 chapter, shall be guilty of a misdemeanor and, upon conviction, shall be fined not less than
23 twenty-five dollars (\$25.00) nor more than one hundred dollars (\$100) for each week that the
24 home shall have been maintained without a valid registration certificate.

25 (d) The department shall refer any violations to the attorney general's office for
26 prosecution.

27 **42-12.5-7. Open door policy.**

28 There shall be an open door policy permitting any custodial parent or legal guardian to
29 have access to a day care facility for any program when their child is in attendance.

30 SECTION 22. The title of Chapter 42-66 of the General Laws entitled "Elderly Affairs
31 Department" is hereby amended to read as follows:

32 CHAPTER 42-66

33 ELDERLY AFFAIRS ~~DEPARTMENT~~ OFFICE

34 SECTION 23. Sections 42-66-2, 42-66-3, 42-66-4, 42-66-5, 42-66-7 and 42-66-8 of the

1 General Laws in Chapter 42-66 entitled "Elderly Affairs ~~Department Office~~" are hereby amended
2 to read as follows:

3 **42-66-2. Establishment of ~~department~~ Office-- Director.**

4 There is established within the executive branch of state government an ~~department office~~
5 of elderly affairs. The ~~head director~~ of the ~~department office of elder affairs~~ shall be ~~the director~~
6 ~~of elderly affairs, who shall be a person qualified by training and experience to perform the duties~~
7 ~~of the office, appointed by and report directly to the governor, but the office shall reside within~~
8 ~~the executive office of health and human services for administrative purposes. The director shall~~
9 ~~be in the unclassified service, appointed by the governor with the advice and consent of the~~
10 ~~senate, and shall serve at the pleasure of the governor and until the appointment and qualification~~
11 ~~of the director's successor. The director shall receive a salary as provided by law.~~

12 **42-66-3. Transfer of functions from the department of community affairs.**

13 There are transferred to the director of the ~~department office~~ of elderly affairs:

14 (1) Those duties with respect to elderly citizens as enacted by former §§ 42-44-9 and 42-
15 44-10;

16 (2) So much of other functions or parts of functions of the director of the department of
17 community affairs; provided, however, that those duties with respect to housing facilities,
18 projects, and programs for the elderly shall be within the jurisdiction of the governor's office of
19 intergovernmental relations; and

20 (3) Whenever in the general laws or in any public law the words "administration of
21 division of aging," "division on aging" and "director and/or department of community affairs"
22 shall appear in relation to elderly affairs, the reference shall be deemed to mean and include the
23 director and the ~~department office~~ of elderly affairs, as the case may be.

24 **42-66-4. Duties of the ~~division~~ office.**

25 (a) The ~~division office~~ shall be the principal agency of the state to mobilize the human,
26 physical, and financial resources available to plan, develop, and implement innovative programs
27 to ensure the dignity and independence of elderly persons, including the planning, development,
28 and implementation of a home and long-term-care program for the elderly in the communities of
29 the state.

30 (b)(1) The ~~division office~~ shall serve as an advocate for the needs of the adult with a
31 disability as these needs and services overlap the needs and services of elderly persons.

32 (2) The ~~division office~~ shall serve as the state's central agency for the administration and
33 coordination of a long-term-care entry system, using community-based access points, that will
34 provide the following services related to long-term care: information and referral; initial

1 screening for service and benefits eligibility; and a uniform assessment program for state-
2 supported long-term care.

3 (3) The ~~division~~ office shall investigate reports of elder abuse, neglect, exploitation, or
4 self-neglect and shall provide and/or coordinate protective services.

5 (c) To accomplish these objectives, the director is authorized:

6 (1) To provide assistance to communities in solving local problems with regard to elderly
7 persons including, but not limited to, problems in identifying and coordinating local resources to
8 serve the needs of elderly persons;

9 (2) To facilitate communications and the free flow of information between communities
10 and the offices, agencies, and employees of the state;

11 (3) To encourage and assist communities, agencies, and state departments to plan,
12 develop, and implement home- and long-term care programs;

13 (4) To provide and act as a clearinghouse for information, data, and other materials
14 relative to elderly persons;

15 (5) To initiate and carry out studies and analyses that will aid in solving local, regional,
16 and statewide problems concerning elderly persons;

17 (6) To coordinate those programs of other state agencies designed to assist in the solution
18 of local, regional, and statewide problems concerning elderly persons;

19 (7) To advise and inform the governor on the affairs and problems of elderly persons in
20 the state;

21 (8) To exercise the powers and discharge the duties assigned to the director in the fields
22 of health care, nutrition, homemaker services, geriatric day care, economic opportunity, local and
23 regional planning, transportation, and education and pre-retirement programs;

24 (9) To further the cooperation of local, state, federal, and private agencies and institutions
25 providing for services or having responsibility for elderly persons;

26 (10) To represent and act on behalf of the state in connection with federal grant programs
27 applicable to programs for elderly persons in the functional areas described in this chapter;

28 (11) To seek, accept, and otherwise take advantage of all federal aid available to the
29 ~~division~~ office, and to assist other agencies of the state, local agencies, and community groups in
30 taking advantage of all federal grants and subventions available for elderly persons and to accept
31 other sources of funds with the approval of the director of administration that shall be deposited
32 as general revenues;

33 (12) To render advice and assistance to communities and other groups in the preparation
34 and submission of grant applications to state and federal agencies relative to programs for elderly

1 persons;

2 (13) To review and coordinate those activities of agencies of the state and of any political
3 subdivision of the state at the request of the subdivision, that affect the full and fair utilization of
4 community resources for programs for elderly persons, and initiate programs that will help ensure
5 such utilization;

6 (14) To encourage the formation of councils on aging and to assist local communities in
7 the development of the councils;

8 (15) To promote and coordinate day-care facilities for the frail elderly who are in need of
9 supportive care and supervision during the daytime;

10 (16) To provide and coordinate the delivery of in-home services to the elderly, as defined
11 under the rules and regulations adopted by the ~~division~~ [office](#) of elderly affairs;

12 (17) To advise and inform the public of the risks of accidental hypothermia;

13 (18) To establish a clearinghouse for information and education of the elderly citizens of
14 the state, including, but not limited to, and subject to available funding, a web-based caregiver
15 support information center;

16 (19) To establish and operate, in collaboration with community and aging service
17 agencies, a statewide family-caregiver resource network to provide and coordinate family-
18 caregiver training and support services to include counseling and elder caregiver respite services,
19 which shall be subject to available funding, and include home health/homemaker care, adult day
20 services, assisted living, and nursing facility care;

21 (20) To supervise the citizens' commission for the safety and care of the elderly created
22 pursuant to the provisions of chapter 1.4 of title 12.

23 (d) In order to assist in the discharge of the duties of the ~~division~~ [office](#), the director may
24 request from any agency of the state information pertinent to the affairs and problems of elderly
25 persons.

26 **42-66-5. Divisions of ~~department~~ office.**

27 There shall be within the ~~department~~ [office](#) of elderly affairs a division of program
28 planning, development and operations and a division of community services.

29 **42-66-7. Advisory commission on aging.**

30 (a) Within the ~~department~~ [office](#) of elderly affairs there shall be an advisory commission
31 on aging consisting of twenty-five (25) members, four (4) of whom shall be from the general
32 assembly as hereinafter provided, and twenty-one (21) of whom shall be appointed by the
33 governor, thirteen (13) of whom shall be elderly consumers representative of that segment of the
34 population. In the case of members of the commission appointed by the governor, they shall be

1 chosen and shall hold office for three (3) years, except that in the original appointments, seven (7)
2 members shall be designated to serve for one year, seven (7) members shall be designated to
3 serve for two (2) years and seven (7) members shall be designated to serve for three (3) years,
4 respectively, and until their respective successors are appointed and qualified. In the month of
5 February in each year the governor shall appoint successors to the members of the commission
6 whose terms shall expire in such year to hold office until the first day of March in the third year
7 after their appointment and until their respective successors are appointed and qualified.

8 (b) The four (4) members from the general assembly shall be appointed, two (2) from the
9 house of representatives by the speaker, one from each of the two (2) major political parties, and
10 two (2) from the senate by the president of the senate, one each from the two (2) major political
11 parties, each to serve until the thirty-first day of December in the second year of the term to
12 which the member has been elected. Any vacancy, which may occur in the commission, shall be
13 filled in like manner as the original appointment, for the remainder of the unexpired term.

14 (c) The members of the commission at the first meeting shall elect a chairperson and such
15 other officers as they may deem necessary. The commission shall meet at the call of the governor
16 or the chairperson and shall make suggestions to and advise the governor or the director
17 concerning the policies and problems confronting the aged and aging of the state. The members
18 of the commission shall serve without compensation but shall be compensated for their necessary
19 and actual traveling expenses in the performance of their official duties.

20 **42-66-8. Abuse, neglect, exploitation and self-neglect of elderly persons -- Duty to**
21 **report.**

22 Any person who has reasonable cause to believe that any person sixty (60) years of age or
23 older has been abused, neglected, or exploited, or is self-neglecting, shall make an immediate
24 report to the director of the ~~department~~ office of elderly affairs, or his or her designee, or
25 appropriate law enforcement personnel. In cases of abuse, neglect, or exploitation, any person
26 who fails to make the report shall be punished by a fine of not more than one thousand dollars
27 (\$1,000). Nothing in this section shall require an elder who is a victim of abuse, neglect,
28 exploitation or who is self-neglecting, to make a report regarding such abuse, neglect,
29 exploitation, or self-neglect to the director or his or her designee or appropriate law enforcement
30 personnel.

31 SECTION 24. Section 42-72-5 of the General Laws in Chapter 42-72 entitled
32 "Department of Children, Youth and Families" is hereby amended to read as follows:

33 **42-72-5. Powers and scope of activities.**

34 (a) The department is the principal agency of the state to mobilize the human, physical,

1 and financial resources available to plan, develop, and evaluate a comprehensive and integrated
2 statewide program of services designed to ensure the opportunity for children to reach their full
3 potential. The services include prevention, early intervention, outreach, placement, care and
4 treatment, and after-care programs; provided, however, that the department notifies the state
5 police and cooperates with local police departments when it receives and/or investigates a
6 complaint of sexual assault on a minor and concludes that probable cause exists to support the
7 allegations(s). The department also serves as an advocate for the needs of children.

8 (b) To accomplish the purposes and duties, as set forth in this chapter, the director is
9 authorized and empowered:

10 (1) To establish those administrative and operational divisions of the department that the
11 director determines is in the best interests of fulfilling the purposes and duties of this chapter;

12 (2) To assign different tasks to staff members that the director determines best suit the
13 purposes of this chapter;

14 (3) To establish plans and facilities for emergency treatment, relocation, and physical
15 custody of abused or neglected children that may include, but are not limited to,
16 homemaker/educator child-case aides, specialized foster-family programs, day-care facilities,
17 crisis teams, emergency parents, group homes for teenage parents, family centers within existing
18 community agencies, and counseling services;

19 (4) To establish, monitor, and evaluate protective services for children including, but not
20 limited to, purchase of services from private agencies and establishment of a policy and
21 procedure manual to standardize protective services;

22 (5) To plan and initiate primary- and secondary-treatment programs for abused and
23 neglected children;

24 (6) To evaluate the services of the department and to conduct periodic, comprehensive-
25 needs assessment;

26 (7) To license, approve, monitor, and evaluate all residential and non-residential ~~child~~
27 ~~care institutions~~, group homes, foster homes, and programs;

28 (8) To recruit and coordinate community resources, public and private;

29 (9) To promulgate rules and regulations concerning the confidentiality, disclosure, and
30 expungement of case records pertaining to matters under the jurisdiction of the department;

31 (10) To establish a minimum mandatory level of twenty (20) hours of training per year
32 and provide ongoing staff development for all staff; provided, however, all social workers hired
33 after June 15, 1991, within the department shall have a minimum of a bachelor's degree in social
34 work or a closely related field, and must be appointed from a valid, civil-service list;

- 1 (11) To establish procedures for reporting suspected child abuse and neglect pursuant to
2 chapter 11 of title 40;
- 3 (12) To promulgate all rules and regulations necessary for the execution of departmental
4 powers pursuant to the Administrative Procedures Act, chapter 35 of title 42;
- 5 (13) To provide and act as a clearinghouse for information, data, and other materials
6 relative to children;
- 7 (14) To initiate and carry out studies and analysis that will aid in solving local, regional,
8 and statewide problems concerning children;
- 9 (15) To represent and act on behalf of the state in connection with federal-grant programs
10 applicable to programs for children in the functional areas described in this chapter;
- 11 (16) To seek, accept, and otherwise take advantage of all federal aid available to the
12 department, and to assist other agencies of the state, local agencies, and community groups in
13 taking advantage of all federal grants and subventions available for children;
- 14 (17) To review and coordinate those activities of agencies of the state, and of any
15 political subdivision of the state, that affect the full and fair utilization of community resources
16 for programs for children, and initiate programs that will help ensure utilization;
- 17 (18) To administer the pilot, juvenile-restitution program, including the overseeing and
18 coordinating of all local, community-based restitution programs, and the establishment of
19 procedures for the processing of payments to children performing community service;
- 20 (19) To adopt rules and regulations that:
- 21 (i) For the twelve-month (12) period beginning on October 1, 1983, and for each
22 subsequent twelve-month (12) period, establish specific goals as to the maximum number of
23 children who will remain in foster care for a period in excess of two (2) years; and
- 24 (ii) Are reasonably necessary to implement the child-welfare services and foster-care
25 programs;
- 26 (20) May establish and conduct seminars for the purpose of educating children regarding
27 sexual abuse;
- 28 (21) To establish fee schedules by regulations for the processing of requests from
29 adoption placement agencies for adoption studies, adoption study updates, and supervision related
30 to interstate and international adoptions. The fee shall equal the actual cost of the service(s)
31 rendered, but in no event shall the fee exceed two thousand dollars (\$2,000);
- 32 (22) To be responsible for the education of all children who are placed, assigned, or
33 otherwise accommodated for residence by the department in a state-operated or -supported
34 community residence licensed by a Rhode Island state agency. In fulfilling this responsibility, the

1 department is authorized to enroll and pay for the education of students in the public schools or,
2 when necessary and appropriate, to itself provide education in accordance with the regulations of
3 the board of regents for elementary and secondary education either directly or through contract;

4 (23) To develop multidisciplinary service plans, in conjunction with the department of
5 health, at hospitals prior to the discharge of any drug-exposed babies. The plan requires the
6 development of a plan using all health-care professionals;

7 (24) To be responsible for the delivery of appropriate mental health services to seriously
8 emotionally disturbed children and children with functional developmental disabilities.
9 Appropriate mental health services may include hospitalization, placement in a residential
10 treatment facility, or treatment in a community-based setting. The department is charged with the
11 responsibility for developing the public policy and programs related to the needs of seriously
12 emotionally disturbed children and children with functional developmental disabilities;

13 In fulfilling its responsibilities the department shall:

14 (i) Plan a diversified and comprehensive network of programs and services to meet the
15 needs of seriously emotionally disturbed children and children with functional developmental
16 disabilities;

17 (ii) Provide the overall management and supervision of the state program for seriously
18 emotionally disturbed children and children with functional developmental disabilities;

19 (iii) Promote the development of programs for preventing and controlling emotional or
20 behavioral disorders in children;

21 (iv) Coordinate the efforts of several state departments and agencies to meet the needs of
22 seriously emotionally disturbed children and children with functional developmental disabilities
23 and to work with private agencies serving those children;

24 (v) Promote the development of new resources for program implementation in providing
25 services to seriously emotionally disturbed children and children with functional developmental
26 disabilities.

27 The department shall adopt rules and regulations that are reasonably necessary to
28 implement a program of mental health services for seriously emotionally disturbed children.

29 Each community, as defined in chapter 7 of title 16, shall contribute to the department, at
30 least in accordance with rules and regulations to be adopted by the department, at least its average
31 per-pupil cost for special education for the year in which placement commences, as its share of
32 the cost of educational services furnished to a seriously emotionally disturbed child pursuant to
33 this section in a residential treatment program that includes the delivery of educational services.

34 "Seriously emotionally disturbed child" means any person under the age of eighteen (18)

1 years, or any person under the age of twenty-one (21) years, who began to receive services from
2 the department prior to attaining eighteen (18) years of age and has continuously received those
3 services thereafter; who has been diagnosed as having an emotional, behavioral, or mental
4 disorder under the current edition of the Diagnostic and Statistical Manual and that disability has
5 been ongoing for one year or more or has the potential of being ongoing for one year or more;
6 and the child is in need of multi-agency intervention; and the child is in an out-of-home
7 placement or is at risk of placement because of the disability.

8 A child with a "functional developmental disability" means any person under the age of
9 eighteen (18) years or any person under the age of twenty-one (21) years who began to receive
10 services from the department prior to attaining eighteen (18) years of age and has continuously
11 received those services thereafter.

12 The term "functional developmental disability" includes autism spectrum disorders and
13 means a severe, chronic disability of a person that:

14 (A) Is attributable to a mental or physical impairment or combination of mental physical
15 impairments;

16 (B) Is manifested before the person attains age eighteen (18);

17 (C) Is likely to continue indefinitely;

18 (D) Results in age-appropriate, substantial, functional limitations in three (3) or more of
19 the following areas of major life activity:

20 (I) Self-care;

21 (II) Receptive and expressive language;

22 (III) Learning;

23 (IV) Mobility;

24 (V) Self direction;

25 (VI) Capacity for independent living; and

26 (VII) Economic self-sufficiency; and

27 (E) Reflects the person's need for a combination and sequence of special,
28 interdisciplinary, or generic care, treatment, or other services that are of life-long or extended
29 duration and are individually planned and coordinated.

30 Funding for these clients shall include funds that are transferred to the department of
31 human services as part of the managed health-care-program transfer. However, the expenditures
32 relating to these clients shall not be part of the department of human services' caseload estimated
33 for the semi-annual, caseload-estimating conference. The expenditures shall be accounted for
34 separately;

1 (25) To provide access to services to any person under the age of eighteen (18) years, or
2 any person under the age of twenty-one (21) years who began to receive child-welfare services
3 from the department prior to attaining eighteen (18) years of age, has continuously received those
4 services thereafter, and elects to continue to receive such services after attaining the age of
5 eighteen (18) years. The general assembly has included funding in the FY 2008 DCYF budget in
6 the amount of \$10.5 million from all sources of funds and \$6.0 million from general revenues to
7 provide a managed system to care for children serviced between 18 to 21 years of age. The
8 department shall manage this caseload to this level of funding;

9 (26) To initiate transition planning in cooperation with the department of behavioral
10 healthcare, developmental disabilities and hospitals and local school departments for any child
11 who receives services through DCYF; is seriously emotionally disturbed or developmentally
12 delayed pursuant to paragraph (b)(24)(v); and whose care may or shall be administered by the
13 department of behavioral healthcare, developmental disabilities and hospitals after the age of
14 twenty-one (21) years; the transition planning shall commence at least twelve (12) months prior
15 to the person's twenty-first birthday and shall result in a collaborative plan submitted to the family
16 court by both the department of behavioral healthcare, developmental disabilities and hospitals
17 and the department of children, youth and families and shall require the approval of the court
18 prior to the dismissal of the abuse, neglect, dependency, or miscellaneous petition before the
19 child's twenty-first birthday;

20 (27) To develop and maintain, in collaboration with other state and private agencies, a
21 comprehensive continuum of care in this state for children in the care and custody of the
22 department or at risk of being in state care. This continuum of care should be family centered and
23 community based with the focus of maintaining children safely within their families or, when a
24 child cannot live at home, within as close proximity to home as possible based on the needs of the
25 child and resource availability. The continuum should include community-based prevention,
26 family support, and crisis-intervention services, as well as a full array of foster care and
27 residential services, including residential services designed to meet the needs of children who are
28 seriously emotionally disturbed, children who have a functional developmental disability, and
29 youth who have juvenile justice issues. The director shall make reasonable efforts to provide a
30 comprehensive continuum of care for children in the care and custody of DCYF, taking into
31 account the availability of public and private resources and financial appropriations and the
32 director shall submit an annual report to the general assembly as to the status of his or her efforts
33 in accordance with the provisions of § 42-72-4(b)(13);

34 (28) To administer funds under the John H. Chafee Foster Care Independence and

1 Educational and Training Voucher (ETV) Programs of Title IV-E of the Social Security Act [42
2 U.S.C. § 677] and the DCYF higher education opportunity grant program as outlined in chapter
3 72.8 of title 42, in accordance with rules and regulations as promulgated by the director of the
4 department; and

5 (29) To process nationwide, criminal-record checks on prospective foster parents and any
6 household member age 18 or older, prospective adoptive parents and any household member age
7 18 and older, operators of child-care facilities, persons seeking to act as volunteer court-appointed
8 special advocates, persons seeking employment in a child-care facility or at the training school
9 for youth or on behalf of any person seeking employment at DCYF, who are required to submit to
10 nationwide, criminal-background checks as a matter of law.

11 (c) In order to assist in the discharge of his or her duties, the director may request from
12 any agency of the state information pertinent to the affairs and problems of children.

13 SECTION 25. The title of Chapter 42-72.1 of the General Laws entitled "Licensing and
14 Monitoring of Childcare Providers and Child-Placing Agencies" is hereby amended to read as
15 follows:

16 ~~CHAPTER 42-72.1~~
17 ~~LICENSING AND MONITORING OF CHILDCARE PROVIDERS AND CHILD-PLACING~~
18 ~~AGENCIES~~
19 CHAPTER 42-72.1
20 LICENSING AND MONITORING OF CHILD PLACING AGENCIES, CHILD CARING
21 AGENCIES, FOSTER AND ADOPTIVE HOMES, AND CHILDREN'S BEHAVIORAL
22 HEALTH PROGRAMS

23 SECTION 26. Sections 42-72.1-1, 42-72.1-2, 42-72.1-3, 42-72.1-4, 42-72.1-5, 42-72.1-6
24 and 42-72.1-7 of the General Laws in Chapter 42-72.1 entitled "Licensing and Monitoring of
25 Childcare Providers and Child-Placing Agencies" are hereby amended to read as follows:

26 **42-72.1-1. Statement of purpose.**

27 (a) The director of the department of children, youth, and families, pursuant to § 42-72-
28 5(b)(7) and § 42-72-5(b)(24), shall establish within the department a unit to license and monitor
29 ~~child care providers and~~ child-placing agencies, child caring agencies, foster and adoptive homes,
30 and children's behavioral health programs to protect the health, safety and well being of children
31 temporarily separated from or being cared for away from their natural families.

32 (b) Services for children requiring licensure under this chapter shall include all ~~child care~~
33 ~~providers and~~ child placing agencies, child caring agencies, foster and adoptive homes, and
34 children's behavioral health programs which offer services within the state, except as defined in §

1 42-72.1-5.

2 **42-72.1-2. Definitions.**

3 As used in this chapter:

4 (1) "Administrator of licensing" means the director of the licensing unit (or his/her
5 designee) that carries out the provisions of this chapter, hereafter referred to as the
6 "administrator".

7 (2) "Applicant" means a child-placing agency, child caring agencies, foster and adoptive
8 homes, and children's behavioral health programs ~~or childcare provider~~ that applies for a license
9 to operate.

10 (3) "Child" means any person less than eighteen (18) years of age; provided, that a child
11 over eighteen (18) years of age who is nevertheless subject to continuing jurisdiction of the
12 family court, pursuant to chapter 1 of title 14, or defined as emotionally disturbed according to
13 chapter 7 of title 40.1, shall be considered a child for the purposes of this chapter.

14 ~~(4) "Childcare provider" means a person or agency, which offers residential or~~
15 ~~nonresidential care and/or treatment for a child outside of his/her natural home.~~

16 ~~(5) "Child day care or childcare" means daily care and/or supervision offered~~
17 ~~commercially to the public for any part of a twenty four (24) hour day to children away from~~
18 ~~their homes.~~

19 ~~(6) "Child day care center or childcare center" means any person, firm, corporation,~~
20 ~~association, or agency who, on a regular or irregular basis, receives any child under the age of~~
21 ~~sixteen (16) years, for the purpose of care and/or supervision, not in a home or residence, apart~~
22 ~~from the child's parent or guardian for any part of a twenty four (24) hour day irrespective of~~
23 ~~compensation or reward. It shall include childcare programs that are offered to employees at the~~
24 ~~worksite. It does not include nursery schools or other programs of educational services subject to~~
25 ~~approval by the commissioner of elementary and secondary education.~~

26 (4) "Child Caring Agency" means any facility that provides residential treatment,
27 residential group home care or semi-independent living, or residential assessment and
28 stabilization.

29 ~~(7)~~(5) "Child-placing agency" means any private or public agency, which receives
30 children for placement into independent living arrangements, supervised apartment living,
31 residential group care facilities, family foster homes, or adoptive homes.

32 (6) "Children's Behavioral Health Program" means any private or public agency which
33 provides behavioral health services to children.

34 ~~(8)~~(7) "Department" means the department of children, youth and families (DCYF).

1 ~~(9)~~(8) "Director" means the director of the department of children, youth and families, or
2 the director's designee.

3 ~~(9)~~ "Foster and Adoptive Homes" means one or more adults who are licensed to provide
4 foster or adoptive caregiving in a family-based home setting.

5 ~~(10) "Family day care home" means any home other than the child's home in which child~~
6 ~~day care in lieu of parental care and/or supervision is offered at the same time to four (4) or more~~
7 ~~children who are not relatives of the care giver.~~

8 ~~(11) "Group family day care home" means a residence occupied by an individual of at~~
9 ~~least twenty one (21) years of age who provides care for not less than nine (9) and not more than~~
10 ~~twelve (12) children, with the assistance of one or more approved adults, for any part of a twenty-~~
11 ~~four (24) hour day. The maximum of twelve (12) children shall include children under six (6)~~
12 ~~years of age who are living in the home, school age children under the age of twelve (12) years~~
13 ~~whether they are living in the home or are received for care, and children related to the provider~~
14 ~~who are received for care. These programs shall be subject to yearly licensing as addressed in this~~
15 ~~chapter and shall comply with all applicable state and local fire, health, and zoning regulations.~~

16 ~~(12)~~(10) "Licensee" means any person, firm, corporation, association, or agency, which
17 holds a valid license under this chapter.

18 ~~(13)~~(11) "Regulation" means any requirement for licensure, promulgated pursuant to this
19 chapter having the force of law.

20 ~~(14)~~(12) "Related" means any of the following relationships, by marriage, blood or
21 adoption, even following the death or divorce of a natural parent: parent, grandparent, brother,
22 sister, aunt, uncle, and first cousin. In a prosecution under this chapter or of any law relating
23 thereto, a defendant who relies for a defense upon the relationship of any child to him or herself,
24 the defendant shall have the burden of proof as to the relationship.

25 **42-72.1-3. Powers and scope of activities.**

26 (a) The department shall issue, deny, and revoke licenses for, and monitor the operation
27 of, facilities and programs by child-placing agencies, child caring agencies, foster and adoptive
28 homes, and children's behavioral health programs ~~and childcare providers~~, as defined in § 42-
29 72.1-2 or assess administrative penalties under the provisions of chapter 72.11 of this title relating
30 to licensed childcare centers, family childcare homes, and group family childcare homes.

31 (b) The department shall adopt, amend, and rescind regulations in accordance with this
32 chapter and implement its provisions. The regulations shall be promulgated and become effective
33 in accordance with the provisions of the Administrative Procedures Act, chapter 35 of this title.

34 (c) The department through its licensing unit shall administer and manage the regulations

1 pertaining to the licensing and monitoring of those agencies, and shall exercise all statutory and
2 administrative powers necessary to carry out its functions.

3 (d) The administrator shall investigate complaints of noncompliance, and shall take
4 licensing action as required.

5 (e) Regulations formulated pursuant to the foregoing authority shall include, but need not
6 be limited to, the following:

7 (1) Financial, administrative and organizational ability, and stability of the applicant;

8 (2) Compliance with specific fire and safety codes and health regulations;

9 (3) Character, health suitability, qualifications of [child-placing agencies, child caring](#)
10 [agencies, foster and adoptive homes, and children's behavioral health programs](#) ~~childcare~~
11 ~~providers~~;

12 (4) Staff/child ratios and workload assignments of staff providing care or supervision to
13 children;

14 (5) Type and content of records or documents that must be maintained to collect and
15 retain information for the planning and caring for children;

16 (6) Procedures and practices regarding ~~basic childcare and~~ placing services to ensure
17 protection to the child regarding the manner and appropriateness of placement;

18 (7) Service to families of children in care;

19 (8) Program activities, including components related to physical growth, social,
20 emotional, educational, and recreational activities, social services and habilitative or rehabilitative
21 treatment; [and](#)

22 (9) Investigation of previous employment, criminal record check and department records
23 check; ~~and~~

24 ~~(10) Immunization and testing requirements for communicable diseases, including, but~~
25 ~~not limited to, tuberculosis, of childcare providers and children at any child day care center or~~
26 ~~family day care home as is specified in regulations promulgated by the director of the department~~
27 ~~of health. Notwithstanding the foregoing, all licensing and monitoring authority shall remain with~~
28 ~~the department of children, youth and families.~~

29 (f) The administrator may:

30 (1) Prescribe any forms for reports, statements, notices, and other documents deemed
31 necessary;

32 (2) Prepare and publish manuals and guides explaining this chapter and the regulations to
33 facilitate compliance with and enforcement of the regulations;

34 (3) Prepare reports and studies to advance the purpose of this chapter;

1 (4) Provide consultation and technical assistance, as requested, to assist licensees in
2 maintaining compliance; and

3 (5) Refer to the advisory council for children and families for advice and consultation on
4 licensing matters.

5 ~~(g) The department may promulgate rules and regulations for the establishment of child
6 day care centers located on the second floor.~~

7 ~~(h)~~(g) When the department is otherwise unsuccessful in remedying noncompliance with
8 the provisions of this chapter and the regulations promulgated under it, it may petition the family
9 court for an order enjoining the noncompliance or for any order that equity and justice may
10 require.

11 ~~(i) The department shall collaborate with the departments of human services, elementary
12 and secondary education, and health to provide monitoring, mentoring, training, technical
13 assistance, and other services which are necessary and appropriate to improving the quality of
14 childcare offered by childcare providers who are certified, licensed, or approved by the
15 department or the department of elementary and secondary education or who are seeking
16 certification, licensure, or approval pursuant to this chapter or § 16-48-2, including non-English
17 speaking providers.~~

18 ~~(j)~~(h) The department shall adopt, amend, and rescind regulations in the same manner as
19 set forth above in order to permit the placement of a pregnant minor in a group residential facility
20 which provides a shelter for pregnant adults as its sole purpose.

21 **42-72.1-4. License required.**

22 (a) No person shall provide continuing full-time care for a child apart from the child's
23 parents, ~~or receive or place children in child care services, including day care arrangements,~~
24 without a license issued pursuant to this chapter. This requirement does not apply to a person
25 related by blood, marriage, guardianship or adoption to the child, ~~unless that arrangement is for
26 the purposes of day care.~~

27 (b) The licensing requirement does not apply to shelter operations for parents with
28 children, boarding schools, recreation camps, nursing homes, hospitals, maternity residences, and
29 centers for developmentally disabled children.

30 (c) No person, firm, corporation, association, or agency, other than a parent shall place,
31 offer to place, or assist in the placement of a child in Rhode Island, for the purpose of adoption,
32 unless the person, firm, corporation, or agency shall have been licensed for those purposes by the
33 department or is a governmental child-placing agency, and that license shall not have been
34 rescinded at the time of placement of a child for the purpose of adoption. The above does not

1 apply when a person, firm, corporation, association, or agency places, offers to place, or assists in
2 the placement of a child in Rhode Island, for the purpose of adoption through a child-placement
3 agency duly licensed for child-placement in the state or through the department of children,
4 youth, and families, nor when the child is placed with a father, sister, brother, aunt, uncle,
5 grandparent, or stepparent of the child.

6 (d) No parent shall assign or otherwise transfer to another not related to him or her by
7 blood or marriage, his or her rights or duties with respect to the permanent care and custody of his
8 or her child under eighteen (18) years of age unless duly authorized so to do by an order or decree
9 of court.

10 (e) No person shall bring or send into the state any child for the purpose of placing him or
11 her out, or procuring his or her adoption, or placing him or her in a foster home without first
12 obtaining the written consent of the director, and that person shall conform to the rules of the
13 director and comply with the provisions of the Interstate Compact on the Placement of Children,
14 chapter 15 of title 40.

15 ~~(f) No person, firm, corporation, association, or agency shall operate a family day care~~
16 ~~home without a registration certificate issued by the department.~~

17 (f) No state, county, city, or political subdivision shall operate a child placing ~~or child~~
18 ~~care~~ agency, child caring agency, foster and adoptive home, or children's behavioral health
19 program or facility without a license issued pursuant to this chapter.

20 (g) No person shall be exempt from a required license by reason of public or private,
21 sectarian, non-sectarian, court-operated child placement program ~~child care program,~~ child caring
22 agency, foster and adoptive home, or children's behavioral health program for profit or non-profit
23 status, or by any other reason of funding, sponsorship, or affiliation.

24 **42-72.1-5. General licensing provisions.**

25 The following general licensing provisions shall apply:

26 (1) A license issued under this chapter is not transferable and applies only to the licensee
27 and the location stated in the application and remains the property of the department. A license
28 shall be publicly displayed. A license shall be valid for one year from the date of issue and upon
29 continuing compliance with the regulations, ~~except that a certificate issued to a family day care~~
30 ~~home,~~ a license issued to a foster parent, and/or a license issued to a program for mental health
31 services for "seriously emotionally disturbed children" as defined in § 42-72-5(b)(24) shall be
32 valid for two (2) years from the date of issue.

33 (2) Every license application issued pursuant to § 42-72.1-4 shall be accompanied by a
34 nonrefundable application fee paid to the State of Rhode Island as follows:

- 1 (a) Adoption and foster care child placing agency license- one thousand dollars (\$1000);
2 ~~(b) Child day care center license five hundred dollars (\$500);~~
3 ~~(c) Group family day care home license two hundred and fifty dollars (\$250);~~
4 ~~(d) Family day care home license one hundred dollars (\$100).~~

5 (3) All fees collected by the State pursuant to paragraph (2) of this section shall be
6 deposited by the general treasurer as general revenues.

7 (4) A licensee shall comply with applicable state fire and health safety standards.

8 (5) The department may grant a provisional license to an applicant, excluding any foster
9 parent applicant, who is not able to demonstrate compliance with all of the regulations because
10 the program or residence is not in full operation; however, the applicant must meet all regulations
11 that can be met in the opinion of the administrator before the program is fully operational. The
12 provisional license shall be granted for a limited period not to exceed six (6) months and shall be
13 subject to review every three (3) months.

14 (6) The department may grant a probationary license to a licensee who is temporarily
15 unable to comply with a rule or rules when the noncompliance does not present an immediate
16 threat to the health and well-being of the children, and when the licensee has obtained a plan
17 approved by the administrator to correct the areas of noncompliance within the probationary
18 period. A probationary license shall be issued for up to twelve (12) months; it may be extended
19 for an additional six (6) months at the discretion of the administrator. A probationary license that
20 states the conditions of probation may be issued by the administrator at any time for due cause.
21 Any prior existing license is invalidated when a probationary license is issued. When the
22 probationary license expires, the administrator may reinstate the original license to the end of its
23 term, issue a new license or revoke the license.

24 (7) The administrator will establish criteria and procedure for granting variances as part
25 of the regulations.

26 (8) The above exceptions (probationary and provisional licensing and variances) do not
27 apply to and shall not be deemed to constitute any variance from state fire and health safety
28 standards. However, if a request for a variance of fire inspection deficiencies has been submitted
29 to the fire safety code board of appeal and review, DCYF may grant a provisional license to
30 terminate no later than thirty (30) days following the board's decision on said variance.

31 ~~(9) A license under this chapter shall be granted to a school age child day care program~~
32 ~~without the necessity for a separate fire, building, or radon inspection, when said child day care~~
33 ~~program is conducted at a Rhode Island elementary or secondary school which has already been~~
34 ~~found in compliance with said inspections, provided that an applicant complies with all other~~

1 ~~provisions of DCYF regulations, or has been granted appropriate variances by the department.~~

2 **42-72.1-6. Violations, suspensions and revocations of license.**

3 (a) When a licensee violates the terms of the license, the provisions of this chapter, or any
4 regulation thereunder, the department may pursue the administrative remedies herein provided,
5 including the assessment of administrative penalties under the provisions of chapter 72.11 of this
6 title relating to licensed childcare centers, family childcare homes, and group family childcare
7 homes, in addition to other civil or criminal remedies according to the general laws.

8 (b) After notice and hearing, as provided by the Administrative Procedures Act, chapter
9 35 of this title, the administrator may revoke the license, or suspend the license for a period not
10 exceeding six (6) months.

11 (c) During a suspension, the agency, facility or program shall cease operation.

12 (d) To end a suspension, the licensee shall, within thirty (30) days of the notice of
13 suspension, submit a plan of corrective action to the administrator. The plan shall outline the
14 steps and timetables for immediate correction of the areas of noncompliance and is subject to the
15 approval of the administrator.

16 (e) At the end of the suspension, the administrator may reinstate the license for the term
17 of the original license, revoke the license, issue a new license, or deny a reapplication.

18 (f) Upon revocation, the licensed agency, program or facility shall cease operation. The
19 licensee whose license has been revoked may not apply for a similar license within a three (3)
20 year period from the date of revocation.

21 ~~(g) Except in those instances wherein there is a determination that there exists a danger to~~
22 ~~the public health, safety, or welfare or there is a determination that the childcare provider has~~
23 ~~committed a serious breach of State law, orders, or regulation, the director shall utilize~~
24 ~~progressive penalties for noncompliance of any rule, regulation or order relating to childcare~~
25 ~~providers. Progressive penalties could include written notice of noncompliance, education and~~
26 ~~training, suspending enrollment to the program, assessing fines, suspension of license, and~~
27 ~~revocation of license.~~

28 **42-72.1-7. Penalties for violations.**

29 (a) Any person who violates any of the provisions of this chapter, or any regulations
30 issued pursuant to this chapter, or who shall intentionally make any false statement or reports to
31 the director with reference to the matters contained herein, shall, upon conviction for the first
32 offense, be imprisoned for a term not exceeding six (6) months or be fined not exceeding five
33 hundred dollars (\$500), or both, and for a second or subsequent offense, shall be imprisoned for a
34 term not exceeding one year or be fined not exceeding one thousand dollars (\$1000), or both the

1 fine and imprisonment.

2 (b) Anyone who maintains or conducts a program, agency, or facility without first having
3 obtained a license, or who maintains or conducts a program, agency, or facility after a license has
4 been revoked or suspended, or who shall refuse to permit a reasonable inspection and
5 examination of a program, agency, or facility, shall be guilty of a misdemeanor and, upon
6 conviction, shall be fined not more than five hundred dollars (\$500) for each week that the
7 program, agency, or facility shall have been maintained without a license or for each refusal to
8 permit inspection and examination by the director.

9 ~~(c) Any individual, firm, corporation, or other entity who maintains or conducts a family
10 day care home without first having obtained a registration certificate for the home, shall be guilty
11 of a misdemeanor and, upon conviction, shall be fined not less than twenty-five dollars (\$25.00)
12 nor more than one hundred dollars (\$100) for each week that the home shall have been
13 maintained without a valid registration certificate.~~

14 (c) The department shall refer any violations to the attorney general's office for
15 prosecution.

16 SECTION 27. Section 42-72.1-8 of the General Laws in Chapter 42-72.1 entitled
17 "[Licensing and Monitoring of Childcare Providers and Child-Placing Agencies](#)" is hereby
18 repealed.

19 ~~**42-72.1-8. Open door policy.**~~

20 ~~There shall be an open door policy permitting any custodial parent or legal guardian to
21 have access to a day care facility for any program when their child is in attendance.~~

22 SECTION 28. Section 42-72.11-1 of the General Laws in Chapter 42-72.11 entitled
23 "Administrative Penalties for Childcare Licensing Violations" is hereby amended to read as
24 follows:

25 **42-72.11-1. Definitions.**

26 As used in this chapter, the following words, unless the context clearly requires
27 otherwise, shall have the following meanings:

28 (1) "Administrative penalty" means a monetary penalty not to exceed the civil penalty
29 specified by statute or, where not specified by statute, an amount not to exceed five hundred
30 dollars (\$500).

31 (2) "Director" means the director of the department of ~~children, youth and families~~
32 [human services](#) or his or her duly authorized agent.

33 (3) "Person" means any public or private corporation, individual, partnership, association,
34 or other entity that is licensed as a child [day](#) care center, family child [day](#) care home, group

1 family child [day](#) care home or any officer, employee or agent thereof.

2 (4) "Citation" means a notice of an assessment of an administrative penalty issued by the
3 director or his or her duly authorized agent.

4 [\(5\) "Department" means the department of human services.](#)

5 SECTION 29. Chapter 42-154 of the General Laws entitled "Division of Elderly Affairs"
6 is hereby repealed in its entirety.

7 ~~**42-154-1. Establishment of division -- Director.**~~

8 ~~There is hereby established within the executive branch of state government and the~~
9 ~~department of human services a division of elderly affairs, effective July 1, 2011. The head of the~~
10 ~~division shall be the director of the division of elderly affairs, who shall be a person qualified~~
11 ~~through and by training and experience to perform the duties of the division. The director shall be~~
12 ~~in the unclassified service.~~

13 ~~**42-154-2. Transfer of powers and duties from the department of elderly affairs.**~~

14 ~~There is hereby transferred to the division of elderly affairs within the department of~~
15 ~~human services those powers and duties formerly administered by the department of elderly~~
16 ~~affairs as provided for in chapters 42-66 ("Elderly Affairs Department") through 42-66.10 ("Elder~~
17 ~~Health Insurance Consumer Assistance Program"), inclusive, and any other applicable provisions~~
18 ~~of the general laws; provided, however, in order that there is no interruption in the functions of~~
19 ~~elderly affairs and/or human services the transfer may be postponed until such time as determined~~
20 ~~by the secretary of the office of health and human services that the transfer may best be put into~~
21 ~~force and effect; provided, further, the governor shall submit to the 2012 Assembly any~~
22 ~~recommended statutory changes necessary to facilitate the merger.~~

23 ~~**42-154-3. Construction of references.**~~

24 ~~Effective July 1, 2011, all references in the general laws to the department of elderly~~
25 ~~affairs established pursuant to chapter 42-66 ("Elderly Affairs Department") shall be deemed to~~
26 ~~mean and refer to the division of elderly affairs within the department of human services as set~~
27 ~~forth in this chapter.~~

28 SECTION 30. Section 46-15.1-19.1 of the General Laws in Chapter 46-15.1 entitled
29 "Water Supply Facilities" is hereby amended to read as follows:

30 ~~**46-15.1-19.1. Big River Reservoir -- Administration.**~~

31 The Rhode Island ~~water resources board, established pursuant to this chapter and chapter~~
32 ~~15 of this title,~~ [department of administration](#) shall be the only designated agency which will
33 administer those lands acquired for the Big River Reservoir as established under section 23 of
34 chapter 133 of the Public Laws of 1964. The director of the department of environmental

1 management and the director's authorized agents, employees, and designees shall, together with
2 the ~~water resources board~~ [department of administration](#) in accordance with the Big River
3 management area land use plan for the lands, protect the natural resources of the Big River
4 Reservoir lands. The lands of the Big River Reservoir are subject to enforcement authority of the
5 department of environmental management, as provided for in chapter 17.1 of title 42, and as
6 provided for in title 20 of the General Laws.

7 SECTION 31. **Effective Date.** Sections 1 and 2 of this Article will become effective
8 October 1, 2019. All other section in this Article will become effective upon passage.

9 ARTICLE 5

10 RELATING TO TAXES, REVENUES AND FEES

11 1. Effective October 1, 2019, section 11-47-39 of the General Laws in Chapter 11-47
12 entitled "Weapons" is hereby amended to read as follows:

13 **11-47-39. Issuance and conditions of dealer's license.**

14 The duly constituted licensing authorities of any city, town, or political subdivision of
15 this state may grant licenses in form prescribed by the attorney general effective for not more than
16 one year from date of issue permitting the licensee to sell pistols and revolvers at retail within this
17 state, subject to the following conditions in addition to those specified in §§ 11-47-35 and 11-47-
18 36, for breach of any of which the license shall be forfeited and the licensee subject to
19 punishment as provided in this chapter:

20 (1) The business shall be carried on only in the building designated in the license.

21 (2) The license or a copy of it, certified by the issuing authority, shall be displayed on the
22 premises where it can easily be read.

23 (3) No pistol or revolver shall be sold in violation of any provision of this chapter, nor
24 shall a pistol or revolver be sold under any circumstances unless the purchaser is personally
25 known to the seller or shall present clear evidence of his or her identity.

26 (4) The fee for issuing the license shall be five dollars (\$5.00). The fee charged for the
27 issuing of the license shall be applied for the use and benefit of the city or town.

28 [\(5\) The licensee has demonstrated compliance with the division of taxation, department](#)
29 [of revenue, as determined by its tax administrator, carried out and defined by promulgated rules](#)
30 [and regulations issued by the division of taxation.](#)

31 SECTION 2. Section 19-14-4 of the General Laws in Chapter 19-14 entitled "Licensed
32 Activities" is hereby amended to read as follows:

33 **19-14-4. Annual fee.**

34 (a) Each licensee shall pay an annual license fee as follows:

- 1 (1) Each small-loan lender license and each branch certificate, the sum of five hundred
2 fifty dollars (\$550);
- 3 (2) Each loan-broker license and each branch certificate, the sum of five hundred fifty
4 dollars (\$550);
- 5 (3) Each lender license and each branch certificate, the sum of one thousand one hundred
6 dollars (\$1,100);
- 7 (4) Each sale of checks license, the sum of three hundred sixty dollars (\$360);
- 8 (5) Each check cashing license, the sum of three hundred sixty dollars (\$360);
- 9 (6) Each electronic money transfer license, the sum of three hundred sixty dollars (\$360);
- 10 (7) Each registration to provide debt-management services, the sum of two hundred
11 dollars (\$200);
- 12 (8) Each mortgage-loan originator license, the sum of ~~one~~ four hundred dollars (~~\$100~~
13 400); and
- 14 (9) Each third-party loan-servicer license and each branch certificate, the sum of one
15 thousand one hundred dollars (\$1,100).

16 (b) Any licensee who shall not pay the annual fee by December 31 of each year shall be
17 subject to a daily penalty of twenty-five dollars (\$25) per day, subject to a maximum of seven
18 hundred fifty dollars (\$750). The penalty shall be paid to the director to, and for the use of, the
19 state. The penalty may be waived for good cause by the director, or the director's designee, upon
20 written request.

21 SECTION 3. Section 19-14.9-12 of the General Laws in Chapter 19-14.9 entitled "Rhode
22 Island Fair Debt Collection Practices Act" is hereby amended to read as follows:

23 **19-14.9-12. Registration required.**

24 (1) After July 1, 2008, no person shall engage within this state in the business of a debt
25 collector, or engage in soliciting the right to collect or receive payment for another of an account,
26 bill, or other indebtedness, or advertise for or solicit in print the right to collect or receive
27 payment for another of an account, bill, or other indebtedness, without first registering with the
28 director, or the director's designee.

29 (2) The application for registration shall be in writing; shall contain information as the
30 director may determine; and shall be accompanied by a registration fee of ~~one~~ five hundred
31 dollars (~~\$100~~ 500).

32 (3) The registration shall be for a period of one year. Each registration shall plainly state
33 the name of the registrant and the city or town with the name of the street and number, if any, of
34 the place where the business is to be carried on; provided that the business shall at all times be

1 conducted in the name of the registrant as it appears on the registration.

2 (4) No person registered to act within this state as a debt collector shall do so under any
3 other name or at any other place of business than that named in the registration. The registration
4 shall be for a single location but may, with notification to the director, be moved to a different
5 location. A registration shall not be transferable or assignable.

6 (5) This section shall not apply:

7 (a) To the servicer of a debt by a mortgage; or

8 (b) To any debt collector located out of this state, provided that the debt collector:

9 (1) Is collecting debts on behalf of an out-of-state creditor for a debt that was incurred out
10 of state; and

11 (2) Only collects debts in this state using interstate communication methods, including
12 telephone, facsimile, or mail.

13 (c) To any regulated institution as defined under § 19-1-1, national banking association,
14 federal savings bank, federal savings and loan association, federal credit union, or any bank, trust
15 company, savings bank, savings and loan association, or credit union organized under the laws of
16 this state, or any other state of the United States, or any subsidiary of the above; but except as
17 provided herein, this section shall apply to a subsidiary or affiliate, as defined by the director, of
18 an exempted entity and of a bank holding company established in accordance with state or federal
19 law.

20 SECTION 4. Sections 23-1-55, 23-1-56, 23-1-57 and 23-1-58 of the General Laws in
21 Chapter 23-1 entitled "Department of Health" are hereby repealed.

22 ~~**23-1-55. Electronic nicotine delivery system distributor, and dealer licenses required**~~

23 ~~**-- Definitions:**~~

24 ~~Definitions. Whenever used in §§ 23-1-56 to 23-1-58, unless the context requires~~
25 ~~otherwise:~~

26 ~~(1) "Dealer" means any person, whether located within or outside of this state, who sells~~
27 ~~or distributes electronic nicotine delivery system products to a consumer in this state;~~

28 ~~(2) "Distributor" means any person:~~

29 ~~(i) Whether located within or outside of this state, other than a dealer, who sells or~~
30 ~~distributes electronic nicotine delivery system products within or into this state. Such term shall~~
31 ~~not include any electronic nicotine delivery system products manufacturer, export warehouse~~
32 ~~proprietor, or importer with a valid permit, if such person sells or distributes electronic nicotine-~~
33 ~~delivery system products in this state only to licensed distributors or to an export warehouse~~
34 ~~proprietor or another manufacturer with a valid permit;~~

1 ~~(ii) Selling electronic nicotine delivery system products directly to consumers in this state~~
2 ~~by means of at least twenty five (25) electronic nicotine delivery system product vending~~
3 ~~machines;~~

4 ~~(iii) Engaged in this state in the business of manufacturing electronic nicotine delivery~~
5 ~~system products or any person engaged in the business of selling electronic nicotine delivery~~
6 ~~system products to dealers, or to other persons, for the purpose of resale only; provided that~~
7 ~~seventy five percent (75%) of all electronic nicotine delivery system products sold by that person~~
8 ~~in this state are sold to dealers or other persons for resale and selling electronic nicotine delivery~~
9 ~~system products directly to at least forty (40) dealers or other persons for resale; or~~

10 ~~(iv) Maintaining one or more regular places of business in this state for that purpose;~~
11 ~~provided, that seventy five percent (75%) of the sold electronic nicotine delivery system products~~
12 ~~are purchased directly from the manufacturer and selling electronic nicotine delivery system~~
13 ~~products directly to at least forty (40) dealers or other persons for resale;~~

14 ~~(3) "Electronic nicotine delivery system" means the products as defined in § 11-9-~~
15 ~~13.4(15).~~

16 **23-1-56. License.**

17 ~~(a) Each person engaging in the business of selling electronic nicotine delivery system~~
18 ~~products in the state, including any distributor or dealer, shall secure a license annually from the~~
19 ~~department before engaging in that business or continuing to engage in it. A separate application~~
20 ~~and license is required for each place of business operated by a distributor or dealer. If the~~
21 ~~applicant for a license does not have a place of business in this state, the license shall be issued~~
22 ~~for such applicant's principal place of business, wherever located. A licensee shall notify the~~
23 ~~department within thirty (30) days in the event that it changes its principal place of business. A~~
24 ~~separate license is required for each class of business if the applicant is engaged in more than one~~
25 ~~of the activities required to be licensed by this section. No person shall maintain or operate, or~~
26 ~~cause to be operated, a vending machine for electronic nicotine delivery systems without~~
27 ~~procuring a dealer's license for each machine.~~

28 ~~(b) The director shall have authority to set a reasonable fee not to exceed twenty five~~
29 ~~dollars (\$25.00) for the issuance of the license.~~

30 ~~(c) Each issued license shall be prominently displayed on the premises, if any, covered by~~
31 ~~the license.~~

32 ~~(d) The director shall create and maintain a website setting forth the identity of all~~
33 ~~licensed persons under this section, itemized by type of license possessed, and shall update the~~
34 ~~site no less frequently than six (6) times per year.~~

1 ~~(e) A manufacturer or importer may sell or distribute electronic nicotine delivery systems~~
2 ~~to a person located or doing business within the state only if such person is a licensed distributor.~~
3 ~~An importer may obtain electronic nicotine delivery systems only from a licensed manufacturer.~~
4 ~~A distributor may sell or distribute electronic nicotine delivery systems to a person located or~~
5 ~~doing business within this state only if such person is a licensed distributor or dealer. A~~
6 ~~distributor may obtain electronic nicotine delivery systems only from a licensed manufacturer,~~
7 ~~importer, or distributor. A dealer may obtain electronic nicotine delivery systems only from a~~
8 ~~licensed distributor.~~

9 ~~(f)(1) No license under this chapter may be granted, maintained, or renewed if the~~
10 ~~applicant, or any combination of persons owning directly or indirectly any interests in the~~
11 ~~applicant:~~

12 ~~(i) Is delinquent in any tax filings for one month or more; or~~

13 ~~(ii) Had a license under this chapter revoked within the past two (2) years.~~

14 ~~(2) No person shall apply for a new license, or renewal of a license and no license shall~~
15 ~~be issued or renewed for any person, unless all outstanding fines, fees, or other charges relating to~~
16 ~~any license held by that person have been paid.~~

17 ~~(3) No license shall be issued relating to a business at any specific location until all prior~~
18 ~~licenses relating to that location have been officially terminated and all fines, fees, or charges~~
19 ~~relating to the prior licenses have been paid or otherwise resolved or if the director has found that~~
20 ~~the person applying for the new license is not acting as an agent for the prior licensee who is~~
21 ~~subject to any such related fines, fees, or charges that are still due. Evidence of such agency status~~
22 ~~includes, but is not limited to, a direct familial relationship and/or employment, contractual, or~~
23 ~~other formal financial or business relationship with the prior licensee.~~

24 ~~(4) No person shall apply for a new license pertaining to a specific location in order to~~
25 ~~evade payment of any fines, fees, or other charges relating to a prior license for that location.~~

26 ~~(5) No new license shall be issued for a business at a specific location for which a license~~
27 ~~has already issued unless there is a bona fide, good faith change in ownership of the business at~~
28 ~~that location.~~

29 ~~(6) No license or permit shall be issued, renewed or maintained for any person, including~~
30 ~~the owners of the business being licensed, who has been convicted of violating any criminal law~~
31 ~~relating to tobacco products and/or electronic nicotine delivery system products, the payment of~~
32 ~~taxes, or fraud, or has been ordered to pay civil fines of more than twenty five thousand dollars~~
33 ~~(\$25,000) for violations of any civil law relating to tobacco products and/or electronic nicotine-~~
34 ~~delivery system products, the payment of taxes, or fraud.~~

1 ~~**23-1-57. Penalties for unlicensed business.**~~

2 ~~Any distributor or dealer who sells, offers for sale, or possesses with intent to sell,~~
3 ~~electronic nicotine delivery system products without a license as provided in § 23-1-56, shall be~~
4 ~~fined in accordance with the provisions of, and the penalties contained in, § 23-1-58.~~

5 ~~**23-1-58. Penalty for operating without a dealer license.**~~

6 ~~(a) Any individual or business who violates this chapter by selling or conveying an~~
7 ~~electronic nicotine delivery system product without a retail license shall be cited for that violation~~
8 ~~and shall be required to appear in district court for a hearing on the citation.~~

9 ~~(b) Any individual or business cited for a violation hereunder shall:~~

10 ~~(1) Either post a five hundred dollar (\$500) bond with the district court within ten (10)~~
11 ~~days of the citation; or~~

12 ~~(2) Sign and accept the citation indicating a promise to appear in court.~~

13 ~~(c) An individual or business who or that has accepted the citation may:~~

14 ~~(1) Pay the five hundred dollar (\$500) fine, either by mail or in person, within ten (10)~~
15 ~~days after receiving the citation; or~~

16 ~~(2) If that individual or business has posted a bond, forfeit the bond by not appearing at~~
17 ~~the scheduled hearing. If the individual or business cited pays the five hundred dollar (\$500) fine~~
18 ~~or forfeits the bond, that individual or business is deemed to have admitted the cited violation and~~
19 ~~to have waived the right to a hearing on the issue of commission on the violation.~~

20 ~~(d) The court, after a hearing on a citation, shall make a determination as to whether a~~
21 ~~violation has been committed. If it is established that the violation did occur, the court shall~~
22 ~~impose a five hundred dollar (\$500) fine in addition to any court costs or fees.~~

23 SECTION 5. Sections 28-43-8.1 and 28-43-29 of the General Laws in Chapter 28-43
24 entitled "Employment Security - Contributions" are hereby amended to read as follows:

25 ~~**28-43-8.1. Time and manner of payment of employer contributions.**~~

26 Contributions [and assessments](#) required under this chapter for each year shall be paid by
27 each employer in the manner and at the times that the director may prescribe.

28 ~~**28-43-29. Liability for contributions and election of reimbursement.**~~

29 (a) Any nonprofit organization or governmental entity which is or becomes subject to
30 chapters 42 -- 44 of this title on or after January 1, 1978, shall pay contributions under the
31 provisions of chapters 42 -- 44 of this title, unless it elects, in accordance with this section, to pay
32 to the director for the employment security fund the full amount of regular benefits paid plus the
33 full amount of the extended benefits paid, less any federal payments to the state under § 204 of
34 the Federal-State Extended Unemployment Compensation Act of 1970, that are attributable to

1 service in the employ of that nonprofit organization or governmental entity to individuals for
2 weeks of unemployment which begin during the effective period of that election; provided, that
3 for weeks of unemployment beginning on or after January 1, 1979, governmental entities which
4 have elected reimbursement shall be responsible for reimbursing the employment security fund
5 for the full amount of extended benefits paid that is attributable to service in the employ of those
6 entities.

7 (b) Any nonprofit organization or governmental entity which is or becomes subject to
8 chapters 42 -- 44 of this title on January 1, 1978, may elect to become liable for payments in lieu
9 of contributions for a period of not less than the 1978 tax year and the next ensuing tax year
10 provided it files with the director a written notice of its election within the thirty (30) day period
11 immediately following January 1, 1978.

12 (c) Any nonprofit organization or governmental entity which becomes subject to chapters
13 42 -- 44 of this title after January 1, 1978, may elect to become liable for payments in lieu of
14 contributions for a period of not less than the balance of the tax year beginning with the date on
15 which that subjectivity begins and the next ensuing tax year by filing a written notice of its
16 election with the director not later than thirty (30) days immediately following the date of the
17 determination of that subjectivity.

18 (d) Any nonprofit organization or governmental entity which makes an election in
19 accordance with subsection (b) or (c) of this section will continue to be liable for payments in lieu
20 of contributions until it files with the director a written notice terminating its election not later
21 than thirty (30) days prior to the beginning of the tax year for which that termination shall first be
22 effective. The nonprofit organization or governmental entity shall thereafter be liable for the
23 payment of contributions for not less than that tax year and the next ensuing tax year before
24 another election can be exercised.

25 (e) Any nonprofit organization or governmental entity which has been paying
26 contributions under chapters 42 -- 44 of this title for a period subsequent to January 1, 1978, may
27 change to a reimbursable basis by filing with the director not later than thirty (30) days prior to
28 the beginning of any tax year a written notice of election to become liable for payments in lieu of
29 contributions. That election shall not be terminable by the organization or entity for that tax year
30 and for the next ensuing tax year.

31 (f) The director may for good cause extend the period within which a notice of election,
32 or a notice of termination, must be filed and may permit an election to be retroactive but not any
33 earlier than with respect to benefits paid on or after January 1, 1978.

34 (g) The director, in accordance with any procedures that he or she may prescribe, shall

1 notify each nonprofit organization or governmental entity of any determination which may be
2 made of its status as an employer and of the effective date of any election which it makes and of
3 any termination of that election. Any determination shall be conclusive on the organization or the
4 entity unless within fifteen (15) days after notice of the determination has been mailed or
5 otherwise delivered to it, an appeal is made to the board of review in writing in accordance with
6 the provisions of § 28-43-14.

7 (h) Effective January 1, 2020, notwithstanding the foregoing, any nonprofit organization,
8 not including governmental entities, employing not less than one thousand (1,000) employees
9 shall be subject to the job development assessment as prescribed in § 28-43-8.5. The director is
10 authorized to promulgate regulations to administer this assessment.

11 SECTION 6. Section 31-3-6 of the General Laws in Chapter 31-3 entitled "Registration
12 of Vehicles" is hereby amended to read as follows:

13 **31-3-6. List of vehicles on which taxes delinquent -- Denial of registration. ~~Effective~~**
14 **January 1, 2019.]**

15 (a) On or before October 31 in each year, the collector of taxes of each city or town ~~shall~~
16 may furnish the division of motor vehicles, with a listing showing the registration plate numbers,
17 names, and addresses of the taxpayers of the city or town whose personal property and/or excise
18 tax on motor vehicles, the assessment of which were made the prior December 31 in the case of
19 the property tax, and the tax levied in the current year in the case of the excise tax, remained
20 unpaid as of the date of the list, and shall remit to the division of motor vehicles a five-dollar (\$
21 5.00) fee for each taxpayer. Subsequently, the collector of taxes in each city or town shall, at the
22 times and in the manner prescribed by the administrator of the division of motor vehicles, furnish
23 to the division of motor vehicles the names and addresses of those persons whose names appeared
24 on that list who have subsequently paid the personal property, and/or excise taxes on motor
25 vehicles, and the division shall remove from the list the names and addresses of those persons. No
26 city or town treasurer or tax collector shall refuse to accept personal property, and/or excise taxes
27 on a motor vehicle, or refuse to remove the names and addresses of the owners of the vehicle
28 from the list because of any other taxes owing the city or town. No person, corporation,
29 partnership, joint stock company, or association whose name appears on the list and whose name
30 has not been subsequently removed from the list shall be permitted to register any motor vehicle
31 until all the excise and attendant penalties have been paid in full and the payment has been
32 certified to the division of motor vehicles by the tax collector. The provisions of this section shall
33 not be construed so as to prevent the payment of taxes on motor vehicles in quarterly installments
34 as provided in chapter 5 of title 44. The provisions of this section shall apply in all respects in the

1 case of taxes assessed upon motor vehicles by any fire district. [The division of motor vehicles](#)
2 [shall not add to the list the names and addresses of taxpayers that are received from any city or](#)
3 [town with fees payable under this subsection that have been outstanding for more than thirty \(30\)](#)
4 [days until such fees are paid in full.](#)

5 (b) The division of motor vehicles (the "division") shall provide a written notice to those
6 persons or other taxpayers (the "person") whose name appears on the list generated in accordance
7 with the provisions of subsection (a). This notice shall include:

8 (1) The name of the municipality or other entity providing the person's name to the
9 division; and

10 (2) A statement that the person identified on the list shall not be permitted to register any
11 motor vehicle until the tax matter has been resolved and the person's name is removed from the
12 list as provided for under subsection (a).

13 SECTION 7. Effective July 1, 2019, Sections 42-63.1-3 and 42-63.1-12 of the General
14 Laws in Chapter 42-63.1 entitled "Tourism and Development" are hereby amended to read as
15 follows:

16 **42-63.1-3. Distribution of tax.**

17 (a) For returns and tax payments received on or before December 31, 2015, except as
18 provided in § 42-63.1-12, the proceeds of the hotel tax, excluding such portion of the hotel tax
19 collected from residential units offered for tourist or transient use through a hosting platform,
20 shall be distributed as follows by the division of taxation and the city of Newport:

21 (1) Forty-seven percent (47%) of the tax generated by the hotels in the district, except as
22 otherwise provided in this chapter, shall be given to the regional tourism district wherein the hotel
23 is located; provided, however, that from the tax generated by the hotels in the city of Warwick,
24 thirty-one percent (31%) of the tax shall be given to the Warwick regional tourism district
25 established in § 42-63.1-5(a)(5) and sixteen percent (16%) of the tax shall be given to the Greater
26 Providence-Warwick Convention and Visitors' Bureau established in § 42-63.1-11; and provided
27 further, that from the tax generated by the hotels in the city of Providence, sixteen percent (16%)
28 of that tax shall be given to the Greater Providence-Warwick Convention and Visitors' Bureau
29 established by § 42-63.1-11, and thirty-one percent (31%) of that tax shall be given to the
30 Convention Authority of the city of Providence established pursuant to the provisions of chapter
31 84 of the public laws of January, 1980; provided, however, that the receipts attributable to the
32 district as defined in § 42-63.1-5(a)(7) shall be deposited as general revenues, and that the
33 receipts attributable to the district as defined in § 42-63.1-5(a)(8) shall be given to the Rhode
34 Island commerce corporation as established in chapter 64 of title 42.

1 (2) Twenty-five percent (25%) of the hotel tax shall be given to the city or town where
2 the hotel, which generated the tax, is physically located, to be used for whatever purpose the city
3 or town decides.

4 (3) Twenty-one (21%) of the hotel tax shall be given to the Rhode Island commerce
5 corporation established in chapter 64 of title 42, and seven percent (7%) to the Greater
6 Providence-Warwick Convention and Visitors' Bureau.

7 (b) For returns and tax payments received after December 31, 2015, except as provided in
8 § 42-63.1-12, the proceeds of the hotel tax, excluding such portion of the hotel tax collected from
9 residential units offered for tourist or transient use through a hosting platform, shall be distributed
10 as follows by the division of taxation and the city of Newport:

11 (1) For the tax generated by the hotels in the Aquidneck Island district, as defined in §
12 42-63.1-5, forty-two percent (42%) of the tax shall be given to the Aquidneck Island district,
13 twenty-five (25%) of the tax shall be given to the city or town where the hotel, which generated
14 the tax, is physically located, five percent (5%) of the tax shall be given to the Greater
15 Providence-Warwick Convention and Visitors Bureau established in § 42-63.1-11, and twenty-
16 eight percent (28%) of the tax shall be given to the Rhode Island commerce corporation
17 established in chapter 64 of title 42.

18 (2) For the tax generated by the hotels in the Providence district as defined in § 42-63.1-
19 5, twenty eight percent (28%) of the tax shall be given to the Providence district, twenty-five
20 percent (25%) of the tax shall be given to the city or town where the hotel, which generated the
21 tax, is physically located, twenty-three (23%) of the tax shall be given to the Greater Providence-
22 Warwick Convention and Visitors Bureau established in § 42-63.1-11, and twenty-four (24%) of
23 the tax shall be given to the Rhode Island commerce corporation established in chapter 64 of title
24 42.

25 (3) For the tax generated by the hotels in the Warwick district as defined in § 42-63.1-5,
26 twenty-eight percent (28%) of the tax shall be given to the Warwick District, twenty-five percent
27 (25%) of the tax shall be given to the city or town where the hotel, which generated the tax, is
28 physically located, twenty-three percent (23%) of the tax shall be given to the Greater
29 Providence-Warwick Convention and Visitors Bureau established in § 42-63.1-11, and twenty-
30 four (24%) of the tax shall be given to the Rhode Island commerce corporation established in
31 chapter 64 of title 42.

32 (4) For the tax generated by the hotels in the Statewide district, as defined in § 42-63.1-5,
33 twenty-five percent (25%) of the tax shall be given to the city or town where the hotel, which
34 generated the tax, is physically located, five percent (5%) of the tax shall be given to the Greater

1 Providence-Warwick Convention and Visitors Bureau established in § 42-63.1-11, and seventy
2 percent (70%) of the tax shall be given to the Rhode Island commerce corporation established in
3 chapter 64 of title 42.

4 (5) With respect to the tax generated by hotels in districts other than those set forth in
5 subdivisions (b)(1) through (b)(4), forty-two percent (42%) of the tax shall be given to the
6 regional tourism district, as defined in § 42-63.1-5, wherein the hotel is located, twenty-five
7 percent (25%) of the tax shall be given to the city or town where the hotel, which generated the
8 tax, is physically located, five percent (5%) of the tax shall be given to the Greater Providence-
9 Warwick Convention and Visitors Bureau established in § 42-63.1-11, and twenty-eight (28%) of
10 the tax shall be given to the Rhode Island commerce corporation established in chapter 64 of title
11 42.

12 (c) The proceeds of the hotel tax collected from residential units offered for tourist or
13 transient use through a hosting platform shall be distributed as follows by the division of taxation
14 and the city of Newport: ~~twenty five percent (25%)~~ twenty and eight tenths percent (20.8%) of
15 the tax shall be given to the city or town where the residential unit, which generated the tax, is
16 physically located, sixteen and seven tenths percent (16.7%) of the tax shall be given to general
17 revenue, and ~~seventy five percent (75%)~~ sixty-two and one half percent (62.5%) of the tax shall
18 be given to the Rhode Island commerce corporation established in chapter 64 of title 42.

19 (d) The Rhode Island commerce corporation shall be required in each fiscal year to spend
20 on the promotion and marketing of Rhode Island as a destination for tourists or businesses an
21 amount of money of no less than the total proceeds of the hotel tax it receives pursuant to this
22 chapter for such fiscal year.

23 (e) Notwithstanding the foregoing provisions of this section, for returns and tax payments
24 received on or after July 1, 2016, and on or before June 30, 2017, except as provided in § 42-
25 63.1-12, the proceeds of the hotel tax, excluding such portion of the hotel tax collected from
26 residential units offered for tourist or transient use through a hosting platform, shall be distributed
27 in accordance with the distribution percentages established in subsections (a)(1) through (a)(3) of
28 this section by the division of taxation and the city of Newport.

29 (f) For returns and tax payments received on or after July 1, 2018 and on or before June
30 30, 2019, except as provided in § 42-63.1-12, the proceeds of the hotel tax, excluding such
31 portion of the hotel tax collected from residential units offered for tourist or transient use through
32 a hosting platform, shall be distributed as follows by the division of taxation and the city of
33 Newport:

34 (1) For the tax generated by the hotels in the Aquidneck Island district, as defined in §

1 42-63.1-5, forty-five percent (45%) of the tax shall be given to the Aquidneck Island district,
2 twenty-five (25%) of the tax shall be given to the city or town where the hotel, which generated
3 the tax, is physically located, five percent (5%) of the tax shall be given to the Greater
4 Providence-Warwick Convention and Visitors Bureau established in § 42-63.1-11, and twenty-
5 five percent (25%) of the tax shall be given to the Rhode Island commerce corporation
6 established in chapter 64 of title 42.

7 (2) For the tax generated by the hotels in the Providence district as defined in § 42-63.1-
8 5, thirty percent (30%) of the tax shall be given to the Providence district, twenty-five percent
9 (25%) of the tax shall be given to the city or town where the hotel, which generated the tax, is
10 physically located, twenty-four (24%) of the tax shall be given to the Greater Providence-
11 Warwick Convention and Visitors Bureau established in § 42-63.1-11, and twenty-one (21%) of
12 the tax shall be given to the Rhode Island commerce corporation established in chapter 64 of title
13 42.

14 (3) For the tax generated by the hotels in the Warwick district as defined in § 42-63.1-5,
15 thirty percent (30%) of the tax shall be given to the Warwick District, twenty-five percent (25%)
16 of the tax shall be given to the city or town where the hotel, which generated the tax, is physically
17 located, twenty-four percent (24%) of the tax shall be given to the Greater Providence-Warwick
18 Convention and Visitors Bureau established in § 42-63.1-11, and twenty-one (21%) of the tax
19 shall be given to the Rhode Island commerce corporation established in chapter 64 of title 42.

20 (4) For the tax generated by the hotels in the Statewide district, as defined in § 42-63.1-5,
21 twenty-five percent (25%) of the tax shall be given to the city or town where the hotel, which
22 generated the tax, is physically located, five percent (5%) of the tax shall be given to the Greater
23 Providence-Warwick Convention and Visitors Bureau established in § 42-63.1-11, and seventy
24 percent (70%) of the tax shall be given to the Rhode Island commerce corporation established in
25 chapter 64 of title 42.

26 (5) With respect to the tax generated by hotels in districts other than those set forth in
27 subdivisions (b)(1) through (b)(4), forty-five percent (45%) of the tax shall be given to the
28 regional tourism district, as defined in § 42-63.1-5, wherein the hotel is located, twenty-five
29 percent (25%) of the tax shall be given to the city or town where the hotel, which generated the
30 tax, is physically located, five percent (5%) of the tax shall be given to the Greater Providence-
31 Warwick Convention and Visitors Bureau established in § 42-63.1-11, and twenty-five (25%) of
32 the tax shall be given to the Rhode Island commerce corporation established in chapter 64 of title
33 42.

34 [\(g\) For returns and tax payments received on or after July 1, 2019, except as provided in](#)

1 § 42-63.1-12, the proceeds of the hotel tax, excluding such portion of the hotel tax collected from
2 residential units offered for tourist or transient use through a hosting platform, shall be distributed
3 as follows by the division of taxation and the city of Newport:

4 (1) For the tax generated by the hotels in the Aquidneck Island district, as defined in §
5 42-63.1-5, thirty-seven and one half percent (37.5%) of the tax shall be given to the Aquidneck
6 Island district, twenty and eight tenths percent (20.8%) of the tax shall be given to the city or
7 town where the hotel, which generated the tax, is physically located, four and two tenths percent
8 (4.2%) of the tax shall be given to the Greater Providence-Warwick Convention and Visitors
9 Bureau established in § 42-63.1-11, sixteen and seven tenths percent (16.7%) of the tax shall be
10 transferred to General Revenue, and twenty and eight tenths percent (20.8%) of the tax shall be
11 given to the Rhode Island commerce corporation established in chapter 64 of title 42.

12 (2) For the tax generated by the hotels in the Providence district as defined in § 42-63.1-
13 5, twenty-five percent (25%) of the tax shall be given to the Providence district, twenty and eight
14 tenths percent (20.8%) of the tax shall be given to the city or town where the hotel, which
15 generated the tax, is physically located, twenty percent (20%) of the tax shall be given to the
16 Greater Providence-Warwick Convention and Visitors Bureau established in § 42-63.1-11,
17 sixteen and seven tenths percent (16.7%) of the tax shall be transferred to General Revenue, and
18 seventeen and one half percent (17.5%) of the tax shall be given to the Rhode Island commerce
19 corporation established in chapter 64 of title 42.

20 (3) For the tax generated by the hotels in the Warwick district as defined in § 42-63.1-5,
21 twenty-five percent (25%) of the tax shall be given to the Warwick District, twenty and eight
22 tenths percent (20.8%) of the tax shall be given to the city or town where the hotel, which
23 generated the tax, is physically located, twenty percent (20%) of the tax shall be given to the
24 Greater Providence-Warwick Convention and Visitors Bureau established in § 42-63.1-11,
25 sixteen and seven tenths percent (16.7%) of the tax shall be transferred to General Revenue, and
26 seventeen and one half percent (17.5%) of the tax shall be given to the Rhode Island commerce
27 corporation established in chapter 64 of title 42.

28 (4) For the tax generated by the hotels in the Statewide district, as defined in § 42-63.1-5,
29 twenty and eight tenths percent (20.8%) of the tax shall be given to the city or town where the
30 hotel, which generated the tax, is physically located, four and two tenths percent (4.2%) of the tax
31 shall be given to the Greater Providence-Warwick Convention and Visitors Bureau established in
32 § 42-63.1-11, sixteen and seven tenths percent (16.7%) of the tax shall be transferred to General
33 Revenue, and fifty-eight and three tenths(58.3%) of the tax shall be given to the Rhode Island
34 commerce corporation established in chapter 64 of title 42.

1 (5) With respect to the tax generated by hotels in districts other than those set forth in
2 subdivisions (g)(1) through (g)(4), thirty-seven and one half percent (37.5%) of the tax shall be
3 given to the regional tourism district, as defined in § 42-63.1-5, wherein the hotel is located,
4 twenty and eight tenths percent (20.8%) of the tax shall be given to the city or town where the
5 hotel, which generated the tax, is physically located, four and two tenths percent (4.2%) of the tax
6 shall be given to the Greater Providence-Warwick Convention and Visitors Bureau established in
7 § 42-63.1-11, sixteen and seven tenths percent (16.7%) of the tax shall be transferred to General
8 Revenue, twenty and eight tenths percent (20.8%) of the tax shall be given to the Rhode Island
9 commerce corporation established in chapter 64 of title 42.

10 **42-63.1-12. Distribution of tax to Rhode Island Convention Center Authority.**

11 (a) For returns and tax received on or before December 31, 2015, the proceeds of the
12 hotel tax generated by any and all hotels physically connected to the Rhode Island Convention
13 Center shall be distributed as follows: twenty-seven percent (27%) shall be deposited as general
14 revenues; thirty-one percent (31%) shall be given to the convention authority of the city of
15 Providence; twelve percent (12%) shall be given to the greater Providence-Warwick convention
16 and visitor's bureau; thirty percent (30%) shall be given to the Rhode Island convention center
17 authority to be used in the furtherance of the purposes set forth in § 42-99-4.

18 (b) For returns and tax received after December 31, 2015, the proceeds of the hotel tax
19 generated by any and all hotels physically connected to the Rhode Island Convention Center shall
20 be distributed as follows: twenty-eight percent (28%) shall be given to the convention authority of
21 the city of Providence; twelve percent (12%) shall be given to the greater Providence-Warwick
22 convention and visitor's bureau; and sixty percent (60%) shall be given to the Rhode Island
23 Commerce Corporation established in chapter 64 of title 42.

24 (c) The Rhode Island Convention Center Authority is authorized and empowered to enter
25 into contracts with the Greater Providence-Warwick Convention and Visitors' Bureau in the
26 furtherance of the purposes set forth in this chapter.

27 (d) For returns and tax received on or after July 1, 2018 and on or before June 30, 2019,
28 the proceeds of the hotel tax generated by any and all hotels physically connected to the Rhode
29 Island Convention Center shall be distributed as follows: thirty percent (30%) shall be given to
30 the convention authority of the city of Providence; twenty percent (20%) shall be given to the
31 greater Providence-Warwick convention and visitor's bureau; and fifty percent (50%) shall be
32 given to the Rhode Island Commerce Corporation established in chapter 64 of title 42.

33 (e) For returns and tax received on or after July 1, 2019, the proceeds of the hotel tax
34 generated by any and all hotels physically connected to the Rhode Island Convention Center shall

1 [be distributed as follows: twenty-five percent \(25%\) shall be given to the convention authority of](#)
2 [the city of Providence; sixteen and seven tenths percent \(16.7%\) shall be given to the greater](#)
3 [Providence-Warwick convention and visitor's bureau; sixteen and seven tenths percent \(16.7%\) of](#)
4 [the tax shall be given to General Revenue; and forty-one and six tenths percent \(41.6%\) shall be](#)
5 [given to the Rhode Island Commerce Corporation established in chapter 64 of title 42.](#)

6 SECTION 8. Section 42-142-8 of the General Laws in Chapter 42-142 entitled
7 "Department of Revenue" is hereby amended to read as follows:

8 **42-142-8. Collection unit.**

9 (a) The director of the department of revenue is authorized to establish within the
10 department of revenue a collection unit for the purpose of assisting state agencies in the collection
11 of debts owed to the state. The director of the department of revenue may enter into an agreement
12 with any state agency(ies) to collect any delinquent debt owed to the state.

13 (b) The director of the department of revenue shall initially implement a pilot program to
14 assist the agency(ies) with the collection of delinquent debts owed to the state.

15 (c) The agency(ies) participating in the pilot program shall refer to the collection unit
16 within the department of revenue, debts owed by delinquent debtors where the nature and amount
17 of the debt owed has been determined and reconciled by the agency and the debt is: (i) The
18 subject of a written settlement agreement and/or written waiver agreement and the delinquent
19 debtor has failed to timely make payments under said agreement and/or waiver and is therefore in
20 violation of the terms of said agreement and/or waiver; (ii) The subject of a final administrative
21 order or decision and the debtor has not timely appealed said order or decision; (iii) The subject
22 of final order, judgment or decision of a court of competent jurisdiction and the debtor has not
23 timely appealed said order, judgment or decision. The collection unit shall not accept a referral of
24 any delinquent debt unless it satisfies subsection (c)(i), (ii) or (iii) of this section.

25 (d) Any agency(ies) entering into an agreement with the department of revenue to allow
26 the collection unit of the department to collect a delinquent debt owed to the state shall indemnify
27 the department of revenue against injuries, actions, liabilities, or proceedings arising from the
28 collection, or attempted collection, by the collection unit of the debt owed to the state.

29 (e) Before referring a delinquent debt to the collection unit, the agency(ies) must notify
30 the debtor of its intention to submit the debt to the collection unit for collection and of the
31 debtor's right to appeal that decision not less than thirty (30) days before the debt is submitted to
32 the collection unit.

33 (f) At such time as the agency(ies) refers a delinquent debt to the collection unit, the
34 agency shall: (i) Represent in writing to the collection unit that it has complied with all applicable

1 state and federal laws and regulations relating to the collection of the debt, including, but not
2 limited to, the requirement to provide the debtor with the notice of referral to the collection unit
3 under subsection (e) of this section; and (ii) Provide the collection unit personnel with all relevant
4 supporting documentation including, but not limited to, notices, invoices, ledgers,
5 correspondence, agreements, waivers, decisions, orders, and judgments necessary for the
6 collection unit to attempt to collect the delinquent debt.

7 (g) The referring agency(ies) shall assist the collection unit by providing any and all
8 information, expertise, and resources deemed necessary by the collection unit to collect the
9 delinquent debts referred to the collection unit.

10 (h) Upon receipt of a referral of a delinquent debt from an agency(ies), the amount of the
11 delinquent debt shall accrue interest at ~~the an~~ annual rate of interest established by law for the
12 referring agency or at an annual rate of 13%, whichever percentage rate is greater. ~~with such rate~~
13 ~~determined by adding two percent (2%) to the prime rate which was in effect on October 1 of the~~
14 ~~preceding year; provided however, in no event shall the rate of interest exceed twenty one percent~~
15 ~~(21%) per annum nor be less than eighteen percent (18%) per annum.~~

16 (i) Upon receipt of a referral of a delinquent debt from the agency(ies), the collection unit
17 shall provide the delinquent debtor with a "Notice of Referral" advising the debtor that:

18 (1) The delinquent debt has been referred to the collection unit for collection; and

19 (2) The collection unit will initiate, in its names, any action that is available under state
20 law for the collection of the delinquent debt, including, but not limited to, referring the debt to a
21 third party to initiate said action.

22 (j) Upon receipt of a referral of a delinquent debt from an agency(ies), the director of the
23 department of revenue shall have the authority to institute, in its name, any action(s) that are
24 available under state law for collection of the delinquent debt and interest, penalties, and/or fees
25 thereon and to, with or without suit, settle the delinquent debt.

26 (k) In exercising its authority under this section, the collection unit shall comply with all
27 state and federal laws and regulations related to the collection of debts.

28 (l) Upon the receipt of payment from a delinquent debtor, whether a full or partial
29 payment, the collection unit shall disburse/deposit the proceeds of said payment in the following
30 order:

31 (1) To the appropriate federal account to reimburse the federal government funds owed to
32 them by the state from funds recovered; and

33 (2) The balance of the amount collected to the referring agency.

34 (m) Notwithstanding the above, the establishment of a collection unit within the

1 department of revenue shall be contingent upon an annual appropriation by the general assembly
2 of amounts necessary and sufficient to cover the costs and expenses to establish, maintain, and
3 operate the collection unit including, but not limited to, computer hardware and software,
4 maintenance of the computer system to manage the system, and personnel to perform work within
5 the collection unit.

6 (n) In addition to the implementation of any pilot program, the collection unit shall
7 comply with the provisions of this section in the collection of all delinquent debts under this
8 section.

9 (o) The department of revenue is authorized to promulgate rules and regulations as it
10 deems appropriate with respect to the collection unit.

11 (p) By September 1, 2020, and each year thereafter, the department of revenue shall
12 specifically assess the performance, effectiveness, and revenue impact of the collections
13 associated with this section, including, but not limited to, the total amounts referred and collected
14 by each referring agency during the previous state fiscal year to the governor, the speaker of the
15 house of representatives, the president of the senate, the chairpersons of the house and senate
16 finance committees, and the house and senate fiscal advisors. Such report shall include the net
17 revenue impact to the state of the collection unit.

18 (q) No operations of a collection unit pursuant to this chapter shall be authorized after
19 June 30, 2021.

20 SECTION 9. Sections 44-18-7, 44-18-7.1, 44-18-7.3, 44-18-8, 44-18-15, 44-18-15.2, 44-
21 18-20, 44-18-21, 44-18-22, 44-18-23, 44-18-25 and 44-18-30 of the General Laws in Chapter 44-
22 18 entitled "Sales and Use Taxes - Liability and Computation" are hereby amended to read as
23 follows:

24 **44-18-7. Sales defined.**

25 "Sales" means and includes:

26 (1) Any transfer of title or possession, exchange, barter, lease, or rental, conditional or
27 otherwise, in any manner or by any means of tangible personal property for a consideration.
28 "Transfer of possession", "lease", or "rental" includes transactions found by the tax administrator
29 to be in lieu of a transfer of title, exchange, or barter.

30 (2) The producing, fabricating, processing, printing, or imprinting of tangible personal
31 property for a consideration for consumers who furnish either directly or indirectly the materials
32 used in the producing, fabricating, processing, printing, or imprinting.

33 (3) The furnishing and distributing of tangible personal property for a consideration by
34 social, athletic, and similar clubs and fraternal organizations to their members or others.

1 (4) The furnishing, preparing, or serving for consideration of food, meals, or drinks,
2 including any cover, minimum, entertainment, or other charge in connection therewith.

3 (5) A transaction whereby the possession of tangible personal property is transferred, but
4 the seller retains the title as security for the payment of the price.

5 (6) Any withdrawal, except a withdrawal pursuant to a transaction in foreign or interstate
6 commerce, of tangible personal property from the place where it is located for delivery to a point
7 in this state for the purpose of the transfer of title or possession, exchange, barter, lease, or rental,
8 conditional or otherwise, in any manner or by any means whatsoever, of the property for a
9 consideration.

10 (7) A transfer for a consideration of the title or possession of tangible personal property,
11 which has been produced, fabricated, or printed to the special order of the customer, or any
12 publication.

13 (8) The furnishing and distributing of electricity, natural gas, artificial gas, steam,
14 refrigeration, and water.

15 (9)(i) The furnishing for consideration of intrastate, interstate, and international
16 telecommunications service sourced in this state in accordance with §§ 44-18.1-15 and 44-18.1-
17 16 and all ancillary services, and any maintenance services of telecommunication equipment
18 other than as provided for in § 44-18-12(b)(ii). For the purposes of chapters 18 and 19 of this title
19 only, telecommunication service does not include service rendered using a prepaid telephone
20 calling arrangement.

21 (ii) Notwithstanding the provisions of paragraph (i) of this subdivision, in accordance
22 with the Mobile Telecommunications Sourcing Act (4 U.S.C. §§ 116 -- 126), subject to the
23 specific exemptions described in 4 U.S.C. § 116(c), and the exemptions provided in §§ 44-18-8
24 and 44-18-12, mobile telecommunications services that are deemed to be provided by the
25 customer's home service provider are subject to tax under this chapter if the customer's place of
26 primary use is in this state regardless of where the mobile telecommunications services originate,
27 terminate, or pass through. Mobile telecommunications services provided to a customer, the
28 charges for which are billed by or for the customer's home service provider, shall be deemed to be
29 provided by the customer's home service provider.

30 (10) The furnishing of service for transmission of messages by telegraph, cable, or radio
31 and the furnishing of community antenna television, subscription television, and cable television
32 services.

33 (11) The rental of living quarters in any hotel, rooming house, or tourist camp.

34 (12) The transfer for consideration of prepaid telephone calling arrangements and the

1 recharge of prepaid telephone calling arrangements sourced to this state in accordance with §§
2 44-18.1-11 and 44-18.1-15. "Prepaid telephone calling arrangement" means and includes prepaid
3 calling service and prepaid wireless calling service.

4 (13) The sale, storage, use, or other consumption of over-the-counter drugs as defined in
5 § 44-18-7.1(h)(ii).

6 (14) The sale, storage, use, or other consumption of prewritten computer software
7 delivered electronically or by load and leave as defined in § 44-18-7.1(g)(v).

8 (15) The sale, storage, use, or other consumption of vendor-hosted prewritten computer
9 software as defined in § 44-18-7.1(g)(vii).

10 [\(16\) The sale, storage, use, or other consumption of specified digital products as defined](#)
11 [in 44-18-7.1\(x\).](#)

12 (17~~6~~) The sale, storage, use, or other consumption of medical marijuana as defined in §
13 21-28.6-3.

14 (18~~7~~) The furnishing of services in this state as defined in § 44-18-7.3.

15 **44-18-7.1. Additional definitions.**

16 (a) "Agreement" means the streamlined sales and use tax agreement.

17 (b) "Alcoholic beverages" means beverages that are suitable for human consumption and
18 contain one-half of one percent (.5%) or more of alcohol by volume.

19 (c) "Bundled transaction" is the retail sale of two or more products, except real property
20 and services to real property, where (1) The products are otherwise distinct and identifiable, and
21 (2) The products are sold for one non-itemized price. A "bundled transaction" does not include
22 the sale of any products in which the "sales price" varies, or is negotiable, based on the selection
23 by the purchaser of the products included in the transaction.

24 (i) "Distinct and identifiable products" does not include:

25 (A) Packaging -- such as containers, boxes, sacks, bags, and bottles -- or other materials -
26 - such as wrapping, labels, tags, and instruction guides -- that accompany the "retail sale" of the
27 products and are incidental or immaterial to the "retail sale" thereof. Examples of packaging that
28 are incidental or immaterial include grocery sacks, shoeboxes, dry cleaning garment bags, and
29 express delivery envelopes and boxes.

30 (B) A product provided free of charge with the required purchase of another product. A
31 product is "provided free of charge" if the "sales price" of the product purchased does not vary
32 depending on the inclusion of the products "provided free of charge."

33 (C) Items included in the member state's definition of "sales price," pursuant to appendix
34 C of the agreement.

1 (ii) The term "one non-itemized price" does not include a price that is separately
2 identified by product on binding sales or other supporting sales-related documentation made
3 available to the customer in paper or electronic form including, but not limited to, an invoice, bill
4 of sale, receipt, contract, service agreement, lease agreement, periodic notice of rates and
5 services, rate card, or price list.

6 (iii) A transaction that otherwise meets the definition of a "bundled transaction" as
7 defined above, is not a "bundled transaction" if it is:

8 (A) The "retail sale" of tangible personal property and a service where the tangible
9 personal property is essential to the use of the service, and is provided exclusively in connection
10 with the service, and the true object of the transaction is the service; or

11 (B) The "retail sale" of services where one service is provided that is essential to the use
12 or receipt of a second service and the first service is provided exclusively in connection with the
13 second service and the true object of the transaction is the second service; or

14 (C) A transaction that includes taxable products and nontaxable products and the
15 "purchase price" or "sales price" of the taxable products is de minimis.

16 1. De minimis means the seller's "purchase price" or "sales price" of the taxable products
17 is ten percent (10%) or less of the total "purchase price" or "sales price" of the bundled products.

18 2. Sellers shall use either the "purchase price" or the "sales price" of the products to
19 determine if the taxable products are de minimis. Sellers may not use a combination of the
20 "purchase price" and "sales price" of the products to determine if the taxable products are de
21 minimis.

22 3. Sellers shall use the full term of a service contract to determine if the taxable products
23 are de minimis; or

24 (D) The "retail sale" of exempt tangible personal property and taxable tangible personal
25 property where:

26 1. The transaction includes "food and food ingredients", "drugs", "durable medical
27 equipment", "mobility enhancing equipment", "over-the-counter drugs", "prosthetic devices" (all
28 as defined in this section) or medical supplies; and

29 2. Where the seller's "purchase price" or "sales price" of the taxable tangible personal
30 property is fifty percent (50%) or less of the total "purchase price" or "sales price" of the bundled
31 tangible personal property. Sellers may not use a combination of the "purchase price" and "sales
32 price" of the tangible personal property when making the fifty percent (50%) determination for a
33 transaction.

34 (d) "Certified automated system (CAS)" means software certified under the agreement to

1 calculate the tax imposed by each jurisdiction on a transaction, determine the amount of tax to
2 remit to the appropriate state, and maintain a record of the transaction.

3 (e) "Certified service provider (CSP)" means an agent certified under the agreement to
4 perform all the seller's sales and use tax functions, other than the seller's obligation to remit tax on
5 its own purchases.

6 (f) Clothing and related items.

7 (i) "Clothing" means all human wearing apparel suitable for general use.

8 (ii) "Clothing accessories or equipment" means incidental items worn on the person or in
9 conjunction with "clothing." "Clothing accessories or equipment" does not include "clothing",
10 "sport or recreational equipment", or "protective equipment."

11 (iii) "Protective equipment" means items for human wear and designed as protection of
12 the wearer against injury or disease or as protections against damage or injury of other persons or
13 property but not suitable for general use. "Protective equipment" does not include "clothing",
14 "clothing accessories or equipment", and "sport or recreational equipment."

15 (iv) "Sport or recreational equipment" means items designed for human use and worn in
16 conjunction with an athletic or recreational activity that are not suitable for general use. "Sport or
17 recreational equipment" does not include "clothing", "clothing accessories or equipment", and
18 "protective equipment."

19 (g) Computer and related items.

20 (i) "Computer" means an electronic device that accepts information in digital or similar
21 form and manipulates it for a result based on a sequence of instructions.

22 (ii) "Computer software" means a set of coded instructions designed to cause a
23 "computer" or automatic data processing equipment to perform a task.

24 (iii) "Delivered electronically" means delivered to the purchaser by means other than
25 tangible storage media.

26 (iv) "Electronic" means relating to technology having electrical, digital, magnetic,
27 wireless, optical, electromagnetic, or similar capabilities.

28 (v) "Load and leave" means delivery to the purchaser by use of a tangible storage media
29 where the tangible storage media is not physically transferred to the purchaser.

30 (vi) "Prewritten computer software" means "computer software," including prewritten
31 upgrades, that is not designed and developed by the author or other creator to the specifications of
32 a specific purchaser. The combining of two (2) or more "prewritten computer software"
33 programs or prewritten portions thereof does not cause the combination to be other than
34 "prewritten computer software." "Prewritten computer software" includes software designed and

1 developed by the author or other creator to the specifications of a specific purchaser when it is
2 sold to a person other than the specific purchaser. Where a person modifies or enhances
3 "computer software" of which the person is not the author or creator, the person shall be deemed
4 to be the author or creator only of such person's modifications or enhancements. "Prewritten
5 computer software" or a prewritten portion thereof that is modified or enhanced to any degree,
6 where such modification or enhancement is designed and developed to the specifications of a
7 specific purchaser, remains "prewritten computer software"; provided, however, that where there
8 is a reasonable, separately stated charge or an invoice or other statement of the price given to the
9 purchaser for such modification or enhancement, such modification or enhancement shall not
10 constitute "prewritten computer software."

11 (vii) "Vendor-hosted prewritten computer software" means prewritten computer software
12 that is accessed through the internet and/or a vendor-hosted server regardless of whether the
13 access is permanent or temporary and regardless of whether any downloading occurs.

14 (h) Drugs and related items.

15 (i) "Drug" means a compound, substance, or preparation, and any component of a
16 compound, substance, or preparation, other than "food and food ingredients," "dietary
17 supplements" or "alcoholic beverages":

18 (A) Recognized in the official United States Pharmacopoeia, official Homeopathic
19 Pharmacopoeia of the United States, or official National Formulary, and supplement to any of
20 them; or

21 (B) Intended for use in the diagnosis, cure, mitigation, treatment, or prevention of
22 disease; or

23 (C) Intended to affect the structure or any function of the body.

24 "Drug" shall also include insulin and medical oxygen whether or not sold on prescription.

25 (ii) "Over-the-counter drug" means a drug that contains a label that identifies the product
26 as a drug as required by 21 C.F.R. § 201.66. The "over-the-counter drug" label includes:

27 (A) A "Drug Facts" panel; or

28 (B) A statement of the "active ingredient(s)" with a list of those ingredients contained in
29 the compound, substance, or preparation.

30 "Over-the-counter drug" shall not include "grooming and hygiene products."

31 (iii) "Grooming and hygiene products" are soaps and cleaning solutions, shampoo,
32 toothpaste, mouthwash, antiperspirants, and suntan lotions and screens, regardless of whether the
33 items meet the definition of "over-the-counter drugs."

34 (iv) "Prescription" means an order, formula, or recipe issued in any form of oral, written,

1 electronic, or other means of transmission by a duly licensed practitioner authorized by the laws
2 of the member state.

3 (i) "Delivery charges" means charges by the seller of personal property or services for
4 preparation and delivery to a location designated by the purchaser of personal property or services
5 including, but not limited to: transportation, shipping, postage, handling, crating, and packing.

6 "Delivery charges" shall not include the charges for delivery of "direct mail" if the
7 charges are separately stated on an invoice or similar billing document given to the purchaser.

8 (j) "Direct mail" means printed material delivered or distributed by United States mail or
9 other delivery service to a mass audience or to addressees on a mailing list provided by the
10 purchaser or at the direction of the purchaser when the cost of the items are not billed directly to
11 the recipients. "Direct mail" includes tangible personal property supplied directly or indirectly by
12 the purchaser to the direct mail seller for inclusion in the package containing the printed material.
13 "Direct mail" does not include multiple items of printed material delivered to a single address.

14 (k) "Durable medical equipment" means equipment including repair and replacement
15 parts for same which:

- 16 (i) Can withstand repeated use; and
- 17 (ii) Is primarily and customarily used to serve a medical purpose; and
- 18 (iii) Generally is not useful to a person in the absence of illness or injury; and
- 19 (iv) Is not worn in or on the body.

20 Durable medical equipment does not include mobility enhancing equipment.

21 (l) Food and related items.

22 (i) "Food and food ingredients" means substances, whether in liquid, concentrated, solid,
23 frozen, dried, or dehydrated form, that are sold for ingestion or chewing by humans and are
24 consumed for their taste or nutritional value. "Food and food ingredients" does not include
25 "alcoholic beverages", "tobacco", "candy", "dietary supplements", and "soft drinks."

26 (ii) "Prepared food" means:

27 (A) Food sold in a heated state or heated by the seller;

28 (B) Two (2) or more food ingredients mixed or combined by the seller for sale as a single
29 item; or

30 (C) Food sold with eating utensils provided by the seller, including: plates, knives, forks,
31 spoons, glasses, cups, napkins, or straws. A plate does not include a container or packaging used
32 to transport the food.

33 "Prepared food" in (B) does not include food that is only cut, repackaged, or pasteurized
34 by the seller, and eggs, fish, meat, poultry, and foods containing these raw animal foods requiring

1 cooking by the consumer as recommended by the Food and Drug Administration in chapter 3,
2 part 401.11 of its Food Code so as to prevent food borne illnesses.

3 (iii) "Candy" means a preparation of sugar, honey, or other natural or artificial sweeteners
4 in combination with chocolate, fruits, nuts, or other ingredients or flavorings in the form of bars,
5 drops, or pieces. "Candy" shall not include any preparation containing flour and shall require no
6 refrigeration.

7 (iv) "Soft drinks" means non-alcoholic beverages that contain natural or artificial
8 sweeteners. "Soft drinks" do not include beverages that contain milk or milk products, soy, rice,
9 or similar milk substitutes, or greater than fifty percent (50%) of vegetable or fruit juice by
10 volume.

11 (v) "Dietary supplement" means any product, other than "tobacco", intended to
12 supplement the diet that:

13 (A) Contains one or more of the following dietary ingredients:

14 1. A vitamin;

15 2. A mineral;

16 3. An herb or other botanical;

17 4. An amino acid;

18 5. A dietary substance for use by humans to supplement the diet by increasing the total
19 dietary intake; or

20 6. A concentrate, metabolite, constituent, extract, or combination of any ingredient
21 described above; and

22 (B) Is intended for ingestion in tablet, capsule, powder, softgel, gelcap, or liquid form, or
23 if not intended for ingestion in such a form, is not represented as conventional food and is not
24 represented for use as a sole item of a meal or of the diet; and

25 (C) Is required to be labeled as a dietary supplement, identifiable by the "supplemental
26 facts" box found on the label and as required pursuant to 21 C.F.R. § 101.36.

27 (m) "Food sold through vending machines" means food dispensed from a machine or
28 other mechanical device that accepts payment.

29 (n) "Hotel" means every building or other structure kept, used, maintained, advertised as,
30 or held out to the public to be a place where living quarters are supplied for pay to transient or
31 permanent guests and tenants and includes a motel.

32 (i) "Living quarters" means sleeping rooms, sleeping or housekeeping accommodations,
33 or any other room or accommodation in any part of the hotel, rooming house, or tourist camp that
34 is available for or rented out for hire in the lodging of guests.

1 (ii) "Rooming house" means every house, boat, vehicle, motor court, or other structure
2 kept, used, maintained, advertised, or held out to the public to be a place where living quarters are
3 supplied for pay to transient or permanent guests or tenants, whether in one or adjoining
4 buildings.

5 (iii) "Tourist camp" means a place where tents or tent houses, or camp cottages, or cabins
6 or other structures are located and offered to the public or any segment thereof for human
7 habitation.

8 (o) "Lease or rental" means any transfer of possession or control of tangible personal
9 property for a fixed or indeterminate term for consideration. A lease or rental may include future
10 options to purchase or extend. Lease or rental does not include:

11 (i) A transfer of possession or control of property under a security agreement or deferred
12 payment plan that requires the transfer of title upon completion of the required payments;

13 (ii) A transfer of possession or control of property under an agreement that requires the
14 transfer of title upon completion of required payments and payment of an option price does not
15 exceed the greater of one hundred dollars (\$100) or one percent of the total required payments; or

16 (iii) Providing tangible personal property along with an operator for a fixed or
17 indeterminate period of time. A condition of this exclusion is that the operator is necessary for
18 the equipment to perform as designed. For the purpose of this subsection, an operator must do
19 more than maintain, inspect, or set-up the tangible personal property.

20 (iv) Lease or rental does include agreements covering motor vehicles and trailers where
21 the amount of consideration may be increased or decreased by reference to the amount realized
22 upon sale or disposition of the property as defined in 26 U.S.C. § 7701(h)(1).

23 (v) This definition shall be used for sales and use tax purposes regardless if a transaction
24 is characterized as a lease or rental under generally accepted accounting principles, the Internal
25 Revenue Code, the Uniform Commercial Code, or other provisions of federal, state, or local law.

26 (vi) This definition will be applied only prospectively from the date of adoption and will
27 have no retroactive impact on existing leases or rentals. This definition shall neither impact any
28 existing sale-leaseback exemption or exclusions that a state may have, nor preclude a state from
29 adopting a sale-leaseback exemption or exclusion after the effective date of the agreement.

30 (p) "Mobility enhancing equipment" means equipment, including repair and replacement
31 parts to same, that:

32 (i) Is primarily and customarily used to provide or increase the ability to move from one
33 place to another and that is appropriate for use either in a home or a motor vehicle; and

34 (ii) Is not generally used by persons with normal mobility; and

1 (iii) Does not include any motor vehicle or equipment on a motor vehicle normally
2 provided by a motor vehicle manufacturer.

3 Mobility enhancing equipment does not include durable medical equipment.

4 (q) "Model 1 Seller" means a seller that has selected a CSP as its agent to perform all the
5 seller's sales and use tax functions, other than the seller's obligation to remit tax on its own
6 purchases.

7 (r) "Model 2 Seller" means a seller that has selected a CAS to perform part of its sales
8 and use tax functions, but retains responsibility for remitting the tax.

9 (s) "Model 3 Seller" means a seller that has sales in at least five member states, has total
10 annual sales revenue of at least five hundred million dollars (\$500,000,000), has a proprietary
11 system that calculates the amount of tax due each jurisdiction, and has entered into a performance
12 agreement with the member states that establishes a tax performance standard for the seller. As
13 used in this definition, a seller includes an affiliated group of sellers using the same proprietary
14 system.

15 (t) "Prosthetic device" means a replacement, corrective, or supportive device including
16 repair and replacement parts for same worn on or in the body to:

17 (i) Artificially replace a missing portion of the body;

18 (ii) Prevent or correct physical deformity or malfunction; or

19 (iii) Support a weak or deformed portion of the body.

20 (u) "Purchaser" means a person to whom a sale of personal property is made or to whom
21 a service is furnished.

22 (v) "Purchase price" applies to the measure subject to use tax and has the same meaning
23 as sales price.

24 (w) "Seller" means a person making sales, leases, or rentals of personal property or
25 services.

26 (x) Specified Digital Products

27 (i) "Specified digital products" means electronically transferred:

28 (A) "Digital Audio-Visual Works" which means a series of related images which, when
29 shown in succession, impart an impression of motion, together with accompanying sounds, if any;

30 (B) "Digital Audio Works" which means works that result from the fixation of a series of
31 musical, spoken, or other sounds, including ringtones, and/or;

32 (C) "Digital Books" which means works that are generally recognized in the ordinary and
33 usual sense as "books".

34 (ii) For purposes of the definition of "digital audio works", "ringtones" means digitized

1 sound files that are downloaded onto a device and that may be used to alert the customer with
2 respect to a communication.

3 (iii) For purposes of the definitions of “specified digital products”, “transferred
4 electronically” means obtained by the purchaser by means other than tangible storage media.

5 (~~x~~y) "State" means any state of the United States and the District of Columbia.

6 (~~y~~z) "Telecommunications" tax base/exemption terms.

7 (i) Telecommunication terms shall be defined as follows:

8 (A) "Ancillary services" means services that are associated with or incidental to the
9 provision of "telecommunications services", including, but not limited to, "detailed
10 telecommunications billing", "directory assistance", "vertical service", and "voice mail services".

11 (B) "Conference bridging service" means an "ancillary service" that links two (2) or more
12 participants of an audio or video conference call and may include the provision of a telephone
13 number. "Conference bridging service" does not include the "telecommunications services" used
14 to reach the conference bridge.

15 (C) "Detailed telecommunications billing service" means an "ancillary service" of
16 separately stating information pertaining to individual calls on a customer's billing statement.

17 (D) "Directory assistance" means an "ancillary service" of providing telephone number
18 information, and/or address information.

19 (E) "Vertical service" means an "ancillary service" that is offered in connection with one
20 or more "telecommunications services", which offers advanced calling features that allow
21 customers to identify callers and to manage multiple calls and call connections, including
22 "conference bridging services".

23 (F) "Voice mail service" means an "ancillary service" that enables the customer to store,
24 send, or receive recorded messages. "Voice mail service" does not include any "vertical services"
25 that the customer may be required to have in order to utilize the "voice mail service".

26 (G) "Telecommunications service" means the electronic transmission, conveyance, or
27 routing of voice, data, audio, video, or any other information or signals to a point, or between or
28 among points. The term "telecommunications service" includes such transmission, conveyance,
29 or routing in which computer processing applications are used to act on the form, code, or
30 protocol of the content for purposes of transmission, conveyance, or routing without regard to
31 whether such service is referred to as voice over internet protocol services or is classified by the
32 Federal Communications Commission as enhanced or value added. "Telecommunications
33 service" does not include:

34 (1) Data processing and information services that allow data to be generated, acquired,

1 stored, processed, or retrieved and delivered by an electronic transmission to a purchaser where
2 such purchaser's primary purpose for the underlying transaction is the processed data or
3 information;

4 (2) Installation or maintenance of wiring or equipment on a customer's premises;

5 (3) Tangible personal property;

6 (4) Advertising, including, but not limited to, directory advertising;

7 (5) Billing and collection services provided to third parties;

8 (6) Internet access service;

9 (7) Radio and television audio and video programming services, regardless of the
10 medium, including the furnishing of transmission, conveyance, and routing of such services by
11 the programming service provider. Radio and television audio and video programming services
12 shall include, but not be limited to, cable service as defined in 47 U.S.C. § 522(6) and audio and
13 video programming services delivered by commercial mobile radio service providers as defined
14 in 47 C.F.R. § 20.3;

15 (8) "Ancillary services"; or

16 (9) Digital products "delivered electronically", including, but not limited to: software,
17 music, video, reading materials, or ring tones.

18 (H) "800 service" means a "telecommunications service" that allows a caller to dial a toll-
19 free number without incurring a charge for the call. The service is typically marketed under the
20 name "800", "855", "866", "877", and "888" toll-free calling, and any subsequent numbers
21 designated by the Federal Communications Commission.

22 (I) "900 service" means an inbound toll "telecommunications service" purchased by a
23 subscriber that allows the subscriber's customers to call in to the subscriber's prerecorded
24 announcement or live service. "900 service" does not include the charge for: collection services
25 provided by the seller of the "telecommunications services" to the subscriber, or service or
26 product sold by the subscriber to the subscriber's customer. The service is typically marketed
27 under the name "900 service," and any subsequent numbers designated by the Federal
28 Communications Commission.

29 (J) "Fixed wireless service" means a "telecommunications service" that provides radio
30 communication between fixed points.

31 (K) "Mobile wireless service" means a "telecommunications service" that is transmitted,
32 conveyed, or routed regardless of the technology used, whereby the origination and/or
33 termination points of the transmission, conveyance, or routing are not fixed, including, by way of
34 example only, "telecommunications services" that are provided by a commercial mobile radio

1 service provider.

2 (L) "Paging service" means a "telecommunications service" that provides transmission of
3 coded radio signals for the purpose of activating specific pagers; such transmissions may include
4 messages and/or sounds.

5 (M) "Prepaid calling service" means the right to access exclusively "telecommunications
6 services", which must be paid for in advance and that enables the origination of calls using an
7 access number or authorization code, whether manually or electronically dialed, and that is sold
8 in predetermined units or dollars of which the number declines with use in a known amount.

9 (N) "Prepaid wireless calling service" means a "telecommunications service" that
10 provides the right to utilize "mobile wireless service", as well as other non-telecommunications
11 services, including the download of digital products "delivered electronically", content and
12 "ancillary services" which must be paid for in advance that is sold in predetermined units of
13 dollars of which the number declines with use in a known amount.

14 (O) "Private communications service" means a telecommunications service that entitles
15 the customer to exclusive or priority use of a communications channel or group of channels
16 between or among termination points, regardless of the manner in which such channel or
17 channels are connected, and includes switching capacity, extension lines, stations, and any other
18 associated services that are provided in connection with the use of such channel or channels.

19 (P) "Value-added non-voice data service" means a service that otherwise meets the
20 definition of "telecommunications services" in which computer processing applications are used
21 to act on the form, content, code, or protocol of the information or data primarily for a purpose
22 other than transmission, conveyance, or routing.

23 (ii) "Modifiers of Sales Tax Base/Exemption Terms" -- the following terms can be used
24 to further delineate the type of "telecommunications service" to be taxed or exempted. The terms
25 would be used with the broader terms and subcategories delineated above.

26 (A) "Coin-operated telephone service" means a "telecommunications service" paid for by
27 inserting money into a telephone accepting direct deposits of money to operate.

28 (B) "International" means a "telecommunications service" that originates or terminates in
29 the United States and terminates or originates outside the United States, respectively. United
30 States includes the District of Columbia or a U.S. territory or possession.

31 (C) "Interstate" means a "telecommunications service" that originates in one United
32 States state, or a United States territory or possession, and terminates in a different United States
33 state or a United States territory or possession.

34 (D) "Intrastate" means a "telecommunications service" that originates in one United

1 States state or a United States territory or possession, and terminates in the same United States
2 state or a United States territory or possession.

3 (E) "Pay telephone service" means a "telecommunications service" provided through any
4 pay telephone.

5 (F) "Residential telecommunications service" means a "telecommunications service" or
6 "ancillary services" provided to an individual for personal use at a residential address, including
7 an individual dwelling unit such as an apartment. In the case of institutions where individuals
8 reside, such as schools or nursing homes, "telecommunications service" is considered residential
9 if it is provided to and paid for by an individual resident rather than the institution.

10 The terms "ancillary services" and "telecommunications service" are defined as a broad
11 range of services. The terms "ancillary services" and "telecommunications service" are broader
12 than the sum of the subcategories. Definitions of subcategories of "ancillary services" and
13 "telecommunications service" can be used by a member state alone or in combination with other
14 subcategories to define a narrower tax base than the definitions of "ancillary services" and
15 "telecommunications service" would imply. The subcategories can also be used by a member
16 state to provide exemptions for certain subcategories of the more broadly defined terms.

17 A member state that specifically imposes tax on, or exempts from tax, local telephone or
18 local telecommunications service may define "local service" in any manner in accordance with §
19 44-18.1-28, except as limited by other sections of this Agreement.

20 (z~~aa~~) "Tobacco" means cigarettes, cigars, chewing, or pipe tobacco, or any other item that
21 contains tobacco.

22 **44-18-7.3. Services defined.**

23 (a) "Services" means all activities engaged in for other persons for a fee, retainer,
24 commission, or other monetary charge, which activities involve the performance of a service in
25 this state as distinguished from selling property.

26 (b) "Service charges" means

27 (i) the amount paid for the right or privilege to have access to a place or location where
28 any of the services referenced below are provided; or

29 (ii) dues paid to any association, club, or organization regardless of the purpose for which
30 the dues are paid; and/or

31 (iii) any charges for privileges or facilities, or any initiation fees, defined as any payment,
32 contribution or loan required as a condition precedent to membership in any association, club or
33 organization that facilitate the provision of the services noted below above whether or not any
34 such payment, contribution or loan is evidenced by a certificate of interest or indebtedness or

1 [share of stock.](#)

2 (bc) The following businesses and services performed in this state, along with the
3 applicable ~~2007~~ [2017](#) North American Industrial Classification System (NAICS) codes, are
4 included, [but not limited to](#) in the definition of services [and/or service charges](#):

5 (1) Taxicab and limousine services including but not limited to:

6 (i) Taxicab services including taxi dispatchers (485310); and

7 (ii) Limousine services (485320).

8 (2) Other road transportation service including but not limited to:

9 (i) Charter bus service (485510);

10 (ii) "Transportation network companies" (TNC) defined as an entity that uses a digital
11 network to connect transportation network company riders to transportation network operators
12 who provide prearranged rides. Any TNC operating in this state is a retailer as provided in § 44-
13 18-15 and is required to file a business application and registration form and obtain a permit to
14 make sales at retail with the tax administrator, to charge, collect, and remit Rhode Island sales
15 and use tax; and

16 (iii) All other transit and ground passenger transportation (485999).

17 (3) Pet care services (812910) except veterinary and testing laboratories services.

18 (4)(i) "Room reseller" or "reseller" means any person, except a tour operator as defined in
19 § 42-63.1-2, having any right, permission, license, or other authority from or through a hotel as
20 defined in § 42-63.1-2, to reserve, or arrange the transfer of occupancy of, accommodations the
21 reservation or transfer of which is subject to this chapter, such that the occupant pays all or a
22 portion of the rental and other fees to the room reseller or reseller. Room reseller or reseller shall
23 include, but not be limited to, sellers of travel packages as defined in this section.
24 Notwithstanding the provisions of any other law, where said reservation or transfer of occupancy
25 is done using a room reseller or reseller, the application of the sales and use tax under §§ 44-18-
26 18 and 44-18-20, and the hotel tax under § 44-18-36.1 shall be as follows: The room reseller or
27 reseller is required to register with, and shall collect and pay to, the tax administrator the sales
28 and use and hotel taxes, with said taxes being calculated upon the amount of rental and other fees
29 paid by the occupant to the room reseller or reseller, less the amount of any rental and other fees
30 paid by the room reseller or reseller to the hotel. The hotel shall collect and pay to the tax
31 administrator said taxes upon the amount of rental and other fees paid to the hotel by the room
32 reseller or reseller and/or the occupant. No assessment shall be made by the tax administrator
33 against a hotel because of an incorrect remittance of the taxes under this chapter by a room
34 reseller or reseller. No assessment shall be made by the tax administrator against a room reseller

1 or reseller because of an incorrect remittance of the taxes under this chapter by a hotel. If the
2 hotel has paid the taxes imposed under this chapter, the occupant and/or room reseller or reseller,
3 as applicable, shall reimburse the hotel for said taxes. If the room reseller or reseller has paid said
4 taxes, the occupant shall reimburse the room reseller or reseller for said taxes. Each hotel and
5 room reseller or reseller shall add and collect, from the occupant or the room reseller or the
6 reseller, the full amount of the taxes imposed on the rental and other fees. When added to the
7 rental and other fees, the taxes shall be a debt owed by the occupant to the hotel or room reseller
8 or reseller, as applicable, and shall be recoverable at law in the same manner as other debts. The
9 amount of the taxes collected by the hotel and/or room reseller or reseller from the occupant
10 under this chapter shall be stated and charged separately from the rental and other fees, and shall
11 be shown separately on all records thereof, whether made at the time the transfer of occupancy
12 occurs, or on any evidence of the transfer issued or used by the hotel or the room reseller or the
13 reseller. A room reseller or reseller shall not be required to disclose to the occupant the amount of
14 tax charged by the hotel; provided, however, the room reseller or reseller shall represent to the
15 occupant that the separately stated taxes charged by the room reseller or reseller include taxes
16 charged by the hotel. No person shall operate a hotel in this state, or act as a room reseller or
17 reseller for any hotel in the state, unless the tax administrator has issued a permit pursuant to §
18 44-19-1.

19 (ii) "Travel package" means a room, or rooms, bundled with one or more other, separate
20 components of travel such as air transportation, car rental, or similar items, which travel package
21 is charged to the customer or occupant for a single, retail price. When the room occupancy is
22 bundled for a single consideration, with other property, services, amusement charges, or any other
23 items, the separate sale of which would not otherwise be subject to tax under this chapter, the
24 entire single consideration shall be treated as the rental or other fees for room occupancy subject
25 to tax under this chapter; provided, however, that where the amount of the rental, or other fees for
26 room occupancy is stated separately from the price of such other property, services, amusement
27 charges, or other items, on any sales slip, invoice, receipt, or other statement given the occupant,
28 and such rental and other fees are determined by the tax administrator to be reasonable in relation
29 to the value of such other property, services, amusement charges, or other items, only such
30 separately stated rental and other fees will be subject to tax under this chapter. The value of the
31 transfer of any room, or rooms, bundled as part of a travel package may be determined by the tax
32 administrator from the room reseller's and/or reseller's and/or hotel's books and records that are
33 kept in the regular course of business.

34 (5) Investigation, Guard, and Armored Car Services (~~56161~~ [561611, 561612 & 561613](#)).

1 (6) Hunting, Trapping, and Shooting Services (114210 & 713990).

2 (i) Exception: Special assessments, as a service charge, that are made for the construction
3 or reconstruction of any capital addition to any such facility are exempt from the sales and use tax
4 except that, in the case of any such amount which is not expended for such construction or
5 reconstruction within three years after the date of payment of the special assessment, the entity
6 that levied the special assessment, including any successors thereto, shall be liable for the sales
7 and use tax owed on the unexpended amount.

8 (7) Lobbying Services as defined in § 42-139.1-3(a)(3) (541820)

9 (i) Lobbying services do not include such activities when directed at the government of
10 the United States, another state of the United States other than Rhode Island, or political
11 subdivision of any other state, or another country.

12 (8) Interior Design Services (541410)

13 (9) Commercial Buildings Services (561710, 561720, 561730, 561740, 561790)

14 (i) "Residential, also referred to as residential unit or dwelling" means a room or rooms,
15 including a condominium or a room or a dwelling unit that forms part of a single, joint or shared
16 tenant arrangement in any building, or portion thereof, which is designed, built, and leased to be
17 occupied for non-commercial use.

18 (ii) Any entity operating in this state, providing services to real property zoned for and
19 occupied by both residential and non-residential tenants, is a retailer as provided in §44-18-15
20 and is required to file a business application and registration form and obtain a permit to make
21 sales at retail with the tax administrator, and to charge, collect, and remit Rhode Island sales and
22 use tax on service charges if more than half of the square footage of the property is used for
23 commercial purposes.

24 (iii) Building and dwelling services provided to real property exclusively zoned for and
25 occupied solely by residential tenants, including home offices, shall be exempt from sales tax.

26 (ed) All services as defined herein are required to file a business application and
27 registration form and obtain a permit to make sales at retail with the tax administrator, to charge,
28 collect, and remit Rhode Island sales and use tax.

29 (de) The tax administrator is authorized to promulgate rules and regulations in
30 accordance with the provisions of chapter 35 of title 42 to carry out the provisions, policies, and
31 purposes of this chapter.

32 **44-18-8. Retail sale or sale at retail defined.**

33 A "retail sale" or "sale at retail" means any sale, lease, or rentals of tangible personal
34 property, prewritten computer software delivered electronically or by load and leave, vendor-

1 hosted prewritten computer software, [specified digital products](#), or services as defined in § 44-18-
2 7.3 for any purpose other than resale, sublease, or subrent in the regular course of business. The
3 sale of tangible personal property to be used for purposes of rental in the regular course of
4 business is considered to be a sale for resale. In regard to telecommunications service as defined
5 in § 44-18-7(9), retail sale does not include the purchase of telecommunications service by a
6 telecommunications provider from another telecommunication provider for resale to the ultimate
7 consumer; provided, that the purchaser submits to the seller a certificate attesting to the
8 applicability of this exclusion, upon receipt of which the seller is relieved of any tax liability for
9 the sale.

10 **44-18-15. "Retailer" defined.**

11 (a) "Retailer" includes:

12 (1) Every person engaged in the business of making sales at retail including prewritten
13 computer software delivered electronically or by load and leave, vendor-hosted prewritten
14 computer software, [specified digital products](#), sales of services as defined in § 44-18-7.3, and
15 sales at auction of tangible personal property owned by the person or others.

16 (2) Every person making sales of tangible personal property including prewritten
17 computer software delivered electronically or by load and leave, or vendor-hosted prewritten
18 computer software [or specified digital products](#), or sales of services as defined in § 44-18-7.3,
19 through an independent contractor or other representative, if the retailer enters into an agreement
20 with a resident of this state, under which the resident, for a commission or other consideration,
21 directly or indirectly refers potential customers, whether by a link on an internet website or
22 otherwise, to the retailer, provided the cumulative gross receipts from sales by the retailer to
23 customers in the state who are referred to the retailer by all residents with this type of an
24 agreement with the retailer, is in excess of five thousand dollars (\$5,000) during the preceding
25 four (4) quarterly periods ending on the last day of March, June, September and December. Such
26 retailer shall be presumed to be soliciting business through such independent contractor or other
27 representative, which presumption may be rebutted by proof that the resident with whom the
28 retailer has an agreement did not engage in any solicitation in the state on behalf of the retailer
29 that would satisfy the nexus requirement of the United States Constitution during such four (4)
30 quarterly periods.

31 (3) Every person engaged in the business of making sales for storage, use, or other
32 consumption of: (i) tangible personal property, (ii) sales at auction of tangible personal property
33 owned by the person or others, (iii) prewritten computer software delivered electronically or by
34 load and leave, (iv) vendor-hosted prewritten computer software, [\(v\) specified digital products](#),

1 and (~~v~~vi) services as defined in § 44-18-7.3.

2 (4) A person conducting a horse race meeting with respect to horses, which are claimed
3 during the meeting.

4 (5) Every person engaged in the business of renting any living quarters in any hotel as
5 defined in § 42-63.1-2, rooming house, or tourist camp.

6 (6) Every person maintaining a business within or outside of this state who engages in the
7 regular or systematic solicitation of sales of tangible personal property, prewritten computer
8 software delivered electronically or by load and leave, vendor-hosted prewritten computer
9 software, and/or specified digital products in this State by means of:

10 (i) Advertising in newspapers, magazines, and other periodicals published in this state,
11 sold over the counter in this state or sold by subscription to residents of this state, billboards
12 located in this state, airborne advertising messages produced or transported in the airspace above
13 this state, display cards and posters on common carriers or any other means of public conveyance
14 incorporated or operated primarily in this state, brochures, catalogs, circulars, coupons,
15 pamphlets, samples, and similar advertising material mailed to, or distributed within this state to
16 residents of this state;

17 (ii) Telephone;

18 (iii) Computer assisted shopping networks; and

19 (iv) Television, radio or any other electronic media, which is intended to be broadcast to
20 consumers located in this state.

21 (b) When the tax administrator determines that it is necessary for the proper
22 administration of chapters 18 and 19 of this title to regard any salespersons, representatives,
23 truckers, peddlers, or canvassers as the agents of the dealers, distributors, supervisors, employers,
24 or persons under whom they operate or from whom they obtain the tangible personal property
25 sold by them, irrespective of whether they are making sales on their own behalf or on behalf of
26 the dealers, distributors, supervisors, or employers, the tax administrator may so regard them and
27 may regard the dealers, distributors, supervisors, or employers as retailers for purposes of
28 chapters 18 and 19 of this title.

29 **44-18-15.2. "Remote seller" and "remote sale" defined -- Collection of sales and use**
30 **tax by remote seller.**

31 (a) As used in this section:

32 (1) "Remote seller" means ~~a person who makes remote sales in this state.~~ any seller, other
33 than a marketplace facilitator or referrer, who does not have a physical presence in this state and
34 makes retail sales to purchasers.

1 ~~(2) "Remote sale" means a sale into this state for which the seller would not legally be~~
2 ~~required to pay, collect, or remit state or local sales and use taxes unless provided by federal law.~~

3 (b) Upon passage of any federal law authorizing states to require remote sellers to collect
4 and remit sales and use taxes, this state will require a remote seller making remote sales in the
5 state to pay, collect, and remit sales and use taxes at the rate imposed under § 44-18-18, and in
6 accordance with the provisions of this article, chapters 18.1 and 19 of this title, and applicable
7 federal law.

8 **44-18-20. Use tax imposed.**

9 (a) An excise tax is imposed on the storage, use, or other consumption in this state of
10 tangible personal property; prewritten computer software delivered electronically or by load and
11 leave; vendor-hosted prewritten computer software; [specified digital products](#); or services as
12 defined in § 44-18-7.3, including a motor vehicle, a boat, an airplane, or a trailer, purchased from
13 any retailer at the rate of six percent (6%) of the sale price of the property.

14 (b) An excise tax is imposed on the storage, use, or other consumption in this state of a
15 motor vehicle, a boat, an airplane, or a trailer purchased from other than a licensed motor vehicle
16 dealer or other than a retailer of boats, airplanes, or trailers respectively, at the rate of six percent
17 (6%) of the sale price of the motor vehicle, boat, airplane, or trailer.

18 (c) The word "trailer," as used in this section and in § 44-18-21, means and includes those
19 defined in § 31-1-5(a) -- (f) and also includes boat trailers, camping trailers, house trailers, and
20 mobile homes.

21 (d) Notwithstanding the provisions contained in this section and in § 44-18-21 relating to
22 the imposition of a use tax and liability for this tax on certain casual sales, no tax is payable in
23 any casual sale:

24 (1) When the transferee or purchaser is the spouse, mother, father, brother, sister, or child
25 of the transferor or seller;

26 (2) When the transfer or sale is made in connection with the organization, reorganization,
27 dissolution, or partial liquidation of a business entity, provided:

28 (i) The last taxable sale, transfer, or use of the article being transferred or sold was
29 subjected to a tax imposed by this chapter;

30 (ii) The transferee is the business entity referred to or is a stockholder, owner, member, or
31 partner; and

32 (iii) Any gain or loss to the transferor is not recognized for income tax purposes under the
33 provisions of the federal income tax law and treasury regulations and rulings issued thereunder;

34 (3) When the sale or transfer is of a trailer, other than a camping trailer, of the type

1 ordinarily used for residential purposes and commonly known as a house trailer or as a mobile
2 home; or

3 (4) When the transferee or purchaser is exempt under the provisions of § 44-18-30 or
4 other general law of this state or special act of the general assembly of this state.

5 (e) The term "casual" means a sale made by a person other than a retailer, provided, that
6 in the case of a sale of a motor vehicle, the term means a sale made by a person other than a
7 licensed motor vehicle dealer or an auctioneer at an auction sale. In no case is the tax imposed
8 under the provisions of subsections (a) and (b) of this section on the storage, use, or other
9 consumption in this state of a used motor vehicle less than the product obtained by multiplying
10 the amount of the retail dollar value at the time of purchase of the motor vehicle by the applicable
11 tax rate; provided, that where the amount of the sale price exceeds the amount of the retail dollar
12 value, the tax is based on the sale price. The tax administrator shall use as his or her guide the
13 retail dollar value as shown in the current issue of any nationally recognized, used-vehicle guide
14 for appraisal purposes in this state. On request within thirty (30) days by the taxpayer after
15 payment of the tax, if the tax administrator determines that the retail dollar value as stated in this
16 subsection is inequitable or unreasonable, he or she shall, after affording the taxpayer reasonable
17 opportunity to be heard, re-determine the tax.

18 (f) Every person making more than five (5) retail sales of tangible personal property or
19 prewritten computer software delivered electronically or by load and leave, or vendor-hosted
20 prewritten computer software, [or specified digital products](#), or services as defined in § 44-18-7.3
21 during any twelve-month (12) period, including sales made in the capacity of assignee for the
22 benefit of creditors or receiver or trustee in bankruptcy, is considered a retailer within the
23 provisions of this chapter.

24 (g)(1) "Casual sale" includes a sale of tangible personal property not held or used by a
25 seller in the course of activities for which the seller is required to hold a seller's permit or permits
26 or would be required to hold a seller's permit or permits if the activities were conducted in this
27 state, provided that the sale is not one of a series of sales sufficient in number, scope, and
28 character (more than five (5) in any twelve-month (12) period) to constitute an activity for which
29 the seller is required to hold a seller's permit or would be required to hold a seller's permit if the
30 activity were conducted in this state.

31 (2) Casual sales also include sales made at bazaars, fairs, picnics, or similar events by
32 nonprofit organizations, that are organized for charitable, educational, civic, religious, social,
33 recreational, fraternal, or literary purposes during two (2) events not to exceed a total of six (6)
34 days duration each calendar year. Each event requires the issuance of a permit by the division of

1 taxation. Where sales are made at events by a vendor that holds a sales tax permit and is not a
2 nonprofit organization, the sales are in the regular course of business and are not exempt as casual
3 sales.

4 (h) The use tax imposed under this section for the period commencing July 1, 1990, is at
5 the rate of seven percent (7%). In recognition of the work being performed by the streamlined
6 sales and use tax governing board, upon passage of any federal law that authorizes states to
7 require remote sellers to collect and remit sales and use taxes, effective the first (1st) day of the
8 first (1st) state fiscal quarter following the change, the rate imposed under § 44-18-18 shall be
9 reduced from seven percent (7.0%) to six and one-half percent (6.5%). The six and one- half
10 percent (6.5%) rate shall take effect on the date that the state requires remote sellers to collect and
11 remit sales and use taxes.

12 **44-18-21. Liability for use tax.**

13 (a) Every person storing, using, or consuming in this state tangible personal property,
14 including a motor vehicle, boat, airplane, or trailer, purchased from a retailer, and a motor
15 vehicle, boat, airplane, or trailer, purchased from other than a licensed motor vehicle dealer or
16 other than a retailer of boats, airplanes, or trailers respectively; or storing, using or consuming
17 specified prewritten computer software delivered electronically or by load and leave, or vendor-
18 hosted prewritten computer software, [or specified digital products](#), or services as defined in § 44-
19 18-7.3 is liable for the use tax. The person's liability is not extinguished until the tax has been
20 paid to this state, except that a receipt from a retailer engaging in business in this state or from a
21 retailer who is authorized by the tax administrator to collect the tax under rules and regulations
22 that he or she may prescribe, given to the purchaser pursuant to the provisions of § 44-18-22, is
23 sufficient to relieve the purchaser from further liability for the tax to which the receipt refers.

24 (b) Each person before obtaining an original or transferral registration for any article or
25 commodity in this state, which article or commodity is required to be licensed or registered in the
26 state, shall furnish satisfactory evidence to the tax administrator that any tax due under this
27 chapter with reference to the article or commodity has been paid, and for the purpose of effecting
28 compliance, the tax administrator, in addition to any other powers granted to him or her, may
29 invoke the provisions of § 31-3-4 in the case of a motor vehicle. The tax administrator, when he
30 or she deems it to be for the convenience of the general public, may authorize any agency of the
31 state concerned with the licensing or registering of these articles or commodities to collect the use
32 tax on any articles or commodities which the purchaser is required by this chapter to pay before
33 receiving an original or transferral registration. The general assembly shall annually appropriate a
34 sum that it deems necessary to carry out the purposes of this section. Notwithstanding the

1 provisions of §§ 44-18-19, 44-18-22, and 44-18-24, the sales or use tax on any motor vehicle
2 and/or recreational vehicle requiring registration by the administrator of the division of motor
3 vehicles shall not be added by the retailer to the sale price or charge but shall be paid directly by
4 the purchaser to the tax administrator, or his or her authorized deputy or agent as provided in this
5 section.

6 (c) In cases involving total loss or destruction of a motor vehicle occurring within one
7 hundred twenty (120) days from the date of purchase and upon which the purchaser has paid the
8 use tax, the amount of the tax constitutes an overpayment. The amount of the overpayment may
9 be credited against the amount of use tax on any subsequent vehicle which the owner acquires to
10 replace the lost or destroyed vehicle or may be refunded, in whole or in part.

11 **44-18-22. Collection of use tax by retailer.**

12 Every retailer engaging in business in this state and making sales of tangible personal
13 property or prewritten computer software delivered electronically or by load and leave, or vendor-
14 hosted prewritten computer software, [or specified digital products](#), or services as defined in § 44-
15 18-7.3, for storage, use, or other consumption in this state, not exempted under this chapter shall,
16 at the time of making the sales, or if the storage, use, or other consumption of the tangible
17 personal property, prewritten computer software delivered electronically or by load and leave,
18 vendor-hosted prewritten computer software, [or specified digital products](#), or services as defined
19 in § 44-18-7.3, is not then taxable under this chapter, at the time the storage, use, or other
20 consumption becomes taxable, collect the tax from the purchaser and give to the purchaser a
21 receipt in the manner and form prescribed by the tax administrator.

22 **44-18-23. "Engaging in business" defined.**

23 As used in §§ 44-18-21 and 44-18-22 the term "engaging in business in this state" means
24 the selling or delivering in this state, or any activity in this state related to the selling or delivering
25 in this state of tangible personal property or prewritten computer software delivered electronically
26 or by load and leave, or vendor-hosted prewritten computer software, [or specified digital](#)
27 [products](#), for storage, use, or other consumption in this state; or services as defined in § 44-18-7.3
28 in this state. This term includes, but is not limited to, the following acts or methods of transacting
29 business:

30 (1) Maintaining, occupying, or using in this state permanently or temporarily, directly or
31 indirectly or through a subsidiary, representative, or agent by whatever name called and whether
32 or not qualified to do business in this state, any office, place of distribution, sales or sample room
33 or place, warehouse or storage place, or other place of business;

34 (2) Having any subsidiary, representative, agent, salesperson, canvasser, or solicitor

1 permanently or temporarily, and whether or not the subsidiary, representative, or agent is
2 qualified to do business in this state, operate in this state for the purpose of selling, delivering, or
3 the taking of orders for any tangible personal property, or prewritten computer software delivered
4 electronically or by load and leave, or vendor-hosted prewritten computer software, [or specified](#)
5 [digital products](#), or services as defined in § 44-18-7.3;

6 (3) The regular or systematic solicitation of sales of tangible personal property, or
7 prewritten computer software delivered electronically or by load and leave, or vendor-hosted
8 prewritten computer software, [or specified digital products](#), or services as defined in § 44-18-7.3,
9 in this state by means of:

10 (i) Advertising in newspapers, magazines, and other periodicals published in this state,
11 sold over the counter in this state or sold by subscription to residents of this state, billboards
12 located in this state, airborne advertising messages produced or transported in the air space above
13 this state, display cards and posters on common carriers or any other means of public conveyance
14 incorporated or operating primarily in this state, brochures, catalogs, circulars, coupons,
15 pamphlets, samples, and similar advertising material mailed to, or distributed within this state to
16 residents of this state;

17 (ii) Telephone;

18 (iii) Computer-assisted shopping networks; and

19 (iv) Television, radio or any other electronic media, which is intended to be broadcast to
20 consumers located in this state.

21 **44-18-25. Presumption that sale is for storage, use, or consumption -- Resale**
22 **certificate.**

23 It is presumed that all gross receipts are subject to the sales tax, and that the use of all
24 tangible personal property, or prewritten computer software delivered electronically or by load
25 and leave, or vendor-hosted prewritten computer software, [or specified digital products](#), or
26 services as defined in § 44-18-7.3, are subject to the use tax, and that all tangible personal
27 property, or prewritten computer software delivered electronically or by load and leave, or
28 vendor-hosted prewritten computer software, [or specified digital products](#), or services as defined
29 in § 44-18-7.3, sold or in processing or intended for delivery or delivered in this state is sold or
30 delivered for storage, use, or other consumption in this state, until the contrary is established to
31 the satisfaction of the tax administrator. The burden of proving the contrary is upon the person
32 who makes the sale and the purchaser, unless the person who makes the sale takes from the
33 purchaser a certificate to the effect that the purchase was for resale. The certificate shall contain
34 any information and be in the form that the tax administrator may require.

1 SECTION 10. Section 44-18-36.1 of the General Laws in Chapter 44-18 entitled "Sales
2 and Use Taxes - Liability and Computation" is hereby amended to read as follows:

3 **44-18-36.1. Hotel tax.**

4 (a) There is imposed a hotel tax of ~~five percent (5%)~~ six percent (6%) upon the total
5 consideration charged for occupancy of any space furnished by any hotel, travel packages, or
6 room reseller or reseller as defined in § 44-18-7.3(b) in this state. A house, condominium, or
7 other resident dwelling shall be exempt from the ~~five percent (5%)~~ six percent (6%) hotel tax
8 under this subsection if the house, condominium, or other resident dwelling is rented in its
9 entirety. The hotel tax is in addition to any sales tax imposed. This hotel tax is administered and
10 collected by the division of taxation and unless provided to the contrary in this chapter, all the
11 administration, collection, and other provisions of chapters 18 and 19 of this title apply. Nothing
12 in this chapter shall be construed to limit the powers of the convention authority of the city of
13 Providence established pursuant to the provisions of chapter 84 of the public laws of 1980, except
14 that distribution of hotel tax receipts shall be made pursuant to chapter 63.1 of title 42 rather than
15 chapter 84 of the public laws of 1980.

16 (b) There is hereby levied and imposed, upon the total consideration charged for
17 occupancy of any space furnished by any hotel in this state, in addition to all other taxes and fees
18 now imposed by law, a local hotel tax at a rate of one percent (1%). The local hotel tax shall be
19 administered and collected in accordance with subsection (a).

20 (c) All sums received by the division of taxation from the local hotel tax, penalties or
21 forfeitures, interest, costs of suit and fines shall be distributed at least quarterly, credited and paid
22 by the state treasurer to the city or town where the space for occupancy that is furnished by the
23 hotel is located. Unless provided to the contrary in this chapter, all of the administration,
24 collection, and other provisions of chapters 18 and 19 of this title shall apply.

25 (d) Notwithstanding the provisions of subsection (a) of this section, the city of Newport
26 shall have the authority to collect from hotels located in the city of Newport the tax imposed by
27 subsection (a) of this section.

28 (1) Within ten (10) days of collection of the tax, the city of Newport shall distribute the
29 tax as provided in § 42-63.1-3. No later than the first day of March and the first day of September
30 in each year in which the tax is collected, the city of Newport shall submit to the division of
31 taxation a report of the tax collected and distributed during the six (6) month period ending thirty
32 (30) days prior to the reporting date.

33 (2) The city of Newport shall have the same authority as the division of taxation to
34 recover delinquent hotel taxes pursuant to chapter 44-19, and the amount of any hotel tax, penalty

1 and interest imposed by the city of Newport until collected constitutes a lien on the real property
2 of the taxpayer.

3 In recognition of the work being performed by the Streamlined Sales and Use Tax
4 Governing Board, upon any federal law which requires remote sellers to collect and remit taxes,
5 effective the first (1st) day of the first (1st) state fiscal quarter following the change, the rate
6 imposed under § 44-18-36.1(b) shall be one and one-half percent (1.5%).

7 SECTION 11. Effective upon passage unless otherwise specified herein, the title of
8 Chapter 44-18.2 of the General Laws entitled "Sales and Use Tax – Non-Collecting Retailers,
9 Referrers, and Retail Sale Facilitators Act" and Sections 44-18.2-2, 44-18.2-3, 44-18.2-4, 44-
10 18.2-5, and 44-18.2-6 of the General Laws in Chapter 44-18.2 entitled "Sales and Use Tax – Non-
11 Collecting Retailers, Referrers, and Retail Sale Facilitators Act" is hereby amended to read as
12 follows: are hereby amended to read as follows:

13 ~~CHAPTER 44-18.2~~

14 ~~Sales and Use Tax—Non-Collecting Retailers, Referrers, and Retail Sale Facilitators Act~~

15 CHAPTER 44-18.2

16 SALES AND USE TAXES – REMOTE SELLERS, REFERRERS, AND
17 MARKETPLACE FACILITATORS ACT

18 **44-18.2-2. Definitions.**

19 For the purposes of this chapter:

20 (1) "Division of taxation" means the Rhode Island department of revenue, division of
21 taxation. The division may also be referred to in this chapter as the "division of taxation", "tax
22 division", or "division."

23 (2) "In-state customer" means a person or persons who makes a purchase of tangible
24 personal property, prewritten computer software delivered electronically or by load and leave as
25 defined in § 44-18-7.1(g)(v), vendor-hosted prewritten computer software, specified digital
26 products, and/or taxable services as defined under § 44-18-1 et seq. for use, storage, and/or other
27 consumption in this state.

28 (3) "In-state software" means software used by in-state customers on their computers,
29 smartphones, and other electronic and/or communication devices, including information or
30 software such as cached files, cached software, or "cookies", or other data tracking tools, that are
31 stored on property in this state or distributed within this state, for the purpose of purchasing
32 tangible personal property, prewritten computer software delivered electronically or by load and
33 leave, vendor-hosted prewritten computer software, specified digital products, and/or taxable
34 services.

1 (4) “Marketplace” means a physical or electronic place including, but not limited to, a
2 store,
3 booth, Internet website, catalog, television or radio broadcast, or a dedicated sales
4 software application where tangible personal property, prewritten computer software delivered
5 electronically or by load and leave, vendor-hosted prewritten computer software, specified digital
6 products, and/or taxable services is/are sold or offered for sale for delivery in this state regardless
7 of whether the tangible personal property, prewritten computer software delivered electronically
8 or by load and leave, vendor-hosted prewritten computer software, or specified digital products
9 have a physical presence in the state.

10 (5) “Marketplace facilitator” means any person or persons that contracts or otherwise
11 agrees with a marketplace seller to facilitate for consideration, regardless of whether deducted as
12 fees from the transaction, the sale of the marketplace seller’s products through a physical or
13 electronic marketplace operated by the person or persons, and engages:

14 (a) Directly or indirectly, through one or more affiliated persons in any of the following:

15 (i) Transmitting or otherwise communicating the offer or acceptance between the buyer
16 and seller;

17 (ii) Owning or operating the infrastructure, electronic or physical, or technology that
18 brings buyers and sellers together;

19 (iii) Providing a virtual currency that buyers are allowed or required to use to purchase
20 products from the seller; or

21 (iv) Software development or research and development activities related to any of the
22 activities described in (b) of this subsection (5), if such activities are directly related to a physical
23 or electronic marketplace operated by the person or an affiliated person; and

24 (b) In any of the following activities with respect to the seller’s products:

25 (i) Payment processing services;

26 (ii) Fulfillment or storage services;

27 (iii) Listing products for sale;

28 (iv) Setting prices;

29 (v) Branding sales as those of the marketplace facilitator;

30 (vi) Order taking;

31 (vii) Advertising or promotion; or

32 (viii) Providing customer service or accepting or assisting with returns or exchanges.

33 (6) “Marketplace seller” means a person, not a related party to a marketplace facilitator,
34 who has an agreement with a marketplace facilitator and makes retail sales of tangible personal

1 property, prewritten computer software delivered electronically or by load and leave, vendor-
2 hosted prewritten computer software, specified digital products, and/or taxable services through a
3 marketplace owned, operated, or controlled by a marketplace facilitator, whether or not such
4 person is required to register to collect and remit sales tax.

5 (47) "Non-collecting retailer" means any person or persons who meets at least one of the
6 following criteria:

7 (A) Uses in-state software to make sales at retail of tangible personal property, prewritten
8 computer software delivered electronically or by load and leave, and/or taxable services; or

9 (B) Sells, leases, or delivers in this state, or participates in any activity in this state in
10 connection with the selling, leasing, or delivering in this state, of tangible personal property,
11 prewritten computer software delivered electronically or by load and leave, and/or taxable
12 services for use, storage, distribution, or consumption within this state. This includes, but shall
13 not be limited to, any of the following acts or methods of transacting business:

14 (i) Engaging in, either directly or indirectly through a referrer, retail sale facilitator, or
15 other third party, direct response marketing targeted at in-state customers. For purposes of this
16 subsection, direct response marketing includes, but is not limited to, sending, transmitting, or
17 broadcasting via flyers, newsletters, telephone calls, targeted electronic mail, text messages,
18 social media messages, targeted mailings; collecting, analyzing and utilizing individual data on
19 in-state customers; using information or software, including cached files, cached software, or
20 "cookies", or other data tracking tools, that are stored on property in or distributed within this
21 state; or taking any other action(s) that use persons, tangible property, intangible property, digital
22 files or information, or software in this state in an effort to enhance the probability that the
23 person's contacts with a potential in-state customer will result in a sale to that in-state customer;

24 (ii) Entering into one or more agreements under which a person or persons who has
25 physical presence in this state refers, either directly or indirectly, potential in-state customers of
26 tangible personal property, prewritten computer software delivered electronically or by load and
27 leave, and/or taxable services to the non-collecting retailer for a fee, commission, or other
28 consideration whether by an internet-based link or an internet website, or otherwise. An
29 agreement under which a non-collecting retailer purchases advertisements from a person or
30 persons in this state to be delivered in this state on television, radio, in print, on the internet or by
31 any other medium in this state, shall not be considered an agreement under this subsection (ii),
32 unless the advertisement revenue or a portion thereof paid to the person or persons in this state
33 consists of a fee, commission, or other consideration that is based in whole or in part upon sales
34 of tangible personal property, prewritten computer software delivered electronically or by load

1 and leave, and/or taxable services; or

2 (iii) Using a retail sale facilitator to sell, lease, or deliver in this state, or participate in any
3 activity in this state in connection with the selling, leasing, or delivering in this state, of tangible
4 personal property, prewritten computer software delivered electronically or by load and leave,
5 and/or taxable services for use, storage, or consumption in this state.

6 (C) Uses a sales process that includes listing, branding, or selling tangible personal
7 property, prewritten computer software delivered electronically or by load and leave, and/or
8 taxable services for sale, soliciting, processing orders, fulfilling orders, providing customer
9 service and/or accepting or assisting with returns or exchanges occurring in this state, regardless
10 of whether that part of the process has been subcontracted to an affiliate or third party. The sales
11 process for which the in-state customer is charged not more than the basic charge for shipping
12 and handling as used in this subsection shall not include shipping via a common carrier or the
13 United States mail;

14 (D) Offers its tangible personal property, prewritten computer software delivered
15 electronically or by load and leave, and/or taxable services for sale through one or more retail sale
16 facilitators that has physical presence in this state;

17 (E) Is related to a person that has physical presence in this state, and such related person
18 with a physical presence in this state:

19 (i) Sells tangible personal property, prewritten computer software delivered electronically
20 or by load and leave, and/or taxable services that are the same or substantially similar to that sold
21 by a non-collecting retailer under a business name that is the same or substantially similar to that
22 of the non-collecting retailer;

23 (ii) Maintains an office, distribution facility, salesroom, warehouse, storage place, or
24 other similar place of business in this state to facilitate the delivery of tangible personal property,
25 prewritten computer software delivered electronically or by load and leave, and/or taxable
26 services sold by the non-collecting retailer;

27 (iii) Uses, with consent or knowledge of the non-collecting retailer, trademarks, service
28 marks, or trade names in this state that are the same or substantially similar to those used by the
29 non-collecting retailer;

30 (iv) Delivers or has delivered (except for delivery by common carrier or United States
31 mail for which the in-state customer is charged not more than the basic charge for shipping and
32 handling), installs, or assembles tangible personal property in this state, or performs maintenance
33 or repair services on tangible personal property in this state, which tangible personal property is
34 sold to in-state customers by the non-collecting retailer;

1 (v) Facilitates the delivery of tangible personal property purchased from a non-collecting
2 retailer but delivered in this state by allowing an in-state customer to pick up the tangible personal
3 property at an office distribution facility, salesroom, warehouse, storage place, or other similar
4 place of business maintained in this state; or

5 (vi) Shares management, business systems, business practices, computer resources,
6 communication systems, payroll, personnel, or other such business resources and activities with
7 the non-collecting retailer, and/or engages in intercompany transactions with the non-collecting
8 retailer, either or both of which relate to the activities that establish or maintain the non-collecting
9 retailer's market in this state.

10 (F) Any person or persons who meets at least one of the criteria in subsections (47)(A) --
11 (47)(E) above shall be presumed to be a non-collecting retailer.

12 (G) The term "non-collecting retailer" will no longer apply to any entity that meets the
13 definition of this subsection on or after July 1, 2019, at which time such entity shall be classified
14 as a "remote seller" as referenced in R.I. Gen. Laws § 44-18-15.2.

15 (58) "Person" means person as defined in § 44-18-6.

16 (69) "Referrer" means every person who:

17 (A) Contracts or otherwise agrees with a retailer to list and/or advertise for sale in this
18 state tangible personal property, prewritten computer software delivered electronically or by load
19 and leave, vendor-hosted prewritten computer software, specified digital products, and/or taxable
20 services in any forum, including, but not limited to, a catalog or internet website;

21 (B) Receives a fee, commission, and/or other consideration from a retailer for the listing
22 and/or advertisement;

23 (C) Transfers, via in-state software, internet link, or otherwise, an in-state customer to the
24 retailer or the retailer's employee, affiliate, or website to complete a purchase; and

25 (D) Does not collect payments from the in-state customer for the transaction.

26 (E) A person or persons who engages in the activity set forth in all of the activities set
27 forth in subsections (69)(A) -- (69)(D) above shall be presumed to be a referrer.

28 (710) "Related" means:

29 (A) Having a relationship with the non-collecting retailer within the meaning of the
30 internal revenue code of 1986 as amended; or

31 (B) Having one or more ownership relationships and a purpose of having the ownership
32 relationship is to avoid the application of this chapter.

33 (811) A "retail sale" or "sale at retail" means any retail sale or sale at retail as defined in §
34 44-18-8.

1 (912) "Retail sale facilitator" means any person or persons that facilitates a sale by a
2 retailer by engaging in the following types of activities:

3 (A) Using in-state software to make sales at retail of tangible personal property,
4 prewritten computer software delivered electronically or by load and leave, and/or taxable
5 services; or

6 (B) Contracting or otherwise agreeing with a retailer to list and/or advertise for sale
7 tangible personal property, prewritten computer software delivered electronically or by load and
8 leave, and/or taxable services in any forum, including, but not limited to, a catalog or internet
9 website; and

10 (C) Either directly or indirectly through agreements or arrangements with third parties,
11 collecting payments from the in-state customer and transmitting those payments to a retailer. A
12 person or persons may be a retail sale facilitator regardless of whether they deduct any fees from
13 the transaction. The division may define in regulation circumstances under which a retail sale
14 facilitator shall be deemed to facilitate a retail sale.

15 (D) A person or persons who engages in the type of activity set forth in subsection
16 (912)(A) above or both of the types of activities set forth in subsections (912)(B) and (912)(C)
17 above shall be presumed to be a retail sale facilitator.

18 (E) The term "retail sale facilitator" will no longer apply to any entity that meets the
19 definition of this subsection on or after July 1, 2019, at which time such entity shall be classified
20 as a "marketplace facilitator" as referenced above in R.I. Gen. Laws § 44-18.2-2(5).

21 (139) A "retailer" means retailer as defined in § 44-18-15.

22 (14) "Specified digital products" refers to the same term as defined in R.I. Gen. Laws §
23 44-18-7.1(x) effective July 1, 2019.

24 (15+) "State" means the State of Rhode Island and Providence Plantations.

25 (162) "Streamlined agreement" means the Streamlined Sales and Use Tax Agreement as
26 referenced in § 44-18.1-1 et seq.

27 (17) "Vendor-hosted prewritten computer software" refers to the same term as defined in
28 R.I. Gen. Laws § 44-18-7.1(g)(vii) effective October 1, 2018.

29 **44-18.2-3. Requirements for non-collecting retailers, referrers, and retail sale**
30 **facilitators.**

31 (A) Except as otherwise provided below in § 44-18.2-4, beginning on the later of July 15,
32 2017, or two (2) weeks after the enactment of this chapter, and for each tax year thereafter prior
33 to July 1, 2019, or the effective date of the amendment of this chapter, any non-collecting retailer,
34 referrer, or retail sale facilitator, as defined in this chapter, that in the immediately preceding

1 calendar year either:

2 (i) Has gross revenue from the sale of tangible personal property, prewritten computer
3 software delivered electronically or by load and leave, and/or has taxable services delivered into
4 this state equal to or exceeding one hundred thousand dollars (\$100,000); or

5 (ii) Has sold tangible personal property, prewritten computer software delivered
6 electronically or by load and leave, and/or taxable services for delivery into this state in two
7 hundred (200) or more separate transactions shall comply with the requirements in subsections
8 ~~(EF)~~, ~~(FG)~~, and ~~(GH)~~ as applicable.

9 (B) A non-collecting retailer, as defined in this chapter, shall comply with subsection
10 ~~(EF)~~ below if it meets the criteria of either subsection (A)(i) or (A)(ii) above.

11 (C) A referrer, as defined in this chapter, shall comply with subsection ~~(FG)~~ below if it
12 meets the criteria of either subsection (A)(i) or (A)(ii) above.

13 (D) A retail sale facilitator, as defined in this chapter, shall comply with subsection ~~(GH)~~
14 below if it meets the criteria of either subsection (A)(i) or (A)(ii) above.

15 (E) Any noncollecting retailer, retail sale facilitator, and/or referrer that is collecting and
16 remitting sales tax into this state prior to the enactment of this amended chapter, date to be
17 inserted after enactment, shall be deemed a remote seller and/or a marketplace seller and/or
18 marketplace facilitator and/or referrer upon amendment of this chapter and shall continue to
19 collect and remit sales tax. Beginning on ninety (90) days after the enactment of this amended
20 chapter, date to be inserted after enactment, any remote seller, marketplace seller, marketplace
21 facilitator, and/or referrer, as defined in this chapter, who is not collecting and remitting sales tax
22 shall comply with the requirements in subsection (I) if that remote seller, marketplace seller,
23 marketplace facilitator, and/or referrer, as defined in this chapter has not been collecting or
24 remitting sales tax in this state and, in the immediately preceding calendar year either:

25 (i) Has gross revenue from the sale of tangible personal property, prewritten computer
26 software delivered electronically or by load and leave, vendor-hosted prewritten computer
27 software, specified digital products, and/or has taxable services delivered into this state equal to
28 or exceeding one hundred thousand dollars (\$100,000); or

29 (ii) Has sold tangible personal property, prewritten computer software delivered
30 electronically or by load and leave, vendor-hosted prewritten computer software, specified digital
31 products, and/or taxable services for delivery into this state in two hundred (200) or more separate
32 transactions shall comply with the requirements in subsection (I).

33 ~~(EF)~~ Non-collecting retailer. A non-collecting retailer shall either register in this state for
34 a permit to make sales at retail and collect and remit sales and use tax on all taxable sales into the

1 state or:

2 (1) Post a conspicuous notice on its website that informs in-state customers that sales or
3 use tax is due on certain purchases made from the non-collecting retailer and that this state
4 requires the in-state customer to file a sales or use tax return;

5 (2) At the time of purchase, notify in-state customers that sales or use tax is due on
6 taxable purchases made from the non-collecting retailer and that the state of Rhode Island
7 requires the in-state customer to file a sales or use tax return;

8 (3) Within forty-eight (48) hours of the time of purchase, notify in-state customers in
9 writing that sales or use tax is due on taxable purchases made from the non-collecting retailer and
10 that this state requires the in-state customer to file a sales or use tax return reflecting said
11 purchase;

12 (4) On or before January 31 of each year, including January 31, 2018, for purchases made
13 in calendar year 2017, send a written notice to all in-state customers who have cumulative annual
14 taxable purchases from the non-collecting retailer totaling one hundred dollars (\$100) or more for
15 the prior calendar year. The notification shall show the name of the non-collecting retailer, the
16 total amount paid by the in-state customer to the non-collecting retailer in the previous calendar
17 year, and, if available, the dates of purchases, the dollar amount of each purchase, and the
18 category or type of the purchase, including, whether the purchase is exempt or not exempt from
19 taxation in Rhode Island. The notification shall include such other information as the division
20 may require by rule and regulation. The notification shall state that the state of Rhode Island
21 requires a sales or use tax return to be filed and sales or use tax to be paid on certain categories or
22 types of purchases made by the in-state customer from the non-collecting retailer. The
23 notification shall be sent separately to all in-state customers by first-class mail and shall not be
24 included with any other shipments or mailings. The notification shall include the words
25 "Important Tax Document Enclosed" on the exterior of the mailing; and

26 (5) Beginning on February 15, 2018, and not later than each February 15 thereafter, a
27 non-collecting retailer that has not registered in this state for a permit to make sales at retail and
28 collect and remit sales and use tax on all taxable sales into the state for any portion of the prior
29 calendar year, shall file with the division on such form and/or in such format as the division
30 prescribes an attestation that the non-collecting retailer has complied with the requirements of
31 subsections ~~(E)~~(1) – ~~(E)~~(4) herein.

32 ~~(G)~~ Referrer. At such time during any calendar year, or any portion thereof, that a
33 referrer receives more than ten thousand dollars (\$10,000) from fees, commissions, and/or other
34 compensation paid to it by retailers with whom it has a contract or agreement to list and/or

1 advertise for sale tangible personal property, prewritten computer software delivered
2 electronically or by load and leave, and/or taxable services, said referrer shall within thirty (30)
3 days provide written notice to all such retailers that the retailers' sales may be subject to this
4 state's sales and use tax.

5 ~~(G)~~ (H) Retail sale facilitator. Beginning January 15, 2018, and each year thereafter, a retail
6 sale facilitator shall provide the division of taxation with:

7 (i) A list of names and addresses of the retailers for whom during the prior calendar year
8 the retail sale facilitator collected Rhode Island sales and use tax; and

9 (ii) A list of names and addresses of the retailers who during the prior calendar year used
10 the retail sale facilitator to serve in-state customers but for whom the retail sale facilitator did not
11 collect Rhode Island sales and use tax.

12 (I) Remote sellers, referrers, and marketplace facilitators. A remote seller, referrer, and
13 marketplace facilitator shall register in this state for a permit to make sales at retail and collect
14 and remit sales and use tax on all taxable sales into the state.

15 (i) A marketplace facilitator shall collect sales and use tax on all sales made through the
16 marketplace to purchasers in this state whether or not the marketplace seller (1) has or is required
17 to have a permit to make sales at retail or (2) would have been required to collect and remit sales
18 and use tax had the sale not been made through the marketplace provider.

19 (ii) A marketplace facilitator shall certify to its marketplace sellers that it will collect and
20 remit sales and use tax on sales of taxable items made through the marketplace. A marketplace
21 seller that accepts a marketplace provider's collection certificate in good faith may exclude sales
22 made through the marketplace from the marketplace seller's returns under Chapters 18 and 19 of
23 Title 44 of the Rhode Island General Laws.

24 (iii) A marketplace facilitator with respect to a sale of tangible personal property it
25 facilitates:

26 (A) shall have all the obligations and rights of a retailer under Chapters 18 and 19 of Title
27 44 of the Rhode Island General Laws and under any regulations adopted pursuant thereto,
28 including, but not limited to, the duty to obtain a certificate of authority, to collect tax, file
29 returns, remit tax, and the right to accept a certificate or other documentation from a customer
30 substantiating an exemption or exclusion from tax, the right to receive a refund or credit allowed
31 by law; and (B) shall keep such records and information and cooperate with the tax administrator
32 to ensure the proper collection and remittance of tax imposed, collected, or required to be
33 collected under Chapters 18 and 19 of Title 44 of the Rhode Island General Laws.

34 (iv) A marketplace facilitator shall be subject to audit by the tax administrator with

1 respect to all retail sales for which it is required to collect and pay the tax imposed under Chapters
2 18 and 19 of Title 44 of the Rhode Island General Laws. Where the tax administrator audits the
3 marketplace facilitator, the tax administrator is prohibited from auditing the marketplace seller for
4 the same retail sales unless the marketplace facilitator seeks relief under this subsection (iv).

5 (v) If the marketplace facilitator demonstrates to the tax administrator's satisfaction that
6 the marketplace facilitator has made a reasonable effort to obtain accurate information from the
7 marketplace seller about a retail sale and that the failure to collect and pay the correct amount of
8 tax imposed under Chapters 18 and 19 of Title 44 of the Rhode Island General Laws was due to
9 incorrect information provided to the marketplace facilitator by the marketplace seller, then the
10 marketplace facilitator shall be relieved of liability of the tax for that retail sale. This subsection
11 (v) does not apply with regard to a retail sale for which the marketplace facilitator is the seller or
12 if the marketplace facilitator and seller are affiliates. Where the marketplace facilitator is relieved
13 under this subsection (v), the seller is liable for the tax imposed under Chapters 18 and 19 of Title
14 44 of the Rhode Island General Laws.

15 (vi) A class action may not be brought against a marketplace facilitator on behalf of
16 purchasers arising from or in any way related to an overpayment of sales or use tax collected by
17 the marketplace facilitator, regardless of whether such action is characterized as a tax refund
18 claim. Nothing in this subsection (vi) shall affect a purchaser's right to seek a refund as otherwise
19 allowed by law.

20 ~~(HJ)~~ Any person or entity that engages in any activity or activities of a non-collecting
21 retailer, referrer, and/or retail sale facilitator as defined herein shall be presumed to be a non-
22 collecting retailer, referrer, and/or retail sale facilitator as applicable even if referred to by another
23 name or designation. Said person or entity shall be subject to the terms and conditions set forth in
24 this chapter.

25 **44-18.2-4. Exceptions for referrers and retail sale facilitators.**

26 (A)(i) Notwithstanding the provisions of § 44-18.2-3, no retail sale facilitator shall be
27 required to comply with the provisions of § 44-18.2-3~~(GH)~~, for any sale where the retail sale
28 facilitator within ninety (90) days of the date of the sale has been provided either:

29 (1) A copy of the retailer's Rhode Island sales tax permit to make sales at retail in this
30 state or its resale certificate as applicable; or

31 (2) Evidence of a fully completed Rhode Island or Streamlined agreement sales and use
32 tax exemption certificate.

33 (ii) Notwithstanding the provisions of § 44-18.2-3, no referrer shall be required to comply
34 with the provisions of § 44-18.2-3~~(FG)~~ for any referral where the referrer within ninety (90) days

1 of the date of the sale has been provided either:

2 (1) A copy of the retailer's Rhode Island sales tax permit to make sales at retail in this
3 state or its resale certificate as applicable; or

4 (2) Evidence of a fully completed Rhode Island or Streamlined agreement sales and use
5 tax exemption certificate.

6 (B) Nothing in this section shall be construed to interfere with the ability of a non-
7 collecting retailer, referrer, or retail sale facilitator and a retailer to enter into agreements with
8 each other; provided, however, the terms of said agreements shall not in any way be inconsistent
9 with or contravene the requirements of this chapter.

10 (C) The provisions of subsections (A) and (B) herein will not be applicable as of July 1,
11 2019 or the effective date of the amendment of this chapter.

12 **44-18.2-5. Penalties.**

13 Prior to the effective date of the enactment of the amendment of this chapter, date to be
14 inserted upon enactment, Aany non-collecting retailer, referrer, or retail sale facilitator that fails
15 to comply with any of the requirements of this chapter shall be subject to a penalty of ten dollars
16 (\$10.00) for each such failure, but not ~~more~~less than a total penalty of ten thousand dollars
17 (\$10,000) per calendar year. As of July 1, 2019, or prior to the effective date of the enactment of
18 the amendment of this chapter, date to be inserted upon enactment, any remote seller, referrer, or
19 marketplace facilitator that fails to comply with any of the requirements of this chapter shall be
20 subject to a penalty of ten dollars (\$10.00) for each such failure, but not less than a total penalty
21 of ten thousand dollars (\$10,000) per calendar year. Each instance of failing to comply with the
22 requirements of this chapter shall constitute a separate violation for purposes of calculating the
23 penalty under this section. This penalty shall be in addition to any other applicable penalties
24 under title 44.

25 **44-18.2-6. Other obligations.**

26 (A) Nothing in this section affects the obligation of any in-state customer to remit use tax
27 as to any applicable transaction in which the seller, non-collecting retailer, or retail sale
28 facilitator, remote seller, marketplace seller, marketplace facilitator or referrer has not collected
29 and remitted the sales tax for said transaction.

30 (B) Nothing in this chapter shall be construed as relieving any other person or entity
31 otherwise required to collect and remit sales and use tax under applicable Rhode Island law from
32 continuing to do so.

33 (C) In the event that any section of this chapter is later determined to be unlawful, no
34 person, persons, or entity shall have a cause of action against the person that collected and

1 remitted the sales and use tax pursuant to this chapter.

2 SECTION 12. Effective October 1, 2019, Section 44-19-7 of the General Laws in
3 Chapter 44-19 entitled "Sales and Use Taxes - Enforcement and Collection" is hereby amended to
4 read as follows:

5 **44-19-7. Registration of retailers.**

6 Every retailer selling tangible personal property or prewritten computer software
7 delivered electronically or by load and leave or vendor-hosted prewritten computer software [or](#)
8 [specified digital products](#) for storage, use, or other consumption in this state, as well as services
9 as defined in § 44-18-7.3, in this state, or renting living quarters in any hotel as defined in § 42-
10 63.1-2, rooming house, or tourist camp in this state must register with the tax administrator and
11 give the name and address of all agents operating in this state, the location of all distribution or
12 sales houses or offices, or of any hotel as defined in § 42-63.1-2, rooming house, or tourist camp
13 or other places of business in this state, and other information that the tax administrator may
14 require.

15 SECTION 13. The title and Sections 44-20-1, 44-20-2, 44-20-3, 44-20-4, 44-20-5, and
16 44-20-8.2 of the General Laws in Chapter 44-20 entitled "Cigarette and Other Tobacco Products
17 Tax" are hereby amended to read as follows:

18 CHAPTER 20

19 CIGARETTE, OTHER TOBACCO PRODUCTS, [AND E-LIQUID PRODUCTS TAX](#)

20 **44-20-1. Definitions.**

21 Whenever used in this chapter, unless the context requires otherwise:

22 (1) "Administrator" means the tax administrator;

23 (2) "Cigarettes" means and includes any cigarettes suitable for smoking in cigarette form,
24 and each sheet of cigarette rolling paper, including but not limited to, paper made into a hollow
25 cylinder or cone, made with paper or any other material, with or without a filter suitable for use in
26 making cigarettes;

27 (3) "Dealer" means any person whether located within or outside of this state, who sells
28 or distributes cigarettes [and/or other tobacco products](#) and/or electronic nicotine-delivery system
29 products to a consumer in this state;

30 [\(4\) "E-liquid" and "e-liquid products" mean: any liquid or substance placed in or sold for](#)
31 [use in an electronic nicotine-delivery system which generally utilizes a heating element that](#)
32 [vaporizes or combusts a liquid or other substance containing nicotine or nicotine derivative:](#)

33 [\(a\) whether the liquid or substance contains nicotine or a nicotine derivative; or,](#)

34 [\(b\) whether sold separately or sold in combination with a personal vaporizer, electronic](#)

1 [nicotine delivery system or an electronic inhaler.](#)

2 [\(5\) "Electronic nicotine-delivery system products" means an electronic device that may](#)
3 [be used to simulate smoking in the delivery of nicotine or other substance to a person inhaling](#)
4 [from the device, and includes, but is not limited to, an electronic cigarette, electronic cigar,](#)
5 [electronic cigarillo, electronic pipe, electronic hookah, or e-liquid, or any related device or any](#)
6 [cartridge or other component of such device. Electronic nicotine-delivery system products shall](#)
7 [not include Hemp-derived consumable CBD products as defined in 44-49.1-2.](#)

8 ~~(4)~~ "Distributor" means any person:

9 (A) Whether located within or outside of this state, other than a dealer, who sells or
10 distributes cigarettes and/or other tobacco products [and/or electronic nicotine-delivery system](#)
11 [products](#) within or into this state. Such term shall not include any cigarette or other tobacco
12 product manufacturer, export warehouse proprietor, or importer with a valid permit under 26
13 U.S.C. § 5712, if such person sells or distributes cigarettes and/or other tobacco products [and/or](#)
14 [electronic nicotine-delivery system products](#) in this state only to licensed distributors, or to an
15 export warehouse proprietor or another manufacturer with a valid permit under 26 U.S.C. § 5712;

16 (B) Selling cigarettes and/or other tobacco products [and/or electronic nicotine-delivery](#)
17 [system products](#) directly to consumers in this state by means of at least twenty-five (25) vending
18 machines;

19 (C) Engaged in this state in the business of manufacturing cigarettes and/or other tobacco
20 products [and/or electronic nicotine-delivery system products and/or](#) any person engaged in the
21 business of selling cigarettes and/or other tobacco products [and/or electronic nicotine-delivery](#)
22 [system products](#) to dealers, or to other persons, for the purpose of resale only; provided, that
23 seventy-five percent (75%) of all cigarettes and/or other tobacco products [and/or electronic](#)
24 [nicotine-delivery system products](#) sold by that person in this state are sold to dealers or other
25 persons for resale and selling cigarettes and/or other tobacco products [and/or electronic nicotine-](#)
26 [delivery system products](#) directly to at least forty (40) dealers or other persons for resale; or

27 (D) Maintaining one or more regular places of business in this state for that purpose;
28 provided, that seventy-five percent (75%) of the sold cigarettes and/or other tobacco products
29 [and/or electronic nicotine-delivery system products](#) are purchased directly from the manufacturer
30 and selling cigarettes and/or other tobacco products [and/or electronic nicotine-delivery system](#)
31 [products](#) directly to at least forty (40) dealers or other persons for resale;

32 ~~(5)~~ "Importer" means any person who imports into the United States, either directly or
33 indirectly, a finished cigarette or other tobacco product for sale or distribution;

34 ~~(6)~~ "Licensed", when used with reference to a manufacturer, importer, distributor or

1 dealer, means only those persons who hold a valid and current license issued under § 44-20-2 for
2 the type of business being engaged in. When the term "licensed" is used before a list of entities,
3 such as "licensed manufacturer, importer, wholesale dealer, or retailer dealer," such term shall be
4 deemed to apply to each entity in such list;

5 (79) "Manufacturer" means any person who manufactures, fabricates, assembles,
6 processes, or labels a finished cigarette and/or other tobacco products;

7 (810) "Other tobacco products" (OTP) means any cigars (excluding Little Cigars, as
8 defined in § 44-20.2-1, which are subject to cigarette tax), cheroots, stogies, smoking tobacco
9 (including granulated, plug cut, crimp cut, ready rubbed and any other kinds and forms of tobacco
10 suitable for smoking in a pipe or otherwise), chewing tobacco (including Cavendish, twist, plug,
11 scrap and any other kinds and forms of tobacco suitable for chewing), any and all forms of
12 hookah, shisha and "mu'assel" tobacco, snuff, and shall include any other articles or products
13 made of or containing tobacco, in whole or in part, or any tobacco substitute, except cigarettes;

14 (911) "Person" means any individual, including an employee or agent, firm, fiduciary,
15 partnership, corporation, trust, or association, however formed;

16 (1012) "Pipe" means an apparatus made of any material used to burn or vaporize products
17 so that the smoke or vapors can be inhaled or ingested by the user;

18 (1113) "Place of business" means any location where cigarettes and/or other tobacco
19 products [and/or electronic nicotine-delivery system products](#) are sold, stored, or kept, including,
20 but not limited to; any storage room, attic, basement, garage or other facility immediately
21 adjacent to the location. It also includes any receptacle, hide, vessel, vehicle, airplane, train, or
22 vending machine;

23 (1214) "Sale" or "sell" means gifts, exchanges, and barter of cigarettes and/or other
24 tobacco products [and/or electronic nicotine-delivery system products](#). The act of holding, storing,
25 or keeping cigarettes and/or other tobacco products [and/or electronic nicotine-delivery system](#)
26 [products](#) at a place of business for any purpose shall be presumed to be holding the cigarettes
27 and/or other tobacco products [and/or electronic nicotine-delivery system products](#) for sale.
28 Furthermore, any sale of cigarettes and/or other tobacco products [and/or electronic nicotine-](#)
29 [delivery system products](#) by the servants, employees, or agents of the licensed dealer during
30 business hours at the place of business shall be presumed to be a sale by the licensee;

31 (1315) "Stamp" means the impression, device, stamp, label, or print manufactured,
32 printed, or made as prescribed by the administrator to be affixed to packages of cigarettes, as
33 evidence of the payment of the tax provided by this chapter or to indicate that the cigarettes are
34 intended for a sale or distribution in this state that is exempt from state tax under the provisions of

1 state law; and also includes impressions made by metering machines authorized to be used under
2 the provisions of this chapter.

3 **44-20-2. Importer, distributor, and dealer licenses required -- Licenses required.**

4 Each person engaging in the business of selling cigarette and/or any tobacco products
5 [and/or any electronic nicotine-delivery system products](#) in this state, including any distributor or
6 dealer, shall secure a license from the administrator before engaging in that business, or
7 continuing to engage in it. A separate application and license is required for each place of
8 business operated by a distributor or dealer; provided, that an operator of vending machines for
9 cigarette products is not required to obtain a distributor's license for each machine. If the
10 applicant for a license does not have a place of business in this state, the license shall be issued
11 for such applicant's principal place of business, wherever located. A licensee shall notify the
12 administrator within thirty (30) days in the event that it changes its principal place of business. A
13 separate license is required for each class of business if the applicant is engaged in more than one
14 of the activities required to be licensed by this section. No person shall maintain or operate or
15 cause to be operated a vending machine for cigarette products without procuring a dealer's license
16 for each machine.

17 **44-20-3. Penalties for unlicensed business.**

18 Any distributor or dealer who sells, offers for sale, or possesses with intent to sell,
19 cigarettes and/or any other tobacco products [and/or any electronic nicotine-delivery system](#)
20 [products](#) without a license as provided in § 44-20-2, shall be guilty of a misdemeanor, and shall
21 be fined not more than ten thousand dollars (\$10,000) for each offense, or be imprisoned for a
22 term not to exceed one (1) year, or be punished by both a fine and imprisonment. [Any electronic](#)
23 [nicotine-delivery system products distributor or dealer licensed by the Department of Health](#)
24 [pursuant to Chapter 1 of Title 23 of the Rhode Island General Laws as of the effective date of the](#)
25 [transfer of licensing of electronic nicotine-delivery system products distributors and dealers under](#)
26 [this chapter shall be considered licensed for purposes of compliance with this chapter until the](#)
27 [renewal of that license immediately following the enactment of this chapter.](#)

28 **44-20-4. Application for license -- Display.**

29 All licenses are issued by the tax administrator upon approval of application, stating, on
30 forms prescribed by the tax administrator, the information he or she may require for the proper
31 administration of this chapter. Each application for an importer's, or distributor's license shall be
32 accompanied by a fee of one thousand dollars (\$1,000); provided, that for a distributor who does
33 not affix stamps, the fee shall be ~~one~~ [two](#) hundred [fifty](#) dollars (~~\$100~~[250.00](#)); each application for
34 a dealer's license shall be accompanied by an [application](#) fee of ~~twenty-seventy~~-five dollars

1 (~~\$275.00~~) and a license fee of two-hundred and fifty dollars (\$250.00). Each issued license shall
2 be prominently displayed on the premises within this state, if any, covered by the license. In the
3 instance of an application for a distributor's license, the administrator shall require, in addition to
4 other information as may be deemed necessary, the filing of affidavits from three (3) cigarette
5 manufacturers with national distribution stating that the manufacturer will supply the distributor if
6 the applicant is granted a license.

7 **44-20-5. Duration of importer's and dealer's licenses -- Renewal.**

8 (a) Any importer license and any license issued by the tax administrator authorizing a
9 dealer to sell cigarettes and/or other tobacco products and/or electronic nicotine-delivery system
10 products in this state shall expire at midnight on June 30 next succeeding the date of issuance
11 unless (1) suspended or revoked by the tax administrator, (2) the business with respect to which
12 the license was issued changes ownership, (3) the importer or dealer ceases to transact the
13 business for which the license was issued, or (4) after a period of time set by the administrator;
14 provided such period of time shall not be longer than three (3) years, in any of which cases the
15 license shall expire and terminate and the holder shall immediately return the license to the tax
16 administrator.

17 (b) Every holder of a dealer's license shall annually, on or before February 1 of each year,
18 renew its license by filing an application for renewal along with ~~twenty-five~~ two hundred fifty
19 dollars (~~\$25.00~~) (\$250.00) renewal fee. The renewal license is valid for the period July 1 of that
20 calendar year through June 30 of the subsequent calendar year.

21 **44-20-8.2. Transactions only with licensed manufacturers, importers, distributors,**
22 **and dealers.**

23 A manufacturer or importer may sell or distribute cigarettes and/or other tobacco
24 products, electronic nicotine-delivery system products and/or e-liquid products to a person
25 located or doing business within this state, only if such person is a licensed importer or
26 distributor. An importer may obtain cigarettes and/or other tobacco products and/or e-liquid
27 products only from a licensed manufacturer. A distributor may sell or distribute cigarettes and/or
28 other tobacco products and/or e-liquid products to a person located or doing business within this
29 state, only if such person is a licensed distributor or dealer. A distributor may obtain cigarettes
30 and/or other tobacco products and/or e-liquid products only from a licensed manufacturer,
31 importer, or distributor. A dealer may obtain cigarettes and/or other tobacco products and/or e-
32 liquid products only from a licensed distributor. Any smoking bar as defined in 23-20.10-2(20)
33 shall be exempt from the requirement in this section only with respect to other tobacco products.

34 SECTION 14. Effective August 1, 2019, Sections 44-20-12, 44-20-12.7, and, 44-20-13 of

1 the General Laws in Chapter 44-20 entitled "Cigarette and Other Tobacco Products Tax" are
2 hereby amended to read as follows:

3 **44-20-12. Tax imposed on cigarettes sold.**

4 A tax is imposed on all cigarettes sold or held for sale in the state. The payment of the tax
5 to be evidenced by stamps, which may be affixed only by licensed distributors to the packages
6 containing such cigarettes. Any cigarettes on which the proper amount of tax provided for in this
7 chapter has been paid, payment being evidenced by the stamp, is not subject to a further tax under
8 this chapter. The tax is at the rate of ~~two hundred twelve and one half (212.5)~~ two hundred
9 twenty-five (225) mills for each cigarette.

10 **44-20-12.7. Floor stock tax on cigarettes and stamps.**

11 (a) Each person engaging in the business of selling cigarettes at retail in this state shall
12 pay a tax or excise to the state for the privilege of engaging in that business during any part of the
13 calendar year 2019. In calendar year 2019, the tax shall be measured by the number of cigarettes
14 held by the person in this state at 12:01 a.m. on August 1, 2019 and is computed at the rate of
15 twelve and one half (12.5) mills for each cigarette on August 1, 2019.

16 (b) Each distributor licensed to do business in this state pursuant to this chapter shall pay
17 a tax or excise to the state for the privilege of engaging in that business during any part of the
18 calendar year 2019. The tax is measured by the number of stamps, whether affixed or to be
19 affixed to packages of cigarettes, as required by § 44-20-28. In calendar year 2019 the tax is
20 measured by the number of stamps, whether affixed or to be affixed, held by the distributor at
21 12:01 a.m. on August 1, 2019, and is computed at the rate of twelve and one half (12.5) mills per
22 cigarette in the package to which the stamps are affixed or to be affixed.

23 (c) Each person subject to the payment of the tax imposed by this section shall, on or
24 before August 15, 2019, file a return, under oath or certified under the penalties of perjury, with
25 the tax administrator on forms furnished by him or her, showing the amount of cigarettes and the
26 number of stamps in that person's possession in this state at 12:01 a.m. on August 1, 2019, as
27 described in this section above, and the amount of tax due, and shall at the time of filing the
28 return pay the tax to the tax administrator. Failure to obtain forms shall not be an excuse for the
29 failure to make a return containing the information required by the tax administrator.

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

32 **44-20-13. Tax imposed on unstamped cigarettes.**

33 A tax is imposed at the rate of ~~two hundred twelve and one half (212.5)~~ two hundred
34 twenty-five (225) mills for each cigarette upon the storage or use within this state of any

1 cigarettes not stamped in accordance with the provisions of this chapter in the possession of any
2 consumer within this state.

3 SECTION 15. Effective August 1, 2019 unless otherwise specified herein, Section 44-20-
4 13.2 of the General Laws in Chapter 44-20 entitled "Cigarette and Other Tobacco Products Tax"
5 is hereby amended to read as follows:

6 **44-20-13.2. Tax imposed on other tobacco products, smokeless tobacco, cigars, and**
7 **pipe tobacco products.**

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

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

15 (2) Notwithstanding the eighty percent (80%) rate in subsection (a) above, in the case of
16 cigars, the tax shall not exceed ~~fifty~~ eighty cents (\$.850) for each cigar.

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

22 (4) Effective September 1, 2019, at the rate of forty percent (40%) of the wholesale cost
23 of e-liquid products as defined herein.

24 ~~(b) Any dealer having in his or her possession any other tobacco products with respect to~~
25 ~~the storage or use of which a tax is imposed by this section shall, within five (5) days after~~
26 ~~coming into possession of the other tobacco products in this state, file a return with the tax~~
27 ~~administrator in a form prescribed by the tax administrator. The return shall be accompanied by a~~
28 ~~payment of the amount of the tax shown on the form to be due. Any smoking bar as defined in~~
29 ~~23-20.10-2(20) having in his or her possession any other tobacco products with respect to the~~
30 ~~storage or use of which a tax is imposed by this section shall, within five (5) days after coming~~
31 ~~into possession of the other tobacco products in this state, file a return with the tax administrator~~
32 ~~in a form prescribed by the tax administrator. The return shall be accompanied by a payment of~~
33 ~~the amount of the tax shown on the form to be due.~~ Records required under this section shall be
34 preserved on the premises described in the relevant license in such a manner as to ensure

1 permanency and accessibility for inspection at reasonable hours by authorized personnel of the
2 administrator.

3 (c) The proceeds collected are paid into the general fund.

4 SECTION 16. Effective September 1, 2019, Sections 44-20-15, 44-20-33, 44-20-35, 44-
5 20-40, 44-20-40.1, 44-20-43, 44-20-45, 44-20-47 and 44-20-51.1 of the General Laws in Chapter
6 44-20 entitled "Cigarette and Other Tobacco Products Tax" are hereby amended to read as
7 follows:

8 **44-20-15. Confiscation of contraband cigarettes, other tobacco products, and other**
9 **property.**

10 (a) All cigarettes, ~~and~~ other tobacco products, and/or e-liquid products that are held for
11 sale or distribution within the borders of this state in violation of the requirements of this chapter
12 are declared to be contraband goods and may be seized by the tax administrator or his or her
13 agents, or employees, or by any sheriff, or his or her deputy, or any police officer when directed
14 by the tax administrator to do so, without a warrant. All contraband goods seized by the state
15 under this chapter shall be destroyed.

16 (b) All fixtures, equipment, and all other materials and personal property on the premises
17 of any distributor or dealer who, with the intent to defraud the state, fails to keep or make any
18 record, return, report, or inventory; keeps or makes any false or fraudulent record, return, report,
19 or inventory required by this chapter; refuses to pay any tax imposed by this chapter; or attempts
20 in any manner to evade or defeat the requirements of this chapter shall be forfeited to the state.

21 **44-20-33. Sale of contraband cigarettes ~~or~~ contraband other tobacco products**
22 **prohibited.**

23 No distributor shall sell, and no other person shall sell, offer for sale, display for sale, or
24 possess with intent to sell any contraband other tobacco products without written record of the
25 payment of tax imposed by this chapter, or contraband e-liquid products without written record of
26 the payment of tax imposed by this chapter or contraband cigarettes, the packages or boxes of
27 which do not bear stamps evidencing the payment of the tax imposed by this chapter.

28 **44-20-35. Penalties for violations as to unstamped contraband cigarettes or**
29 **contraband other tobacco products.**

30 (a) Any person who violates any provision of §§ 44-20-33 and 44-20-34 shall be fined or
31 imprisoned, or both fined and imprisoned, as follows:

32 (1) For a first offense in a twenty-four-month (24) period, fined not more than ten (10)
33 times the retail value of the contraband cigarettes, contraband e-liquid products and/or contraband
34 other tobacco products, or be imprisoned not more than one (1) year, or be both fined and

1 imprisoned;

2 (2) For a second or subsequent offense in a twenty-four-month (24) period, fined not
3 more than twenty-five (25) times the retail value of the contraband cigarettes, [contraband e-liquid](#)
4 [products](#) and/or contraband other tobacco products, or be imprisoned not more than three (3)
5 years, or be both fined and imprisoned.

6 (b) When determining the amount of a fine sought or imposed under this section,
7 evidence of mitigating factors, including history, severity, and intent shall be considered.

8 **44-20-40. Records -- Investigation and inspection of books, premises and stock.**

9 (a) Each manufacturer, importer, distributor, and dealer shall maintain copies of invoices
10 or equivalent documentation for, or itemized for, each of its facilities for each transaction (other
11 than a retail transaction with a consumer) involving the sale, purchase, transfer, consignment, or
12 receipt of cigarettes, [other tobacco products and e-liquid products](#). The invoices or documentation
13 shall show the name and address of the other party and the quantity by brand style of the
14 cigarettes, [other tobacco products and contraband e-liquid products](#) involved in the transaction.
15 All records and invoices required under this section must be safely preserved for three (3) years in
16 a manner to insure permanency and accessibility for inspection by the administrator or his or her
17 authorized agents.

18 (b) Records required under this section shall be preserved on the premises described in
19 the relevant license in such a manner as to ensure permanency and accessibility for inspection at
20 reasonable hours by authorized personnel of the administrator. With the administrator's
21 permission, persons with multiple places of business may retain centralized records, but shall
22 transmit duplicates of the invoices or the equivalent documentation to each place of business
23 within twenty-four (24) hours upon the request of the administrator or his or her designee.

24 (c) The administrator or his or her authorized agents may examine the books, papers,
25 reports and records of any manufacturer, importer, distributor or dealer in this state for the
26 purpose of determining whether taxes imposed by this chapter have been fully paid, and may
27 investigate the stock of cigarettes, [other tobacco products and/or electronic nicotine-delivery](#)
28 [system products](#) in or upon any premises for the purpose of determining whether the provisions of
29 this chapter are being obeyed. The administrator in his or her sole discretion may share the
30 records and reports required by such sections with law enforcement officials of the federal
31 government or other states.

32 **44-20-40.1. Inspections.**

33 (a) The administrator or his or her duly authorized agent shall have authority to enter and
34 inspect, without a warrant during normal business hours, and with a warrant during nonbusiness

1 hours, the facilities and records of any manufacturer, importer, distributor, or dealer.

2 (b) In any case where the administrator or his or her duly authorized agent, or any police
3 officer of this state, has knowledge or reasonable grounds to believe that any vehicle is
4 transporting cigarettes, ~~or~~ other tobacco products [or contraband e-liquid products](#) in violation of
5 this chapter, the administrator, such agent, or such police officer, is authorized to stop such
6 vehicle and to inspect the same for contraband cigarettes, ~~or~~ [contraband](#) other tobacco products [or](#)
7 [contraband e-liquid products](#).

8 **44-20-43. Violations as to reports and records.**

9 Any person who fails to submit the reports required in this chapter or by the tax
10 administrator under this chapter, or who makes any incomplete, false, or fraudulent report, or who
11 refuses to permit the tax administrator or his or her authorized agent to examine any books,
12 records, papers, or stocks of cigarettes, ~~or~~ other tobacco products [or electronic nicotine-delivery](#)
13 [system products](#) as provided in this chapter, or who refuses to supply the tax administrator with
14 any other information which the tax administrator requests for the reasonable and proper
15 enforcement of the provisions of this chapter, shall be guilty of a misdemeanor punishable by
16 imprisonment up to one (1) year, or a fine of not more than five thousand dollars (\$5,000), or
17 both, for the first offense, and for each subsequent offense, shall be fined not more than ten
18 thousand dollars (\$10,000), or be imprisoned not more than five (5) years, or both.

19 **44-20-45. Importation of cigarettes ~~and/or~~ other tobacco products with intent to**
20 **evade tax.**

21 Any person, firm, corporation, club, or association of persons who or that orders any
22 cigarettes, ~~and/or~~ other tobacco products, [and/or electronic nicotine-delivery system products](#) for
23 another; or pools orders for cigarettes, ~~and/or~~ other tobacco products, [and/or electronic nicotine-](#)
24 [delivery system products](#) from any persons; or conspires with others for pooling orders; or
25 receives in this state any shipment of contraband cigarettes, ~~and/or~~ contraband other tobacco
26 products, [and/or contraband e-liquid products](#) on which the tax imposed by this chapter has not
27 been paid, for the purpose and intention of violating the provisions of this chapter or to avoid
28 payment of the tax imposed in this chapter, is guilty of a felony and shall be fined one hundred
29 thousand dollars (\$100,000) or five (5) times the retail value of the cigarettes, [other tobacco](#)
30 [products, and/or e-liquid products](#) involved, whichever is greater, or imprisoned not more than
31 fifteen (15) years, or both.

32 **44-20-47. Hearings by tax administrator.**

33 Any person aggrieved by any action under this chapter of the tax administrator or his or
34 her authorized agent for which a hearing is not elsewhere provided may apply to the tax

1 administrator, in writing, within thirty (30) days of the action for a hearing, stating the reasons
2 why the hearing should be granted and the manner of relief sought. The tax administrator shall
3 notify the applicant of the time and place fixed for the hearing. After the hearing, the tax
4 administrator may make the order in the premises as may appear to the tax administrator just and
5 lawful and shall furnish a copy of the order to the applicant. The tax administrator may, by notice
6 in writing, at any time, order a hearing on his or her own initiative and require the taxpayer or any
7 other individual whom the tax administrator believes to be in possession of information
8 concerning any manufacture, importation, or sale of; cigarettes, [other tobacco products, and/or e-](#)
9 [liquid products](#) to appear before the tax administrator or his or her authorized agent with any
10 specific books of account, papers, or other documents, for examination relative to the hearing.

11 **44-20-51.1. Civil penalties.**

12 (a) Whoever omits, neglects, or refuses to comply with any duty imposed upon him/her
13 by this chapter, or to do, or cause to be done, any of the things required by this chapter, or does
14 anything prohibited by this chapter, shall, in addition to any other penalty provided in this
15 chapter, be liable as follows:

16 (1) For a first offense in a twenty-four-month (24) period, a penalty of not more than ten
17 (10) times the retail value of the cigarettes, ~~and/or~~ other tobacco products [and/or e-liquid products](#)
18 involved; and

19 (2) For a second or subsequent offense in a twenty-four-month (24) period, a penalty of
20 not more than twenty-five (25) times the retail value of the cigarettes, ~~and/or~~ other tobacco
21 products [and/or contraband e-liquid products](#) involved.

22 (b) Whoever fails to pay any tax imposed by this chapter at the time prescribed by law or
23 regulations, shall, in addition to any other penalty provided in this chapter, be liable for a penalty
24 of one thousand dollars (\$1,000) or not more than five (5) times the tax due but unpaid,
25 whichever is greater.

26 (c) When determining the amount of a penalty sought or imposed under this section,
27 evidence of mitigating or aggravating factors, including history, severity, and intent, shall be
28 considered.

29 SECTION 17. Sections 44-44-3 and 44-44-3.7 of the General Laws in Chapter 44-44
30 entitled "Taxation of Beverage Containers, Hard-to-Dispose Material and Litter Control
31 Participation Permittee" are hereby amended to read as follows:

32 **44-44-3. Imposition of tax on beverage containers.**

33 There shall be levied and imposed a tax of ~~four cents (\$0.04)~~ [eight cents \(\\$0.08\)](#) on each
34 case of beverage containers sold by a beverage wholesaler to a beverage retailer or consumer

1 within this state. The tax shall be collected by the beverage wholesaler. The tax provided for in
2 this section shall not be levied, imposed, or collected on reusable and refillable beverage
3 containers.

4 **44-44-3.7. Imposition of tax on hard-to-dispose material.**

5 (a) There shall be levied and imposed a tax of ~~five cents (\$0.05)~~ ten cents (\$0.10) per
6 quart (32 oz.) or ~~five and 3/10th cents (\$0.053)~~ ten and 6/10 cents (\$0.106) per liter on lubricating
7 oils, ~~ten cents (\$0.10)~~ twenty cents (\$0.20) per gallon or ~~two and 64/100th cents (\$0.0264)~~ five
8 and 28/100th cents (\$0.0528) per liter on antifreeze, ~~one fourth of one cent (\$.0025)~~ one half cent
9 (\$0.005) per gallon or ~~66/10,000ths cents (\$.00066)~~ one hundred thirty two thousandths
10 (\$0.00132) per liter on organic solvents, and ~~fifty cents (\$.50)~~ one dollar (\$1.00) per tire as
11 defined above. The tax shall be separately stated and collected upon the sale by the hard-to-
12 dispose material wholesalers to a hard-to-dispose material retailer. In the case of new motor
13 vehicles, a fee of ~~three dollars (\$3.00)~~ six dollars (\$6.00) per vehicle shall be levied and paid to
14 the division of motor vehicles in conjunction with titling of the vehicle. Every hard-to-dispose
15 material retailer selling, using, or otherwise consuming in this state any hard-to-dispose material
16 is liable for the tax imposed by this section. Its liability is not extinguished until the tax has been
17 paid to the state, except that a receipt from a hard-to-dispose material wholesaler engaging in
18 business in this state or from a hard-to-dispose material wholesaler who is authorized by the tax
19 administrator to collect the tax under rules and regulations that he or she may prescribe given to
20 the hard-to-dispose material retailer is sufficient to relieve the hard-to-dispose material retailer
21 from further liability for the tax to which the receipt refers.

22 (b) In the event that a person purchases hard-to-dispose material for its own use or
23 consumption and not for resale from a hard-to-dispose material wholesaler or retailer not engaged
24 in business in this state or not authorized by the tax administrator to collect the tax, that person
25 shall be liable for the tax imposed by this section.

26 SECTION 18. Effective October 1, 2019, Title 44 of the General Laws entitled
27 "TAXATION" is hereby amended by adding thereto the following chapter:

28 CHAPTER 70

29 FIREARMS AND FIREARM AMMUNITION EXCISE TAX

30 **44-70-1. Short title.**

31 Chapter 70 of this title may be known and cited as the "Firearm and Firearm Ammunition
32 Excise Tax Act".

33 **44-70-2. Definitions.**

34 The following words, terms, and phrases, when used in this chapter, shall have the

1 meanings ascribed to them in this Section, except where the context clearly indicates a different
2 meaning:

3 (a) "Firearm" shall have the same meaning as set forth in 18 U.S. Code § 921(a)(3).

4 (b) "Firearm ammunition" shall have the same meaning as "Ammunition" as set forth in
5 18 U.S. Code § 921(a)(17)(A).

6 (c) "State" means the State of Rhode Island and Providence Plantations.

7 (d) Tax Administrator means the tax administrator within the department of revenue for
8 the State

9 (e) "Person" means person as defined in § 44-18-6.

10 (f) "Purchaser" means any person who purchases a firearm or firearm ammunition in a
11 retail purchase in the State of Rhode Island.

12 (g) "Retail dealer" or "retailer" means any person who engages in the business of selling
13 firearms or firearm ammunition on a retail level in the State or to a person in the State, as defined
14 in § 44-18-15

15 (h) "Retail purchase" means any transaction in which a person in the State acquires
16 ownership by tendering consideration on a retail level.

17 **44-70-3. Rules and Regulations.**

18 The tax administrator may promulgate rules and regulations, not inconsistent with law, to
19 carry into effect the provisions of this chapter.

20 **44-70-4. Collection of tax by retailer.**

21 Every retailer engaging in business in this state and making sales of Firearms or Firearm
22 Ammunition, for storage, use, or other consumption in this state, not exempted under this chapter
23 shall, at the time of making the sales, or if the storage, use, or other consumption of the tangible
24 personal property is not then taxable under this chapter, at the time the storage, use, or other
25 consumption becomes taxable, collect the tax from the purchaser and give to the purchaser a
26 receipt in the manner and form prescribed by the tax administrator.

27 **44-70-5. Exemptions.**

28 (a) Notwithstanding any other provision of this chapter, in accordance with rules that may
29 be promulgated by the tax administrator in regard to tax exempt purchases, retail dealers shall not
30 collect the firearms or firearm ammunition tax when the firearms and/or firearm ammunition is
31 being sold to the following:

32 (1) An office, division, or agency of the United States, the State of Rhode Island, or any
33 municipal corporation or political subdivision, including the Armed Forces of the United States or
34 National Guard.

1 (2) A bona fide veterans' organization which receive firearms and/or firearm ammunition
2 directly from the Armed Forces of the United States and uses said firearms and/or firearm
3 ammunition strictly and solely for ceremonial purposes with blank ammunition.

4 (3) Any active sworn law enforcement officer purchasing a firearm and/or firearm
5 ammunition for official or training related purposes presenting an official law enforcement
6 identification card at the time of purchase.

7 (b) In accordance with rules to be promulgated by the tax administrator, an active
8 member of the Armed Forces of the United States, National Guard or deputized law enforcement
9 officer may apply for a refund from the department for the tax paid on a firearm and/or firearm
10 ammunition that was purchased for official use or training related purposes.

11 (c) Notwithstanding any other provision in this chapter, in accordance with rules that may
12 be promulgated by the tax administrator in regard to tax-exempt purchases, retail dealers shall not
13 collect firearm ammunition tax on blank ammunition.

14 **44-70-6. Tax Imposed.**

15 The retailer shall add the tax imposed by this chapter to the sale price or charge, and
16 when added the tax constitutes a part of the price or charge, is a debt from the consumer or user to
17 the retailer, and is recoverable at law in the same manner as other debts; provided, that the
18 amount of tax that the retailer collects from the consumer or user is as follows:

19 Amount of Fair Market Value, as Tax

20 <u>\$0.01 to \$.09 inclusive</u>	<u>No Tax</u>
21 <u>.10 to .19 inclusive</u>	<u>.01</u>
22 <u>.20 to .29 inclusive</u>	<u>.02</u>
23 <u>.30 to .39 inclusive</u>	<u>.03</u>
24 <u>.40 to .49 inclusive</u>	<u>.04</u>
25 <u>.50 to .59 inclusive</u>	<u>.05</u>
26 <u>.60 to .69 inclusive</u>	<u>.06</u>
27 <u>.70 to .79 inclusive</u>	<u>.07</u>
28 <u>.80 to .89 inclusive</u>	<u>.08</u>
29 <u>.90 to .99 inclusive</u>	<u>.09</u>
30 <u>.100 to .109 inclusive</u>	<u>.10</u>

31 and where the amount of the sale is more than one dollar and nine cents (\$1.09) the
32 amount of the tax is computed at the rate of ten percent (10%)

33 Tax Included in Sales Price.

34 It shall be deemed a violation of this chapter for a retail dealer to fail to separately state

1 the tax imposed in this chapter and instead include it in the sale price of firearms and/or firearm
2 ammunition. The tax levied in this article shall be imposed in addition to all other taxes imposed
3 by the State, or any municipal corporation or political subdivision of any of the foregoing.

4 (b) Any person who shall receive firearms or firearm ammunition in any form and under
5 any circumstances that shall preclude the collection of the tax provided for in this chapter, and
6 shall then sell or use the firearm or Firearm ammunition in any manner and under any
7 circumstances that shall render the sale or use subject to the tax, shall use the same form, pay the
8 same taxes, and be subject to all other provisions of this chapter relating to tax.

9 **44-70-7. Tax Collection.**

10 (a) Tax Collection.

11 Any retail dealer shall collect the taxes imposed by this chapter from any purchaser to
12 whom the sale of said firearms or firearm ammunition is made within the State and shall remit to
13 the State the tax levied by this chapter.

14 (b) Tax Remittance.

15 It shall be the duty of every retail dealer to remit the tax due on the sales of firearms or
16 firearm ammunition purchased in the State, on forms prescribed by the tax administrator, on or
17 before the 20th day of the month following the month in which the firearm or firearm ammunition
18 sale occurred on a form and in the manner required by the tax administrator.

19 (c) If for any reason a retail dealer fails to collect the tax imposed by this chapter from the
20 purchaser, the purchaser shall file a return and pay the tax directly to the State, on or before the
21 date required by Subsection (b) of this Section.

22 **44-70-8. Penalties.**

23 (a) Failure to file tax returns or to pay tax. In the case of failure:

24 (1) To file the tax return on or before the prescribed date, unless it is shown that the
25 failure is due to reasonable cause and not due to willful neglect, an addition to tax shall be made
26 equal to ten percent (10%) of the tax required to be reported. For this purpose, the amount of tax
27 required to be reported shall be reduced by an amount of the tax paid on or before the date
28 prescribed for payment and by the amount of any credit against the tax which may properly be
29 claimed upon the return;

30 (2) To pay the amount shown as tax on the personal income tax return on or before the
31 prescribed date for payment of the tax unless it is shown that the failure is due to reasonable cause
32 and not due to willful neglect, there shall be added to the amount shown as tax on the return ten
33 percent (10%) of the amount of the tax.

34 (b) Negligence. If any part of a deficiency is due to negligence or intentional disregard of

1 the Rhode Island General Laws or rules or regulations under this chapter (but without intent to
2 defraud), five percent (5%) of that part of the deficiency shall be added to the tax.

3 (c) Fraud. If any part of a deficiency is due to fraud, fifty percent (50%) of that part of
4 the deficiency shall be added to the tax. This amount shall be in lieu of any other additional
5 amounts imposed by subsections (a) and (b) of this section.

6 (d) Failure to collect and pay over tax. Any person required to collect, truthfully account
7 for, and pay over the firearm and Firearm ammunition tax who willfully fails to collect the tax or
8 truthfully account for and pay over the tax or willfully attempts in any manner to evade or defeat
9 the tax or the payment thereof, shall, in addition to other penalties provided by law, be liable to a
10 civil penalty equal to the total amount of the tax evaded, or not collected, or not accounted for and
11 paid over.

12 (e) Additions and penalties treated as tax. The additions to the tax and civil penalties
13 provided by this section shall be paid upon notice and demand and shall be assessed, collected,
14 and paid in the same manner as taxes.

15 (g) Bad checks. If any check or money order in payment of any amount receivable under
16 this title is not duly paid, in addition to any other penalties provided by law, there shall be paid as
17 a penalty by the person who tendered the check, upon notice and demand by the tax administrator
18 or his or her delegate, in the same manner as tax, an amount equal to one percent (1%) of the
19 amount of the check, except that if the amount of the check is less than five hundred dollars
20 (\$500), the penalty under this section shall be five dollars (\$5.00). This subsection shall not apply
21 if the person tendered the check in good faith and with reasonable cause to believe that it would
22 be duly paid.

23 (h) Misuse of Trust Funds Any retailer and any officer, agent, servant, or employee of
24 any corporate retailer responsible for either the collection or payment of the tax, who appropriates
25 or converts the tax collected to his or her own use or to any use other than the payment of the tax
26 to the extent that the money required to be collected is not available for payment on the due date
27 as prescribed in this chapter, shall upon conviction for each offense be fined not more than ten
28 thousand dollars (\$10,000), or be imprisoned for one year, or by both fine and imprisonment,
29 both fine and imprisonment to be in addition to any other penalty provided by this chapter.

30 (i) Operating without a Firearm License A person who engages in business as a firearm
31 or firearm ammunition retailer in this state without a license as defined in § 11-47-38 or after said
32 license has been suspended or revoked, and each officer of any corporation which engages in
33 business as a firearm or firearm ammunition retailer in this state without a license as defined in §
34 11-47-38 or after said license has been suspended or revoked, is guilty of a misdemeanor, and

1 shall be fined not more than five thousand dollars (\$5,000) for each offense, or be imprisoned not
2 exceeding one year, or be punished by both fine and imprisonment. Each day in which the person
3 engages in business constitutes a separate offense.

4 **44-70-9. Claim for Refund.**

5 Whenever the tax administrator determines that any person is entitled to a refund of any
6 moneys paid by a person under the provisions of this chapter, or whenever a court of competent
7 jurisdiction orders a refund of any moneys paid, the general treasurer shall, upon certification by
8 the tax administrator and with the approval of the director of administration, pay the refund from
9 any moneys in the treasury not appropriated without any further act or resolution making
10 appropriation for the refund. No refund is allowed unless a claim is filed with the tax
11 administrator within three (3) years from the fifteenth (15th) day after the close of the month for
12 which the overpayment was made.

13 **44-70-10. Enforcement.**

14 (a) General. The tax administrator shall administer and enforce this chapter and may
15 require any facts and information to be reported that he or she may deem necessary to enforce the
16 provisions of this chapter.

17 (b) Examination of books and witnesses. For the purpose of ascertaining the correctness
18 of any filing or notice or for the purpose of compliance with the terms of this chapter, the tax
19 administrator shall have the power to examine or to cause to have examined, by any agent or
20 representative designated by the tax administrator for that purpose, any books, papers, records, or
21 memoranda bearing upon said matters and may require the attendance of the person rendering the
22 return or any officer or employee of the person, or the attendance of any other person having
23 knowledge of the correctness of any filing or notice or compliance with the terms of this chapter,
24 and may take testimony and require proof material for its information, with power to administer
25 oaths to the person or persons.

26 **44-70-12. Appeal.**

27 If the tax administrator issues a final determination hereunder, an appeal may be made
28 pursuant to the provisions of chapter 19 of title 44.

29 **44-70-13. Severability.**

30 If any provision of this chapter or the application thereof is held invalid, such invalidity
31 shall not affect the provisions or applications of this chapter which can be given effect without the
32 invalid provisions or applications.

33 SECTION 19. Sections 46-12.7-4.1 and 46-12.7-5.1 of the General Laws in Chapter 46-
34 12.7 entitled "Oil Spill Prevention, Administration and Response Fund" are hereby amended to

1 read as follows:

2 **46-12.7-4.1. Uniform oil response and prevention fee.**

3 (a) A uniform oil spill response and prevention fee in an amount not exceeding ~~five cents~~
4 ~~(\$0.05)~~ ten cents (\$0.10) for each barrel of petroleum products, as set by the director pursuant to
5 subsection (d) of this section, shall be imposed upon every person owning petroleum products at
6 the time the petroleum products are received at a marine terminal within this state by means of a
7 vessel from a point of origin outside this state. The fee shall be remitted to the division of taxation
8 on the 30th day of each month based upon the number of barrels of petroleum products received
9 during the preceding month.

10 (b) Every owner of petroleum products shall be liable for the fee until it has been paid to
11 the state, except that payment to a marine terminal operator registered under this chapter is
12 sufficient to relieve the owner from further liability for the fee; provided, however, that the fee for
13 asphalt products and asphalt derivatives shall be one cent (\$.01) per barrel of asphalt products or
14 derivatives.

15 (c) Whenever the director, in consultation with the department and the division of
16 taxation, estimates that the amount in the fund will reach the amount specified in subsection (e) of
17 this section, and the money in the fund is not required for the purposes specified in § 46-12.7-5.1,
18 the director shall instruct the division of taxation to cease collecting the fee.

19 (d) The director shall set the amount of the oil spill prevention and response fees. The
20 administrator, except for the fee set out in subsection (b), shall not set the amount of the fee at
21 less than ~~five cents (\$0.05)~~ ten cents (\$0.10) for each barrel of petroleum products or crude oil,
22 unless the director finds that the assessment of a lesser fee will cause the fund to reach the
23 designated amount within six (6) months.

24 (e) For the purposes of this chapter, "designated amount" means an amount equal to ten
25 million dollars (\$10,000,000), adjusted for inflation after January 1, 1998, according to an index
26 which the director may reasonably choose.

27 (f) All fees collected pursuant to this section shall be deposited in the oil spill prevention,
28 administration, and response fund, and shall be disbursed according to the purposes expressed in
29 § 46-12.7-5.1.

30 (g) Notwithstanding the provisions of subsection (f) of this section, each July 1st, two
31 hundred and fifty thousand dollars (\$250,000) of the fees collected under this section shall be
32 deposited into the coastal and estuarine habitat restoration trust fund (the "trust").

33 **46-12.7-5.1. Purposes of the fund.**

34 The director may use money from the fund to:

1 (1) Provide funds to cover promptly the costs of response, containment, and cleanup of
2 oil spills into marine or estuarine waters, including, but not limited to, damage assessment costs,
3 and wildlife rehabilitation as defined in this section.

4 (2) Provide funds to cover the costs of site evaluation activities. These activities shall
5 include, but not be limited to, site mapping, installation of wells, collection, monitoring, and
6 analysis of samples of air, soil, and/or water, and evaluation of the impacts of contamination on
7 maritime and terrestrial shore line environments, production of the reports, and installation and
8 the maintenance of necessary technology, and equipment for complete remedial action;

9 (3) Provide emergency loans and to cover response and cleanup costs and other damages
10 suffered by the state or other persons or entities from oil spills or threatened oil spills;

11 (4) To pay for claims for damages, which cannot otherwise be compensated by
12 responsible parties or the federal government, pursuant to § 46-12.7-8.1;

13 (5) Provide emergency loans to affected workers ineligible for unemployment insurance;

14 (6) Pay for structural improvements to vulnerable coastal features, including the
15 Providence River Shipping Canal, in order to reduce the risk of oil tanker collisions, grounding,
16 and spills;

17 (7) Pay for the restoration of natural resources damaged by an oil spill, where necessary
18 and appropriate;

19 (8) Pay for response training and equipment;

20 (9) Pay for large-scale personnel drills and exercises;

21 (10) Pay for research, development, and monitoring activities as outlined in § 46-12.7-13;
22 and

23 (11) Pay for the expenditures related to the Rhode Island coastal and estuarine habitat
24 restoration trust fund pursuant to chapter 23.1 of this title, subject to appropriation; ~~and~~

25 [\(12\) Pay for the expenditures related to compliance and monitoring activities for storm](#)
26 [water management and brownfields remediation.](#)

27 SECTION 20. **Effective Date.** Section 7 shall take effect July 1, 2019. Sections 14 and
28 15 of this article shall take effect August 1, 2019. Section 16 shall take effect September 1, 2019.
29 Sections 1, 9, 12 and 18 of this article shall take effect October 1, 2019. The remaining sections
30 of this article shall take effect upon passage.

31 ARTICLE 6

32 RELATING TO DEBT MANAGEMENT ACT JOINT RESOLUTIONS

33 SECTION 1. This article shall serve as joint resolution required pursuant to Rhode Island
34 General Law § 35-18-1, *et seq.*

1 SECTION 2. *University of Rhode Island – Memorial Union – Auxiliary Enterprise*

2 WHEREAS, the Council on Postsecondary Education and the University have a long-
3 standing commitment to the overall development of their students; and

4 WHEREAS, the University believes that the Memorial Union celebrates life at URI and
5 acts as the nexus for campus community, student engagement, and leadership. It is an intersection
6 connecting the academic core of campus and the campus’s socially active residential community.
7 The student union at the University is an integral part of the educational ecosystem that shapes
8 the student experience; and

9 WHEREAS, the Council on Postsecondary Education and the University of Rhode Island
10 are proposing a project which involves the renovation and expansion of the Memorial Union to meet
11 the ongoing and growing needs of their students; and

12 WHEREAS, the University engaged a qualified architectural firm, which has completed
13 an advanced planning study for this renovation; and

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

18 WHEREAS, the design and construction associated with this work of an Auxiliary
19 Enterprise building will be financed through the Rhode Island Health and Educational Building
20 Corporation (RIHEBC) revenue bonds, with an expected term of thirty (30) years; and

21 WHEREAS, the total project costs associated with completion of the project through the
22 proposed financing method is fifty-one million five hundred thousand dollars (\$51,500,000),
23 including cost of issuance. Debt service payments would be supported by revenues derived from
24 student fees and retail lease payments associated with the respective Auxiliary Enterprises of the
25 University of Rhode Island occupying said facility. Total debt service on the bonds is not
26 expected to exceed one hundred twelve million three hundred thousand dollars (\$112,300,000) in
27 the aggregate based on an average interest rate of six (6%) percent; now, therefore be it

28 RESOLVED, that this General Assembly hereby approves financing in an amount not to
29 exceed fifty-one million five hundred thousand dollars (\$51,500,000) for the Memorial Union
30 project for the auxiliary enterprise building on the University of Rhode Island campus; and be it
31 further

32 RESOLVED, that this Joint Resolution shall take effect upon passage by this General
33 Assembly.

34 SECTION 3. *University of Rhode Island – Fraternity Circle Master Plan Implementation*

1 WHEREAS, the Rhode Island Council on Postsecondary Education and the University of
2 Rhode Island are proposing a project which involves improvements to the sector of the Kingston
3 Campus devoted to fraternity and sorority houses, referred to as Fraternity Circle, on the Kingston
4 Campus; and

5 WHEREAS, the University of Rhode Island is underway with a utility and infrastructure
6 project to replace, improve, and reorganize aged, incrementally developed utility and paved
7 infrastructure in Fraternity Circle, referred to in the University's Capital Improvement Plan as
8 "Fraternity Circle Improvements" project, including improvements to water, wastewater,
9 electrical, telecommunications, natural gas connections, and storm water management systems, as
10 well as roadways, walkways, and parking lots as a first phase of improvements reflected in a
11 "master plan" for this unique neighborhood of on-campus residences serving organizations of
12 students; and

13 WHEREAS, the second phase of the overall improvements to Fraternity Circle, referred
14 to on the University's Capital Improvement Plan as the "Fraternity Circle Master Plan
15 Implementation" project is needed to complete this district of campus; and

16 WHEREAS, the design and execution of this project will improve student life and the
17 campus's environmental impact; and

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

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

24 WHEREAS, the design and construction will be financed through Rhode Island Health
25 and Educational Building Corporation revenue bonds, with an expected term of twenty (20) years;
26 and

27 WHEREAS, the project costs associated with completion of the project and proposed
28 financing method is two million one hundred thousand dollars (\$2,100,000), including cost of
29 issuance. Debt Service payments would be supported by the University's unrestricted general
30 fund. Total debt service on the bonds is not expected to exceed three million seven hundred
31 thousand dollars (\$3,700,000) in the aggregate based on an average interest rate of six percent
32 (6%); now, therefore be it

33 RESOLVED, that this General Assembly hereby approves financing in an amount not to
34 exceed two million one hundred thousand dollars (\$2,100,000) for the Fraternity Circle Master

1 Plan Implementation project at the University of Rhode Island; and be it further

2 RESOLVED, that, this Joint Resolution shall take effect upon passage by this General
3 Assembly.

4 SECTION 4. *University of Rhode Island – Combined Health & Counseling Center –*
5 *Auxiliary Enterprise*

6 WHEREAS, the Council on Postsecondary Education and the University have a long-
7 standing commitment to the health and wellness of their students; and

8 WHEREAS, the University has a desire to create a one-stop center to address the
9 physical, emotional, and mental health of its students; and

10 WHEREAS, the Council on Postsecondary Education and the University of Rhode Island
11 are proposing a project which involves the construction of a new Combined Health & Counseling
12 Center to meet the ongoing and growing health needs of their students; and

13 WHEREAS, the University engaged a qualified architectural firm, which has completed
14 an advanced planning study for this new building; and

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

19 WHEREAS, the design and construction associated with this work of an Auxiliary
20 Enterprise building will be financed through the Rhode Island Health and Educational Building
21 Corporation (RIHEBC) revenue bonds, with an expected term of thirty (30) years; and

22 WHEREAS, the total project costs associated with completion of the project through the
23 proposed financing method is twenty-six million nine hundred thousand dollars
24 (\$26,900,000), including cost of issuance. Debt service payments would be supported by
25 revenues derived from student fees associated with the respective Auxiliary Enterprises of the
26 University of Rhode Island occupying said facility. Total debt service on the bonds is not
27 expected to exceed fifty-eight million seven hundred thousand dollars (\$58,700,000) in the
28 aggregate based on an average interest rate of six (6%) percent; now, therefore be it

29 RESOLVED, that this General Assembly hereby approves financing in an amount not to
30 exceed twenty-six million nine hundred thousand dollars (\$26,900,000) for the Combined
31 Health & Counseling Center project for the auxiliary enterprise building on the University of
32 Rhode Island campus; and be it further

33 RESOLVED, that, this Joint Resolution shall take effect upon passage by this General
34 Assembly.

1 SECTION 5. *Department of Corrections – High Security Center Renovation*

2 WHEREAS, the High Security Center was opened in 1981 to manage the state’s most
3 dangerous offenders as well as those requiring protection from inmate general protection and has
4 a residential treatment unit to treat inmates with mental health crisis or more intensive mental
5 health issues; and

6 WHEREAS, the High Security Center’s capacity is listed at 138 inmates within 6
7 housing modules, but its current census is 86; and

8 WHEREAS, the High Security Center per inmate cost in the facility is \$240,000, which
9 ranks among the highest in the nation due to poor physical design, specifically the small housing
10 modules and the number of staff required to supervise the inmates; and

11 WHEREAS, the poor physical designed housing structure results in a 0.85 inmate to 1
12 staff ratio; and

13 WHEREAS, due to the age and poorly designed housing units, the High Security Center
14 requires significant infrastructure upgrades including new housing units featuring operational
15 improvements. The funding requested will be utilized to renovate the existing housing units, with
16 potential expansion to achieve operational efficiencies which will improve programming space,
17 alter facility design to reduce correctional officer – inmate ratios, provide energy/maintenance
18 efficiencies and increase the safety of correctional officers; and

19 WHEREAS, the capital costs associated with completion of the project are estimated to be
20 sixty million dollars (\$60,000,000). This includes \$15,000,000 from the Rhode Island Capital
21 Plan Fund for the renovation of the High Security Center and \$45,000,000 from the issuance of
22 Certificates of Participation. The total issuance would be \$45,000,000, with lease payments over
23 fifteen (15) years on the \$45,000,000 projected to be \$66,156,044 assuming an average coupon of
24 five percent (5.0%). The lease payments would be financed within the Department of
25 Administration from general revenue appropriations, therefore be it

26 RESOLVED, that a renovation of the High Security Center as part of the Department of
27 Corrections is critical to provide operations that are efficient, effective and safe for Correctional
28 staff; and be it further

29 RESOLVED, that this General Assembly hereby approves the issuance of certificate of
30 participation in an amount not to exceed \$45,000,000 for the renovation of High Security, part of
31 the Department of Corrections, and be it further

32 RESOLVED, that, this Joint Resolution shall take effect upon passage by this General
33 Assembly.

34 SECTION 6. This Article shall take effect upon passage.

1 ~~reflective plate beginning January 1, 2020, at the time of initial registration or at the renewal of an~~
2 ~~existing registration and reissuance will be conducted no less than every ten (10) years.~~

3 SECTION 3. Section 31-3.1-38 of the General Laws in Chapter 31-3.1 entitled
4 "Certificates of Title and Security Interests" is hereby amended to read as follows:

5 **31-3.1-38. Effective dates -- Applicability.**

6 This chapter shall apply to all model vehicles designated as 2001 models and all
7 subsequent model year vehicles. All vehicles designated as model years prior to 2001 shall be
8 excluded from these provisions, ~~provided that no title certificate shall be required once a vehicle~~
9 ~~is twenty (20) years old.~~

10 SECTION 4. This article shall take effect upon passage.

11 **ARTICLE 8**

12 **RELATING TO TRANSPORTATION**

13 SECTION 1. Section 31-25-21 of the General Laws in Chapter 31-25 entitled "Size,
14 Weight, and Load Limits" is hereby amended to read as follows:

15 **31-25-21. Power to permit excess size or weight of loads. [Effective January 1, 2019.]**

16 (a) The department of transportation, with respect to highways under its jurisdiction,
17 may, in its discretion, upon application in writing and good cause being shown for it, approve the
18 issuance of a special permit in writing by the division of motor vehicles authorizing the applicant
19 to operate or move a vehicle, or combination of vehicles, of a size or weight of vehicle or load
20 exceeding eighty thousand pounds (80,000 lbs.) or otherwise not in conformity with the
21 provisions of chapters 1 -- 27 of this title upon any highway under the jurisdiction of the party
22 granting the permit and for the maintenance of which the party is responsible. Permits that have
23 been issued for a full year shall not be required to be renewed for the period of time for which
24 payment has been made and the application and other required documentation has been
25 completed and filed. Provided, that neither the department of transportation nor the local
26 authorities may approve the issuance of permits for divisible loads weighing in excess of one
27 hundred four thousand-eight hundred pounds (104,800 lbs.), gross vehicle weight, for five-axle
28 (5) vehicles and seventy-six thousand six hundred fifty pounds (76,650 lbs.), gross vehicle
29 weight, for three-axle (3) vehicles.

30 (1) Provided, however, that for milk products, any vehicle carrying fluid milk products
31 shall be considered a load that cannot be easily dismantled or divided.

32 (b) The director of the department of transportation may enter into agreements with other
33 states, the District of Columbia, and Canadian provinces providing for the reciprocal enforcement
34 of the overweight or over-dimensional vehicle permit laws of those jurisdictions entering into the

1 agreement.

2 (c) Trip permit fee. A fee of ~~twenty dollars (\$20.00)~~ forty dollars (\$40.00) shall be paid to
3 the division of motor vehicles for the issuance of each non-reducible vehicle or load permit;
4 provided, however, applicants seeking a permit for a non-divisible load exceeding one hundred
5 thirty thousand pounds (130,000 lbs.) shall pay a fee of three hundred dollars (\$300.00) to the
6 division of motor vehicles for consideration of a special trip permit approved by the department
7 of transportation pursuant to subsection (e).

8 (d) Annual fee. An annual fee of ~~three hundred dollars (\$300)~~ four hundred dollars
9 (\$400) paid to the division of motor vehicles shall exempt the payor from the necessity of paying
10 trip permit fees for non-divisible loads of less than one hundred thirty thousand pounds (130,000
11 lbs.) as found in subsection (c). However, payment of the fee shall not be deemed to authorize
12 non-compliance with the rules and regulations promulgated by the department of transportation
13 entitled "State of Rhode Island Manual for Overweight and Oversize Vehicle Permits".

14 (e) Blanket construction equipment permits may be issued, as determined by the
15 department of transportation, for intrastate movement of non-reducible loads upon payment of the
16 fee set forth in subsection (d). The duration of the blanket permit may not exceed one year, and
17 the construction equipment permit load shall be limited to a minimum overall length of fifty-five
18 feet (55'), a maximum overall length of eighty feet (80'), and a maximum width of twelve feet
19 four inches (12' 4"), provided that neither the division of motor vehicles nor local authorities may
20 issue blanket permits for non-divisible loads weighing in excess of one hundred thirty thousand
21 pounds (130,000 lbs.) on less than six (6) axles, with individual axle weights exceeding twenty-
22 five thousand pounds (25,000 lbs.); provided, further, that the department of transportation, with
23 respect to highways under its jurisdiction, may, in its discretion and upon application and for
24 good cause shown, approve the issuance of a special trip permit authorizing the applicant to
25 exceed one hundred thirty thousand pounds (130,000 lbs.) for non-divisible loads. A flashing
26 amber light shall be in operation above the highest point of the vehicle and shall be visible from
27 both the front and rear of the vehicle; and signs and red warning flags shall be affixed to all
28 extremities. All blanket permits issued in accordance with this section shall be effective during
29 daylight and night-time hours for all over-dimensional moves made and travel shall be allowed on
30 state highways. The following restrictions on travel times shall apply to:

31 (1) Freeways -- in general.

32 No travel will be allowed between the hours of 7:00 am and 9:00 am or between 3:00 pm
33 and 7:00 pm on any day of the week.

34 (2) Arterial roadways.

1 No travel will be allowed between the hours of 7:00 am and 9:00 am or between 3:00 pm
2 and 7:00 pm, Monday through Friday.

3 (3) Holidays.

4 Memorial Day, Victory Day, Labor Day and Columbus Day -- No Saturday, Sunday, or
5 Monday day or night travel.

6 Thanksgiving Day -- No Wednesday night or Thursday day or night travel. No travel on
7 Wednesday through Sunday of Thanksgiving week in any calendar year.

8 Independence Day, Veterans Day, Christmas Day -- No day or night travel and no travel
9 the previous night.

10 Easter Sunday. No Saturday night or Sunday travel.

11 (f) Construction equipment blanket permits shall not be granted for travel over the
12 following bridges:

13 Blackstone River Viaduct 750 carrying I-295 northbound and southbound over the
14 Blackstone River;

15 Kingston Road Bridge No. 403 carrying I-95 northbound and southbound over Kingston
16 Road.

17 (g) Travel of blanket permitted construction equipment through zones with reductions in
18 lane width such as construction zones will not be allowed. Prior to travel, blanket permit holders
19 are responsible to verify the location of construction zones and lane width reductions. Locations
20 of lane width reduction zones are available through the state department of transportation's
21 construction office.

22 SECTION 2. Section 31-36-20 of the General Laws in Chapter 31-36 entitled "Motor
23 Fuel Tax" is hereby amended to read as follows:

24 **31-36-20. Disposition of proceeds.**

25 (a) Notwithstanding any other provision of law to the contrary, all moneys paid into the
26 general treasury under the provisions of this chapter or chapter 37 of this title, and title 46 shall be
27 applied to and held in a separate fund and be deposited in any depositories that may be selected
28 by the general treasurer to the credit of the fund, which fund shall be known as the Intermodal
29 Surface Transportation Fund; provided, that in fiscal year 2004 for the months of July through
30 April six and eighty-five hundredth cents (\$0.0685) per gallon of the tax imposed and accruing
31 for the liability under the provisions of § 31-36-7, less refunds and credits, shall be transferred to
32 the Rhode Island public transit authority as provided under § 39-18-21. For the months of May
33 and June in fiscal year 2004, the allocation shall be five and five hundredth cents (\$0.0505).
34 Thereafter, until fiscal year 2006, the allocation shall be six and twenty-five hundredth cents

1 (\$0.0625). For fiscal years 2006 through FY 2008, the allocation shall be seven and twenty-five
2 hundredth cents (\$0.0725); provided, that expenditures shall include the costs of a market survey
3 of non-transit users and a management study of the agency to include the feasibility of moving
4 the Authority into the Department of Transportation, both to be conducted under the auspices of
5 the state budget officer. The state budget officer shall hire necessary consultants to perform the
6 studies, and shall direct payment by the Authority. Both studies shall be transmitted by the
7 Budget Officer to the 2006 session of the General Assembly, with comments from the Authority.
8 For fiscal year 2009, the allocation shall be seven and seventy-five hundredth cents (\$0.0775), of
9 which one-half cent (\$0.005) shall be derived from the one cent (\$0.01) per gallon environmental
10 protection fee pursuant to § 46-12.9-11. For fiscal years 2010 and thereafter, the allocation shall
11 be nine and seventy-five hundredth cents (\$0.0975), of which of one-half cent (\$0.005) shall be
12 derived from the one cent (\$0.01) per gallon environmental protection fee pursuant to § 46-12.9-
13 11. For fiscal years 2020 and thereafter, to the extent that the gasoline tax is adjusted in
14 accordance with § 31-36-7, the allocation shall be ten and twenty-five hundredth cents (\$0.1025),
15 of which one-half cent (\$0.005) shall be derived from the one cent (\$0.01) per gallon
16 environmental protection fee pursuant to § 46-12.9-11. One cent (\$0.01) per gallon shall be
17 transferred to the Elderly/Disabled Transportation Program of the department of human services,
18 and the remaining cents per gallon shall be available for general revenue as determined by the
19 following schedule:

20 (i) For the fiscal year 2000, three and one fourth cents (\$0.0325) shall be available for
21 general revenue.

22 (ii) For the fiscal year 2001, one and three-fourth cents (\$0.0175) shall be available for
23 general revenue.

24 (iii) For the fiscal year 2002, one-fourth cent (\$0.0025) shall be available for general
25 revenue.

26 (iv) For the fiscal year 2003, two and one-fourth cent (\$0.0225) shall be available for
27 general revenue.

28 (v) For the months of July through April in fiscal year 2004, one and four-tenths cents
29 (\$0.014) shall be available for general revenue. For the months of May through June in fiscal year
30 2004, three and two-tenths cents (\$0.032) shall be available for general revenue, and thereafter,
31 until fiscal year 2006, two cents (\$0.02) shall be available for general revenue. For fiscal year
32 2006 through fiscal year 2009 one cent (\$0.01) shall be available for general revenue.

33 (2) All deposits and transfers of funds made by the tax administrator under this section,
34 including those to the Rhode Island public transit authority, the department of human services, the

1 Rhode Island turnpike and bridge authority, and the general fund, shall be made within twenty-
2 four (24) hours of receipt or previous deposit of the funds in question.

3 (3) Commencing in fiscal year 2004, the Director of the Rhode Island Department of
4 Transportation is authorized to remit, on a monthly or less frequent basis as shall be determined
5 by the Director of the Rhode Island Department of Transportation, or his or her designee, or at the
6 election of the Director of the Rhode Island Department of Transportation, with the approval of
7 the Director of the Department of Administration, to an indenture trustee, administrator, or other
8 third party fiduciary, in an amount not to exceed two cents (\$0.02) per gallon of the gas tax
9 imposed, in order to satisfy debt service payments on aggregate bonds issued pursuant to a Joint
10 Resolution and Enactment Approving the Financing of Various Department of Transportation
11 Projects adopted during the 2003 session of the General Assembly, and approved by the
12 Governor.

13 (4) Commencing in fiscal year 2015, three and one-half cents (\$0.035) shall be
14 transferred to the Rhode Island Turnpike and Bridge Authority to be used for maintenance,
15 operations, capital expenditures and debt service on any of its projects as defined in chapter 12 of
16 title 24 in lieu of a toll on the Sakonnet River Bridge. The Rhode Island turnpike and bridge
17 authority is authorized to remit to an indenture trustee, administrator, or other third-party
18 fiduciary any or all of the foregoing transfers in order to satisfy and/or secure its revenue bonds
19 and notes and/or debt service payments thereon, including, but not limited to, the bonds and notes
20 issued pursuant to the Joint Resolution set forth in Section 3 of Article 6 of Chapter 23 of the
21 Public Laws of 2010. Notwithstanding any other provision of said Joint Resolution, the Rhode
22 Island turnpike and bridge authority is expressly authorized to issue bonds and notes previously
23 authorized under said Joint Resolution for the purpose of financing all expenses incurred by it for
24 the formerly authorized tolling of the Sakonnet River Bridge and the termination thereof.

25 (b) Notwithstanding any other provision of law to the contrary, all other funds in the fund
26 shall be dedicated to the department of transportation, subject to annual appropriation by the
27 general assembly. The director of transportation shall submit to the general assembly, budget
28 office and office of the governor annually an accounting of all amounts deposited in and credited
29 to the fund together with a budget for proposed expenditures for the succeeding fiscal year in
30 compliance with §§ 35-3-1 and 35-3-4. On order of the director of transportation, the state
31 controller is authorized and directed to draw his or her orders upon the general treasurer for the
32 payments of any sum or portion of the sum that may be required from time to time upon receipt
33 of properly authenticated vouchers.

34 (c) At any time the amount of the fund is insufficient to fund the expenditures of the

1 department of transportation, not to exceed the amount authorized by the general assembly, the
2 general treasurer is authorized, with the approval of the governor and the director of
3 administration, in anticipation of the receipts of monies enumerated in § 31-36-20 to advance
4 sums to the fund, for the purposes specified in § 31-36-20, any funds of the state not specifically
5 held for any particular purpose. However, all the advances made to the fund shall be returned to
6 the general fund immediately upon the receipt by the fund of proceeds resulting from the receipt
7 of monies to the extent of the advances.

8 SECTION 3. Section 39-18.1-5 of the General Laws in Chapter 39-18.1 entitled
9 "Transportation Investment and Debt Reduction Act of 2011" is hereby amended to read as
10 follows:

11 **39-18.1-5. Allocation of funds.**

12 (a) The monies in the highway maintenance fund to be directed to the department of
13 transportation pursuant to subsection (a)(1) of this section shall be allocated through the
14 transportation improvement program process to provide the state match for federal transportation
15 funds, in place of borrowing, as approved by the state planning council. The expenditure of
16 moneys in the highway maintenance fund shall only be authorized for projects that appear in the
17 state's transportation improvement program.

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

22 (c) Provided, further, that beginning July 1, 2015, five percent (5%) of available proceeds
23 in the Rhode Island highway maintenance account shall be allocated annually to the Rhode Island
24 public transit authority for operating expenditures.

25 (d) Provided, further, that from July 1, 2017, through ~~June 30, 2019~~ June 30, 2020, in
26 addition to the amount above, the Rhode Island public transit authority shall receive an amount of
27 not less than five million dollars (\$5,000,000) each fiscal year.

28 (e) Provided, further, that the Rhode Island public transit authority shall convene a
29 coordinating council consisting of those state agencies responsible for meeting the needs of low-
30 income seniors and persons with disabilities, along with those stakeholders that the authority
31 deems appropriate and are necessary to inform, develop, and implement the federally required
32 Coordinated Public Transit Human Services Transportation Plan.

33 The council shall develop, as part of the state's federally required plan, recommendations
34 for the appropriate and sustainable funding of the free-fare program for low-income seniors and

1 persons with disabilities, while maximizing the use of federal funds available to support the
2 transportation needs of this population.

3 The council shall report these recommendations to the governor, the speaker of the house
4 of representatives, and the president of the senate no later than November 1, 2018.

5 (f) Provided, further, that beginning July 1, 2019, the department of transportation shall
6 reimburse the division of motor vehicles for the cost of salaries and benefits for customer service
7 representatives (I & II) or equivalent positions incurred for collecting monies described in § 39-
8 18.1-4 (b).

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

10 ARTICLE 9

11 RELATING TO LOCAL AID

12 SECTION 1. Section 44-3-3 of the General Laws in Chapter 44-3 entitled "Property
13 Subject to Taxation" is hereby amended to read as follows:

14 **44-3-3. Property exempt.**

15 (a) The following property is exempt from taxation:

16 (1) Property belonging to the state, except as provided in § 44-4-4.1;

17 (2) Lands ceded or belonging to the United States;

18 (3) Bonds and other securities issued and exempted from taxation by the government of
19 the United States or of this state;

20 (4) Real estate, used exclusively for military purposes, owned by chartered or
21 incorporated organizations approved by the adjutant general and composed of members of the
22 national guard, the naval militia, or the independent, chartered-military organizations;

23 (5) Buildings for free public schools, buildings for religious worship, and the land upon
24 which they stand and immediately surrounding them, to an extent not exceeding five (5) acres so
25 far as the buildings and land are occupied and used exclusively for religious or educational
26 purposes;

27 (6) Dwellings houses and the land on which they stand, not exceeding one acre in size, or
28 the minimum lot size for zone in which the dwelling house is located, whichever is the greater,
29 owned by, or held in trust for, any religious organization and actually used by its officiating
30 clergy; provided, further, that in the town of Charlestown, where the property previously
31 described in this paragraph is exempt in total, along with dwelling houses and the land on which
32 they stand in Charlestown, not exceeding one acre in size, or the minimum lot size for zone in
33 which the dwelling house is located, whichever is the greater, owned by, or held in trust for, any
34 religious organization and actually used by its officiating clergy, or used as a convent, nunnery, or

1 retreat center by its religious order;

2 (7) Intangible personal property owned by, or held in trust for, any religious or charitable
3 organization, if the principal or income is used or appropriated for religious or charitable
4 purposes;

5 (8) Buildings and personal estate owned by any corporation used for a school, academy,
6 or seminary of learning, and of any incorporated public charitable institution, and the land upon
7 which the buildings stand and immediately surrounding them to an extent not exceeding one acre,
8 so far as they are used exclusively for educational purposes, but no property or estate whatever is
9 hereafter exempt from taxation in any case where any part of its income or profits, or of the
10 business carried on there, is divided among its owners or stockholders; provided, however, that
11 unless any private nonprofit corporation organized as a college or university located in the town
12 of Smithfield reaches a memorandum of agreement with the town of Smithfield, the town of
13 Smithfield shall bill the actual costs for police, fire, and rescue services supplied, unless
14 otherwise reimbursed, to said corporation commencing March 1, 2014;

15 (9) Estates, persons, and families of the president and professors for the time being of
16 Brown University for not more than ten thousand dollars (\$10,000) for each officer, the officer's
17 estate, person, and family included, but only to the extent that any person had claimed and
18 utilized the exemption prior to, and for a period ending, either on or after December 31, 1996;

19 (10) Property especially exempt by charter unless the exemption has been waived in
20 whole or in part;

21 (11) Lots of land exclusively for burial grounds;

22 (12) Property, real and personal, held for, or by, an incorporated library, society, or any
23 free public library, or any free public library society, so far as the property is held exclusively for
24 library purposes, or for the aid or support of the aged poor, or poor friendless children, or the poor
25 generally, or for a nonprofit hospital for the sick or disabled so far as the property is used
26 exclusively for the purpose for which the nonprofit hospital is incorporated, and provided that
27 where part of a property owned by a nonprofit hospital is used exclusively for hospital purposes
28 and part of said property is not used exclusively for hospital purposes, then the part of said
29 property used exclusively for hospital purposes shall be exempt from taxation, and the personal
30 property located within said property used exclusively for hospital purposes shall be exempt from
31 taxation;

32 (13) Real or personal estate belonging to, or held in trust for, the benefit of incorporated
33 organizations of veterans of any war in which the United States has been engaged, the parent
34 body of which has been incorporated by act of Congress, to the extent of four hundred thousand

1 dollars (\$400,000) if actually used and occupied by the association; provided, that the city council
2 of the city of Cranston may by ordinance exempt the real or personal estate as previously
3 described in this subdivision located within the city of Cranston to the extent of five hundred
4 thousand dollars (\$500,000);

5 (14) Property, real and personal, held for, or by, the fraternal corporation, association, or
6 body created to build and maintain a building or buildings for its meetings or the meetings of the
7 general assembly of its members, or subordinate bodies of the fraternity, and for the
8 accommodation of other fraternal bodies or associations, the entire net income of which real and
9 personal property is exclusively applied or to be used to build, furnish, and maintain an asylum or
10 asylums, a home or homes, a school or schools, for the free education or relief of the members of
11 the fraternity, or the relief, support, and care of worthy and indigent members of the fraternity,
12 their wives, widows, or orphans, and any fund given or held for the purpose of public education,
13 almshouses, and the land and buildings used in connection therewith;

14 (15) Real estate and personal property of any incorporated volunteer fire engine company
15 or incorporated volunteer ambulance or rescue corps in active service;

16 (16) The estate of any person who, in the judgment of the assessors, is unable from
17 infirmity or poverty to pay the tax; provided, that in the towns of Burrillville and West
18 Greenwich, the tax shall constitute a lien for five (5) years on the property where the owner is
19 entitled to the exemption. At the expiration of five (5) years, the lien shall be abated in full.
20 Provided, if the property is sold or conveyed, or if debt secured by the property is refinanced
21 during the five-year (5) period, the lien immediately becomes due and payable; any person
22 claiming the exemption aggrieved by an adverse decision of an assessor shall appeal the decision
23 to the local board of tax review and thereafter according to the provisions of § 44-5-26;

24 (17) Household furniture and family stores of a housekeeper in the whole, including
25 clothing, bedding, and other white goods, books, and all other tangible personal property items
26 that are common to the normal household;

27 (18) Improvements made to any real property to provide a shelter and fallout protection
28 from nuclear radiation, to the amount of one thousand five hundred dollars (\$1,500); provided,
29 that the improvements meet applicable standards for shelter construction established, from time to
30 time, by the Rhode Island emergency management agency. The improvements are deemed to
31 comply with the provisions of any building code or ordinance with respect to the materials or the
32 methods of construction used and any shelter or its establishment is deemed to comply with the
33 provisions of any zoning code or ordinance;

34 (19) Aircraft for which the fee required by § 1-4-6 has been paid to the tax administrator;

1 (20) Manufacturer's inventory.

2 (i) For the purposes of §§ 44-4-10, 44-5-3, 44-5-20, and 44-5-38, a person is deemed to
3 be a manufacturer within a city or town within this state if that person uses any premises, room,
4 or place in it primarily for the purpose of transforming raw materials into a finished product for
5 trade through any or all of the following operations: adapting, altering, finishing, making, and
6 ornamenting; provided, that public utilities; non-regulated power producers commencing
7 commercial operation by selling electricity at retail or taking title to generating facilities on or
8 after July 1, 1997; building and construction contractors; warehousing operations, including
9 distribution bases or outlets of out-of-state manufacturers; and fabricating processes incidental to
10 warehousing or distribution of raw materials, such as alteration of stock for the convenience of a
11 customer; are excluded from this definition;

12 (ii) For the purposes of this section and §§ 44-4-10 and 44-5-38, the term "manufacturer's
13 inventory", or any similar term, means and includes the manufacturer's raw materials, the
14 manufacturer's work in process, and finished products manufactured by the manufacturer in this
15 state, and not sold, leased, or traded by the manufacturer or its title or right to possession
16 divested; provided, that the term does not include any finished products held by the manufacturer
17 in any retail store or other similar selling place operated by the manufacturer whether or not the
18 retail establishment is located in the same building in which the manufacturer operates the
19 manufacturing plant;

20 (iii) For the purpose of § 44-11-2, a "manufacturer" is a person whose principal business
21 in this state consists of transforming raw materials into a finished product for trade through any or
22 all of the operations described in paragraph (i) of this subdivision. A person will be deemed to be
23 principally engaged if the gross receipts that person derived from the manufacturing operations in
24 this state during the calendar year or fiscal year mentioned in § 44-11-1 amounted to more than
25 fifty percent (50%) of the total gross receipts that person derived from all the business activities
26 in which that person engaged in this state during the taxable year. For the purpose of computing
27 the percentage, gross receipts derived by a manufacturer from the sale, lease, or rental of finished
28 products manufactured by the manufacturer in this state, even though the manufacturer's store or
29 other selling place may be at a different location from the location of the manufacturer's
30 manufacturing plant in this state, are deemed to have been derived from manufacturing;

31 (iv) Within the meaning of the preceding paragraphs of this subdivision, the term
32 "manufacturer" also includes persons who are principally engaged in any of the general activities
33 coded and listed as establishments engaged in manufacturing in the Standard Industrial
34 Classification Manual prepared by the Technical Committee on Industrial Classification, Office

1 of Statistical Standards, Executive Office of the President, United States Bureau of the Budget, as
2 revised from time to time, but eliminating as manufacturers those persons, who, because of their
3 limited type of manufacturing activities, are classified in the manual as falling within the trade
4 rather than an industrial classification of manufacturers. Among those thus eliminated, and
5 accordingly also excluded as manufacturers within the meaning of this paragraph, are persons
6 primarily engaged in selling, to the general public, products produced on the premises from which
7 they are sold, such as neighborhood bakeries, candy stores, ice cream parlors, shade shops, and
8 custom tailors, except, that a person who manufactures bakery products for sale primarily for
9 home delivery, or through one or more non-baking retail outlets, and whether or not retail outlets
10 are operated by the person, is a manufacturer within the meaning of this paragraph;

11 (v) The term "Person" means and includes, as appropriate, a person, partnership, or
12 corporation; and

13 (vi) The department of revenue shall provide to the local assessors any assistance that is
14 necessary in determining the proper application of the definitions in this subdivision;

15 (21) Real and tangible personal property acquired to provide a treatment facility used
16 primarily to control the pollution or contamination of the waters or the air of the state, as defined
17 in chapter 12 of title 46 and chapter 25 of title 23, respectively, the facility having been
18 constructed, reconstructed, erected, installed, or acquired in furtherance of federal or state
19 requirements or standards for the control of water or air pollution or contamination, and certified
20 as approved in an order entered by the director of environmental management. The property is
21 exempt as long as it is operated properly in compliance with the order of approval of the director
22 of environmental management; provided, that any grant of the exemption by the director of
23 environmental management in excess of ten (10) years is approved by the city or town in which
24 the property is situated. This provision applies only to water and air pollution control properties
25 and facilities installed for the treatment of waste waters and air contaminants resulting from
26 industrial processing; furthermore, it applies only to water or air pollution control properties and
27 facilities placed in operation for the first time after April 13, 1970;

28 (22) New manufacturing machinery and equipment acquired or used by a manufacturer
29 and purchased after December 31, 1974. Manufacturing machinery and equipment is defined as:

30 (i) Machinery and equipment used exclusively in the actual manufacture or conversion of
31 raw materials or goods in the process of manufacture by a manufacturer, as defined in subdivision
32 (20), and machinery, fixtures, and equipment used exclusively by a manufacturer for research and
33 development or for quality assurance of its manufactured products;

34 (ii) Machinery and equipment that is partially used in the actual manufacture or

1 conversion of raw materials or goods in process of manufacture by a manufacturer, as defined in
2 subdivision (20), and machinery, fixtures, and equipment used by a manufacturer for research and
3 development or for quality assurance of its manufactured products, to the extent to which the
4 machinery and equipment is used for the manufacturing processes, research and development, or
5 quality assurance. In the instances where machinery and equipment is used in both manufacturing
6 and/or research and development and/or quality assurance activities and non-manufacturing
7 activities, the assessment on machinery and equipment is prorated by applying the percentage of
8 usage of the equipment for the manufacturing, research and development, and quality-assurance
9 activity to the value of the machinery and equipment for purposes of taxation, and the portion of
10 the value used for manufacturing, research and development, and quality assurance is exempt
11 from taxation. The burden of demonstrating this percentage usage of machinery and equipment
12 for manufacturing and for research and development and/or quality assurance of its manufactured
13 products rests with the manufacturer; and

14 (iii) Machinery and equipment described in §§ 44-18-30(7) and 44-18-30(22) that was
15 purchased after July 1, 1997; provided that the city or town council of the city or town in which
16 the machinery and equipment is located adopts an ordinance exempting the machinery and
17 equipment from taxation. For purposes of this subsection, city councils and town councils of any
18 municipality may, by ordinance, wholly or partially exempt from taxation the machinery and
19 equipment discussed in this subsection for the period of time established in the ordinance and
20 may, by ordinance, establish the procedures for taxpayers to avail themselves of the benefit of
21 any exemption permitted under this section; provided, that the ordinance does not apply to any
22 machinery or equipment of a business, subsidiary, or any affiliated business that locates or
23 relocates from a city or town in this state to another city or town in the state;

24 (23) Precious metal bullion, meaning any elementary metal that has been put through a
25 process of melting or refining, and that is in a state or condition that its value depends upon its
26 content and not its form. The term does not include fabricated precious metal that has been
27 processed or manufactured for some one or more specific and customary industrial, professional,
28 or artistic uses;

29 (24) Hydroelectric power-generation equipment, which includes, but is not limited to,
30 turbines, generators, switchgear, controls, monitoring equipment, circuit breakers, transformers,
31 protective relaying, bus bars, cables, connections, trash racks, headgates, and conduits. The
32 hydroelectric power-generation equipment must have been purchased after July 1, 1979, and
33 acquired or used by a person or corporation who or that owns or leases a dam and utilizes the
34 equipment to generate hydroelectric power;

1 (25) Subject to authorization by formal action of the council of any city or town, any real
2 or personal property owned by, held in trust for, or leased to an organization incorporated under
3 chapter 6 of title 7, as amended, or an organization meeting the definition of "charitable trust" set
4 out in § 18-9-4, as amended, or an organization incorporated under the not-for-profits statutes of
5 another state or the District of Columbia, the purpose of which is the conserving of open space, as
6 that term is defined in chapter 36 of title 45, as amended, provided the property is used
7 exclusively for the purposes of the organization;

8 (26) Tangible personal property, the primary function of which is the recycling, reuse, or
9 recovery of materials (other than precious metals, as defined in § 44-18-30(24)(ii) and (iii)), from,
10 or the treatment of "hazardous wastes", as defined in § 23-19.1-4, where the "hazardous wastes"
11 are generated primarily by the same taxpayer and where the personal property is located at, in, or
12 adjacent to a generating facility of the taxpayer. The taxpayer may, but need not, procure an order
13 from the director of the department of environmental management certifying that the tangible
14 personal property has this function, which order effects a conclusive presumption that the tangible
15 personal property qualifies for the exemption under this subdivision. If any information relating
16 to secret processes or methods of manufacture, production, or treatment is disclosed to the
17 department of environmental management only to procure an order, and is a "trade secret" as
18 defined in § 28-21-10(b), it shall not be open to public inspection or publicly disclosed unless
19 disclosure is otherwise required under chapter 21 of title 28 or chapter 24.4 of title 23;

20 (27) Motorboats as defined in § 46-22-2 for which the annual fee required in § 46-22-4
21 has been paid;

22 (28) Real and personal property of the Providence Performing Arts Center, a non-
23 business corporation as of December 31, 1986;

24 (29) Tangible personal property owned by, and used exclusively for the purposes of, any
25 religious organization located in the city of Cranston;

26 (30) Real and personal property of the Travelers Aid Society of Rhode Island, a nonprofit
27 corporation, the Union Mall Real Estate Corporation, and any limited partnership or limited
28 liability company that is formed in connection with, or to facilitate the acquisition of, the
29 Providence YMCA Building;

30 (31) Real and personal property of Meeting Street Center or MSC Realty, Inc., both not-
31 for-profit Rhode Island corporations, and any other corporation, limited partnership, or limited
32 liability company that is formed in connection with, or to facilitate the acquisition of, the
33 properties designated as the Meeting Street National Center of Excellence on Eddy Street in
34 Providence, Rhode Island;

1 (32) The buildings, personal property, and land upon which the buildings stand, located
2 on Pomham Island, East Providence, currently identified as Assessor's Map 211, Block 01, Parcel
3 001.00, that consists of approximately twenty-one thousand three hundred (21,300) square feet
4 and is located approximately eight hundred sixty feet (860'), more or less, from the shore, and
5 limited exclusively to these said buildings, personal estate and land, provided that said property is
6 owned by a qualified 501(c)(3) organization, such as the American Lighthouse Foundation, and is
7 used exclusively for a lighthouse;

8 (33) The Stadium Theatre Performing Arts Centre building located in Monument Square,
9 Woonsocket, Rhode Island, so long as said Stadium Theatre Performing Arts Center is owned by
10 the Stadium Theatre Foundation, a Rhode Island nonprofit corporation;

11 (34) Real and tangible personal property of St. Mary Academy -- Bay View, located in
12 East Providence, Rhode Island;

13 (35) Real and personal property of East Bay Community Action Program and its
14 predecessor, Self Help, Inc; provided, that the organization is qualified as a tax-exempt
15 corporation under § 501(c)(3) of the United States Internal Revenue Code;

16 (36) Real and personal property located within the city of East Providence of the
17 Columbus Club of East Providence, a Rhode Island charitable nonprofit corporation;

18 (37) Real and personal property located within the city of East Providence of the
19 Columbus Club of Barrington, a Rhode Island charitable nonprofit corporation;

20 (38) Real and personal property located within the city of East Providence of Lodge 2337
21 BPO Elks, a Rhode Island nonprofit corporation;

22 (39) Real and personal property located within the city of East Providence of the St.
23 Andrews Lodge No. 39, a Rhode Island charitable nonprofit corporation;

24 (40) Real and personal property located within the city of East Providence of the Trustees
25 of Methodist Health and Welfare service a/k/a United Methodist Elder Care, a Rhode Island
26 nonprofit corporation;

27 (41) Real and personal property located on the first floor of 90 Leonard Avenue within
28 the city of East Providence of the Zion Gospel Temple, Inc., a religious nonprofit corporation;

29 (42) Real and personal property located within the city of East Providence of the Cape
30 Verdean Museum Exhibit, a Rhode Island nonprofit corporation;

31 (43) The real and personal property owned by a qualified 501(c)(3) organization that is
32 affiliated and in good standing with a national, congressionally chartered organization and
33 thereby adheres to that organization's standards and provides activities designed for recreational,
34 educational, and character building purposes for children from ages six (6) years to seventeen

1 (17) years;

2 (44) Real and personal property of the Rhode Island Philharmonic Orchestra and Music
3 School; provided, that the organization is qualified as a tax-exempt corporation under § 501(c)(3)
4 of the United States Internal Revenue Code;

5 (45) The real and personal property located within the town of West Warwick at 211
6 Cowesett Avenue, Plat 29-Lot 25, which consists of approximately twenty-eight thousand seven
7 hundred fifty (28,750) square feet and is owned by the Station Fire Memorial Foundation of East
8 Greenwich, a Rhode Island nonprofit corporation;

9 (46) Real and personal property of the Comprehensive Community Action Program, a
10 qualified tax-exempt corporation under § 501(c)(3) of the United States Internal Revenue Code;

11 (47) Real and personal property located at 52 Plain Street, within the city of Pawtucket of
12 the Pawtucket Youth Soccer Association, a Rhode Island nonprofit corporation;

13 (48) Renewable energy resources, as defined in § 39-26-5, used in residential systems
14 and associated equipment used therewith in service after December 31, 2015;

15 (49) Renewable energy resources, as defined in § 39-26-5, if employed by a
16 manufacturer, as defined in subsection (a) of this section, shall be exempt from taxation in
17 accordance with subsection (a) of this section;

18 (50) Real and personal property located at 415 Tower Hill Road within the town of North
19 Kingstown, of South County Community Action, Inc., a qualified tax-exempt corporation under §
20 501(c)(3) of the United States Internal Revenue Code;

21 (51) As an effort to promote business growth, tangible business or personal property, in
22 whole or in part, within the town of Charlestown's community limits, subject to authorization by
23 formal action of the town council of the town of Charlestown;

24 (52) All real and personal property located at 1300 Frenchtown Road, within the town of
25 East Greenwich, identified as assessor's map 027, plat 019, lot 071, and known as the New
26 England Wireless and Steam Museum, Inc., a qualified tax-exempt corporation under § 501(c)(3)
27 of the United States Internal Revenue Code;

28 (53) Real and tangible personal property of Mount Saint Charles Academy located within
29 the city of Woonsocket, specifically identified as the following assessor's plats and lots: Logee
30 Street, plat 23, lot 62, Logee Street, plat 24, lots 304 and 305; Welles Street, plat 23, lot 310;
31 Monroe Street, plat 23, lot 312; and Roberge Avenue, plat 24, lot 47;

32 (54) Real and tangible personal property of Steere House, a Rhode Island nonprofit
33 corporation, located in Providence, Rhode Island;

34 (55) Real and personal property located within the town of West Warwick of Tides

1 Family Services, Inc., a Rhode Island nonprofit corporation;

2 (56) Real and personal property of Tides Family Services, Inc., a Rhode Island nonprofit
3 corporation, located in the city of Pawtucket at 242 Dexter Street, plat 44, lot 444;

4 (57) Real and personal property located within the town of Middletown of Lucy's Hearth,
5 a Rhode Island nonprofit corporation;

6 (58) Real and tangible personal property of Habitat for Humanity of Rhode Island--
7 Greater Providence, Inc., a Rhode Island nonprofit corporation, located in Providence, Rhode
8 Island;

9 (59) Real and personal property of the Artic Playhouse, a Rhode Island nonprofit
10 corporation, located in the town of West Warwick at 1249 Main Street;

11 (60) Real and personal property located at 321 Main Street, within the town of South
12 Kingstown, of the Contemporary Theatre Company, a qualified, tax-exempt corporation under §
13 501(c)(3) of the United States Internal Revenue Code;

14 (61) Real and personal property of The Samaritans, Inc., a Rhode Island nonprofit §
15 501(c)(3) corporation located at 67 Park Place, Pawtucket, Rhode Island, to the extent the city
16 council of Pawtucket may from time to time determine;

17 (62) Real and personal property of North Kingstown, Exeter Animal Protection League,
18 Inc., dba "Pet Refuge," 500 Stony Lane, a Rhode Island nonprofit corporation, located in North
19 Kingstown, Rhode Island;

20 (63) Real and personal property located within the city of East Providence of Foster
21 Forward (formerly the Rhode Island Foster Parents Association), a Rhode Island charitable
22 nonprofit corporation; and

23 (64) Real and personal property located at 54 Kelly Avenue within the town of East
24 Providence, of the Associated Radio Amateurs of Southern New England, a Rhode Island
25 nonprofit corporation.

26 (b) Except as provided below, when a city or town taxes a for-profit hospital facility, the
27 value of its real property shall be the value determined by the most recent full revaluation or
28 statistical property update performed by the city or town; provided, however, in the year a
29 nonprofit hospital facility converts to or otherwise becomes a for-profit hospital facility, or a for-
30 profit hospital facility is initially established, the value of the real property and personal property
31 of the for-profit hospital facility shall be determined by a valuation performed by the assessor for
32 the purpose of determining an initial assessed value of real and personal property, not previously
33 taxed by the city or town, as of the most recent date of assessment pursuant to § 44-5-1, subject to
34 a right of appeal by the for-profit hospital facility which shall be made to the city or town tax

1 assessor with a direct appeal from an adverse decision to the Rhode Island superior court business
2 calendar.

3 A "for-profit hospital facility" includes all real and personal property affiliated with any
4 hospital as identified in an application filed pursuant to chapter 17 or 17.14 of title 23.
5 Notwithstanding the above, a city or town may enter into a stabilization agreement with a for-
6 profit hospital facility under § 44-3-9 or other laws specific to the particular city or town relating
7 to stabilization agreements. In a year in which a nonprofit hospital facility converts to, or
8 otherwise becomes, a for-profit hospital facility, or a for-profit hospital facility is otherwise
9 established, in that year only the amount levied by the city or town and/or the amount payable
10 under the stabilization agreement for that year related to the for-profit hospital facility shall not be
11 counted towards determining the maximum tax levy permitted under § 44-5-2.

12 (c) Cities and towns. Authorization to impose taxes on certain properties of nonprofit
13 entities.

14 (1) Any laws or acts that incorporate, restate or amend the articles of incorporation of
15 nonprofit institutions of higher education or nonprofit hospitals and, which exempt real and
16 personal property from taxation are hereby amended to be consistent with subsections (a) through
17 (d) below as follows:

18 (a) All real and personal property shall be exempt from taxation so far as said property is
19 used exclusively for educational purposes by nonprofit institutions of higher education or hospital
20 purposes by nonprofit hospitals.

21 (b) Where part of a property owned by a nonprofit institution of higher education is used
22 exclusively for educational purposes and part of said property is not used exclusively for
23 educational purposes, then the part of said property used exclusively for educational purposes
24 shall be exempt from taxation, and the personal property located within said property used
25 exclusively for educational purposes shall be exempt from taxation.

26 (c) Where part of a property owned by a nonprofit hospital is used exclusively for
27 hospital purposes and part of said property is not used exclusively for hospital purposes, then the
28 part of said property used exclusively for hospital purposes shall be exempt from taxation, and the
29 personal property located within said property used exclusively for hospital purposes shall be
30 exempt from taxation.

31 (d) Notwithstanding §44-3-3(c)(1)(a), vacant lots, improved or unimproved, shall not be
32 exempt from taxation.

33 (2) In the event that a nonprofit institution of higher education or a nonprofit hospital has
34 made one or more voluntary payments in lieu of taxation during a tax year to a city or town with

1 respect to all or any portion of real or personal property, said payments shall be credited against
2 and shall reduce any taxes owed and due to the city or town for said tax year.

3 (3) Notwithstanding the exemption from taxation pursuant to §44-3-3(c)(1), cities and
4 towns are authorized to waive, or reduce taxes levied against real and personal property owned by
5 nonprofit institutions of higher education or nonprofit hospitals in the event the nonprofit
6 institutions of higher education or nonprofit hospitals agree to make payments in lieu of taxes.

7 (4) Cities and towns may use December 31st of the year prior to the effective date of this
8 section as the date of assessment for any property that first becomes subject to taxation as a result
9 of §44-3-3(c)(1) above.

10 (5) As used in this section, "nonprofit institution of higher education" means any
11 institution engaged primarily in education beyond the high school level, and "nonprofit hospital"
12 means any nonprofit hospital licensed by the state and which is used for the purpose of general
13 medical, surgical, or psychiatric care and treatment.

14 SECTION 2. Section 44-34-11 of the General Laws in Chapter 44-34 entitled "Excise on
15 Motor Vehicles and Trailers" is hereby amended to read as follows:

16 **44-34-11. Rhode Island vehicle value commission.**

17 (a) There is hereby authorized, created, and established the "Rhode Island vehicle value
18 commission" whose function it is to establish presumptive values of vehicles and trailers subject
19 to the excise tax.

20 (b) The commission shall consist of the following seven (7) members as follows:

21 (1) The director of the department of revenue or his/her designee from the department of
22 revenue;

23 (2) Five (5) local tax officials named by the governor, at least one of whom shall be from
24 a city or town under ten thousand (10,000) population and at least one of whom is from a city or
25 town over fifty thousand (50,000) population. In making these appointments, the governor shall
26 give due consideration to the recommendations submitted by the President of the Rhode Island
27 League of Cities and Towns and each appointment shall be subject to the advice and consent of
28 the senate; and

29 (3) One motor vehicle dealer appointed by the governor upon giving due consideration to
30 the recommendation of the director of revenue and subject to the advice and consent of the
31 senate.

32 (4) All members shall serve for a term of three (3) years.

33 (5) Current legislative appointees shall cease to be members of the commission upon the
34 effective date of this act. Non-legislative appointees to the commission may serve out their terms

1 whereupon their successors shall be appointed in accordance with this act. No one shall be
2 eligible for appointment to the commission unless he or she is a resident of this state.

3 (6) Public members of the commission shall be removable by the governor pursuant to §
4 36-1-7 for cause only, and removal solely for partisan or personal reasons unrelated to capacity or
5 fitness for the office shall be unlawful.

6 (7) The governor shall appoint a chairperson from the commission's members. The
7 commission shall elect from among its members other officers as it may deem appropriate.

8 (c) The commission shall annually determine the presumptive values of vehicles and
9 trailers subject to the excise tax in the following manner:

10 (1) Not earlier than September 30 and not later than December 31 of each year, the
11 commission shall by rule adopt a methodology for determining the presumptive value of vehicles
12 and trailers subject to the excise tax that shall give consideration to the following factors:

13 (i) The average retail price of similar vehicles of the same make, model, type, and year of
14 manufacture as reported by motor vehicle dealers or by official used car guides, such as that of
15 the National Automobile Dealers Association for New England. Where regional guides are not
16 available, the commission shall use other publications deemed appropriate; and

17 (ii) Other information concerning the average retail prices for make, model, type, and
18 year of manufacture of motor vehicles as the director and the Rhode Island vehicle value
19 commission may deem appropriate to determine fair values.

20 (iii) Notwithstanding the foregoing, the presumptive value of vehicles and trailers subject
21 to the excise tax shall not exceed the following percentage of clean retail value for those vehicles
22 reported by the National Automobile Dealers Association Official Used Car Guide New England
23 Edition:

24	FISCAL YEAR	PERCENTAGE
25	2018	95%
26	2019	90%
27	2020	85% <u>87.5%</u>
28	2021	80% <u>84%</u>
29	2022	75% <u>79%</u>
30	2023	70% <u>67.5%</u>

31 In the event that no such clean retail value is reported, the presumptive value shall not
32 exceed the above percentages of the following:

33 (A) Manufacturer's suggested retail price (MSRP) for new model year vehicles as
34 reported by the National Automobile Dealers Association Guides; or

1 (B) Average retail value for those vehicles reported by the National Automobile Dealers
2 Association Official Used Car Guide National Edition and
3 Motorcycle/Snowmobile/ATV/Personal Watercraft Appraisal Guide; or

4 (C) Used retail value for those vehicles reported in the National Association of
5 Automobile Dealers Recreational Vehicle Appraisal Guide; or

6 (D) Low value for those vehicles reported in the National Automobile Dealers
7 Association Classic, Collectible, Exotic and Muscle Car Appraisal Guide & Directory.

8 (2) On or before February 1 of each year, it shall adopt a list of values for vehicles and
9 trailers of the same make, model, type, and year of manufacture as of the preceding December 31
10 in accordance with the methodology adopted between September 30 and December 31; the list
11 shall be subject to a public hearing at least five (5) business days prior to the date of its adoption.

12 (3) Nothing in this section shall be deemed to require the commission to determine the
13 presumptive value of vehicles and trailers that are unique, to which special equipment has been
14 added or to which special modifications have been made, or for which adequate information is
15 not available from the sources referenced in subdivision (1) of this subsection; provided, that the
16 commission may consider those factors in its lists or regulations.

17 (4) The commission shall annually provide the list of presumptive values of vehicles and
18 trailers to each tax assessor on or before February 15 of each year.

19 (d) The commission shall adopt rules governing its organization and the conduct of its
20 business; prior to the adoption of the rules, the chair shall have the power to call meetings, and a
21 simple majority of the members of the commission, as provided for in subsection (b) of this
22 section, is necessary for a quorum, which quorum by majority vote shall have the power to
23 conduct business in the name of the commission. The commission may adopt rules and elect from
24 among its members such other officers as it deems necessary.

25 (e) The commission shall have the power to contract for professional services that it
26 deems necessary for the development of the methodology for determining presumptive values; for
27 calculating presumptive values according to the methodology; and for preparing the list of
28 presumptive values in a form and format that is generally usable by cities and towns in their
29 preparation of tax bills. The commission shall also have the power to incur reasonable expenses
30 in the conduct of its business as required by this chapter and to authorize payments for the
31 expenses.

32 (f) Commission members shall receive no compensation for the performance of their
33 duties but may be reimbursed for their reasonable expenses incurred in carrying out such duties.

34 (g) The commission shall respond to petitions of appeal by local boards of review in

1 accordance with the provisions of § 44-34-9.

2 (h) The commission shall establish, by rule, procedures for adopting an annual budget
3 and for administering its finances. After July 1, 1986, one-half (1/2) of the cost of the
4 commission's operations shall be borne by the state and one-half (1/2) shall be borne by cities and
5 towns within the state, with the city and town share distributed among cities and towns on a per
6 capita basis.

7 (i) Within ninety (90) days after the end of each fiscal year, the commission shall approve
8 and submit an annual report to the governor, the speaker of the house of representatives, the
9 president of the senate, and the secretary of state of its activities during that fiscal year. The report
10 shall provide: an operating statement summarizing meetings or hearings held, meeting minutes if
11 requested, subjects addressed, decisions rendered, rules or regulations promulgated, studies
12 conducted, policies and plans developed, approved, or modified, and programs administered or
13 initiated; a consolidated financial statement of all funds received and expended including the
14 source of the funds, a listing of any staff supported by these funds, and a summary of any clerical,
15 administrative or technical support received; a summary of performance during the previous
16 fiscal year including accomplishments, shortcomings and remedies; a synopsis of hearings,
17 complaints, suspensions, or other legal matters related to the authority of the commission; a
18 summary of any training courses held pursuant to this subsection, a briefing on anticipated
19 activities in the upcoming fiscal year; and findings and recommendations for improvements. The
20 report shall be posted electronically on the general assembly and the secretary of state's websites
21 as prescribed in § 42-20-8.2. The director of the department of revenue shall be responsible for
22 the enforcement of this provision.

23 SECTION 3. Section 44-34.1-1 of the General Laws in Chapter 44-34.1 entitled "Motor
24 Vehicle and Trailer Excise Tax Elimination Act of 1998" is hereby amended to read as follows:

25 **44-34.1-1. Excise tax phase-out.**

26 (a)(1) Notwithstanding the provisions of chapter 34 of this title or any other provisions to
27 the contrary, the motor vehicle and trailer excise tax established by § 44-34-1 may be phased out.
28 The phase-out shall apply to all motor vehicles and trailers, including leased vehicles.

29 (2) Lessors of vehicles that pay excise taxes directly to municipalities shall provide
30 lessees, at the time of entering into the lease agreement, an estimate of annual excise taxes
31 payable throughout the term of the lease. In the event the actual excise tax is less than the
32 estimated excise tax, the lessor shall annually rebate to the lessee the difference between the
33 actual excise tax and the estimated excise tax.

34 (b) Pursuant to the provisions of this section, all motor vehicles shall be assessed a value

1 by the vehicle value commission. That value shall be assessed according to the provisions of §
 2 44-34-11(c)(1) and in accordance with the terms as defined in subsection (d) of this section;
 3 provided, however, that the maximum taxable value percentage applicable to model year values
 4 as of December 31, 1997, shall continue to be applicable in future year valuations aged by one
 5 year in each succeeding year.

6 (c)(1) The motor vehicle excise tax phase-out shall commence with the excise tax bills
 7 mailed to taxpayers for the fiscal year 2000. The phase-out, beyond fiscal year 2003, shall be
 8 subject to annual review and appropriation by the general assembly. The tax assessors of the
 9 various cities and towns and fire districts shall reduce the average retail value of each vehicle
 10 assessed by using the prorated exemptions from the following table:

11 Local Fiscal Year Exempt from value	Local Exemption	State fiscal year Reimbursement
12 fiscal year 1999	0	\$1,500
13 fiscal year 2000	\$1,500	\$2,500
14 fiscal year 2001	\$2,500	\$3,500
15 fiscal year 2002	\$3,500	\$4,500
16 fiscal years 2003, 2004 and 2005	\$4,500	\$4,500
17 for fiscal year 2006 and	\$5,000	\$5,000
18 for fiscal year 2007	\$6,000	\$6,000

19 for fiscal years 2008, 2009 and 2010 the exemption and the state fiscal year
 20 reimbursement shall be increased, at a minimum, to the maximum amount to the nearest two
 21 hundred and fifty dollar (\$250) increment within the allocation of one and twenty-two hundredths
 22 percent (1.22%) of net terminal income derived from video lottery games pursuant to the
 23 provisions of § 42-61-15, and in no event shall the exemption in any fiscal year be less than the
 24 prior fiscal year.

25 (i) For fiscal year 2011 through fiscal year 2017, the exemption shall be five hundred
 26 dollars (\$500). Cities and towns may provide an additional exemption; provided, however, any
 27 such additional exemption shall not be subject to reimbursement.

28 (ii) For fiscal year 2018, cities, towns, and fire districts shall provide an exemption equal
 29 to the greater of one thousand dollars (\$1,000) or the exemption in effect in fiscal year 2017.

30 (iii) For fiscal year 2019, cities, towns, and fire districts shall provide an exemption equal
 31 to the greater of two thousand dollars (\$2,000) or the exemption in effect in fiscal year 2017.

32 (iv) For fiscal year 2020, cities, towns, and fire districts shall provide an exemption equal
 33 to the greater of ~~three thousand dollars (\$3,000)~~ two thousand eight hundred dollars (\$2,800) (or
 34 the exemption in effect in fiscal year 2017.

1 (v) For fiscal year 2021, cities, towns, and fire districts shall provide an exemption equal
2 to the greater of ~~four thousand dollars (\$4,000)~~ three thousand eight hundred dollars (\$3,800) or
3 the exemption in effect in fiscal year 2017.

4 (vi) For fiscal year 2022, cities, towns, and fire districts shall provide an exemption equal
5 to the greater of ~~five thousand dollars (\$5,000)~~ four thousand eight hundred dollars (\$4,800) or
6 the exemption in effect in fiscal year 2017.

7 (vii) For fiscal year 2023, cities, towns, and fire districts shall provide an exemption
8 equal to the greater of six thousand dollars (\$6,000) or the exemption in effect in fiscal year 2017.

9 (viii) For fiscal year 2024 and thereafter, no tax shall be levied.

10 (2) The excise tax phase-out shall provide levels of assessed value reductions until the tax
11 is eliminated or reduced as provided in this chapter.

12 (3) Current exemptions shall remain in effect as provided in this chapter.

13 (4) The excise tax rates and ratios of assessment shall be maintained at a level identical to
14 the level in effect for fiscal year 1998 for each city, town, and fire district; provided, in the town
15 of Johnston, the excise tax rate and ratios of assessment shall be maintained at a level identical to
16 the level in effect for fiscal year 1999 levels and the levy of a city, town, or fire district shall be
17 limited to the lesser of the maximum taxable value or net assessed value for purposes of
18 collecting the tax in any given year. Provided, however, for fiscal year 2011 through fiscal year
19 2017, the rates and ratios of assessment may be less than but not more than the rates described in
20 this subsection (4).

21 (5) For fiscal year 2018 and thereafter, the excise tax rate applied by a city, town, or fire
22 district, shall not exceed the rate in effect in fiscal year 2017 and shall not exceed the rate set
23 forth below:

24 Fiscal Year	Tax Rate (Per \$1,000 of Value)
25 2018	\$60.00
26 2019	\$50.00
27 2020	\$35.00 <u>\$40.00</u>
28 2021	\$35.00
29 2022	\$30.00
30 2023	\$20.00 <u>\$25.00</u>

31 (6) In no event shall a taxpayer be billed more than the prior year for a vehicle owned up
32 to the same number of days unless an increased bill is the result of no longer being eligible for a
33 local tax exemption.

34 (d) Definitions.

1 (1) "Maximum taxable value" means the value of vehicles as prescribed by § 44-34-11
2 reduced by the percentage of assessed value applicable to model year values as determined by the
3 Rhode Island vehicle value commission as of December 31, 1997, for the vehicles valued by the
4 commission as of December 31, 1997. For all vehicle value types not valued by the Rhode Island
5 vehicle value commission as of December 31, 1997, the maximum taxable value shall be the
6 latest value determined by a local assessor from an appropriate pricing guide, multiplied by the
7 ratio of assessment used by that city, town, or fire district for a particular model year as of
8 December 31, 1997. The maximum taxable value shall be determined in such a manner as to
9 incorporate the application of the percentage corresponding with the appropriate fiscal year as
10 specified in § 44-34-11(c)(1)(iii).

11 (2) "Net assessed value" means the motor vehicle values as determined in accordance
12 with § 44-34-11 less all personal exemptions allowed by cities, towns, fire districts, and the state
13 of Rhode Island exemption value as provided for in subsection (c)(1) of this section.

14 (e) If any provision of this chapter shall be held invalid by any court of competent
15 jurisdiction, the remainder of this chapter and the applications of the provisions hereof shall not
16 be effected thereby.

17 SECTION 4. This article shall take effect upon passage.

18 **ARTICLE 10**

19 **RELATING TO UNIVERSAL PREKINDERGARTEN**

20 SECTION 1. Section 16-7.2-6 of the General Laws in Chapter 16-7.2 entitled "The
21 Education Equity and Property Tax Relief Act" is hereby amended to read as follows:

22 **16-7.2-6. Categorical programs, state funded expenses.**

23 In addition to the foundation education aid provided pursuant to § 16-7.2-3, the
24 permanent foundation education-aid program shall provide direct state funding for:

25 (a) Excess costs associated with special education students. Excess costs are defined
26 when an individual special education student's cost shall be deemed to be "extraordinary".
27 Extraordinary costs are those educational costs that exceed the state-approved threshold based on
28 an amount above five times the core foundation amount (total of core-instruction amount plus
29 student success amount). The department of elementary and secondary education shall prorate the
30 funds available for distribution among those eligible school districts if the total approved costs for
31 which school districts are seeking reimbursement exceed the amount of funding appropriated in
32 any fiscal year; and the department of elementary and secondary education shall also collect data
33 on those educational costs that exceed the state-approved threshold based on an amount above
34 two (2), three (3), and four (4) times the core-foundation amount;

1 (b) Career and technical education costs to help meet initial investment requirements
2 needed to transform existing, or create new, comprehensive, career and technical education
3 programs and career pathways in critical and emerging industries and to help offset the higher-
4 than-average costs associated with facilities, equipment maintenance and repair, and supplies
5 necessary for maintaining the quality of highly specialized programs that are a priority for the
6 state. The department shall develop criteria for the purpose of allocating any and all career and
7 technical education funds as may be determined by the general assembly on an annual basis. The
8 department of elementary and secondary education shall prorate the funds available for
9 distribution among those eligible school districts if the total approved costs for which school
10 districts are seeking reimbursement exceed the amount of funding available in any fiscal year;

11 (c) Programs to increase access to voluntary, free, high-quality pre-kindergarten
12 programs. The department shall recommend criteria for the purpose of allocating any and all early
13 childhood program funds ~~as may be determined by the general assembly~~ [consistent with chapter](#)
14 [16-87](#);

15 (d) Central Falls, Davies, and the Met Center Stabilization Fund is established to ensure
16 that appropriate funding is available to support their students. Additional support for Central Falls
17 is needed due to concerns regarding the city's capacity to meet the local share of education costs.
18 This fund requires that education aid calculated pursuant to § 16-7.2-3 and funding for costs
19 outside the permanent foundation education-aid formula, including, but not limited to,
20 transportation, facility maintenance, and retiree health benefits shall be shared between the state
21 and the city of Central Falls. The fund shall be annually reviewed to determine the amount of the
22 state and city appropriation. The state's share of this fund may be supported through a reallocation
23 of current state appropriations to the Central Falls school district. At the end of the transition
24 period defined in § 16-7.2-7, the municipality will continue its contribution pursuant to § 16-7-24.
25 Additional support for the Davies and the Met Center is needed due to the costs associated with
26 running a stand-alone high school offering both academic and career and technical coursework.
27 The department shall recommend criteria for the purpose of allocating any and all stabilization
28 funds as may be determined by the general assembly;

29 (e) Excess costs associated with transporting students to out-of-district non-public
30 schools. This fund will provide state funding for the costs associated with transporting students to
31 out-of-district non-public schools, pursuant to chapter 21.1 of this title. The state will assume the
32 costs of non-public out-of-district transportation for those districts participating in the statewide
33 system. The department of elementary and secondary education shall prorate the funds available
34 for distribution among those eligible school districts if the total approved costs for which school

1 districts are seeking reimbursement exceed the amount of funding available in any fiscal year;

2 (f) Excess costs associated with transporting students within regional school districts.

3 This fund will provide direct state funding for the excess costs associated with transporting
4 students within regional school districts, established pursuant to chapter 3 of this title. This fund
5 requires that the state and regional school district share equally the student transportation costs
6 net any federal sources of revenue for these expenditures. The department of elementary and
7 secondary education shall prorate the funds available for distribution among those eligible school
8 districts if the total approved costs for which school districts are seeking reimbursement exceed
9 the amount of funding available in any fiscal year;

10 (g) Public school districts that are regionalized shall be eligible for a regionalization
11 bonus as set forth below:

12 (1) As used herein, the term "regionalized" shall be deemed to refer to a regional school
13 district established under the provisions of chapter 3 of this title, including the Chariho Regional
14 School district;

15 (2) For those districts that are regionalized as of July 1, 2010, the regionalization bonus
16 shall commence in FY 2012. For those districts that regionalize after July 1, 2010, the
17 regionalization bonus shall commence in the first fiscal year following the establishment of a
18 regionalized school district as set forth in chapter 3 of this title, including the Chariho Regional
19 School District;

20 (3) The regionalization bonus in the first fiscal year shall be two percent (2.0%) of the
21 state's share of the foundation education aid for the regionalized district as calculated pursuant to
22 §§ 16-7.2-3 and 16-7.2-4 in that fiscal year;

23 (4) The regionalization bonus in the second fiscal year shall be one percent (1.0%) of the
24 state's share of the foundation education aid for the regionalized district as calculated pursuant to
25 §§ 16-7.2-3 and 16-7.2-4 in that fiscal year;

26 (5) The regionalization bonus shall cease in the third fiscal year;

27 (6) The regionalization bonus for the Chariho regional school district shall be applied to
28 the state share of the permanent foundation education aid for the member towns; and

29 (7) The department of elementary and secondary education shall prorate the funds
30 available for distribution among those eligible regionalized school districts if the total, approved
31 costs for which regionalized school districts are seeking a regionalization bonus exceed the
32 amount of funding appropriated in any fiscal year;

33 (h) Additional state support for English learners (EL). The amount to support EL students
34 shall be determined by multiplying an EL factor of ten percent (10%) by the core-instruction per-

1 pupil amount defined in § 16-7.2-3(a)(1) and applying that amount of additional state support to
2 EL students identified using widely adopted, independent standards and assessments identified by
3 the commissioner. All categorical funds distributed pursuant to this subsection must be used to
4 provide high-quality, research-based services to EL students and managed in accordance with
5 requirements set forth by the commissioner of elementary and secondary education. The
6 department of elementary and secondary education shall collect performance reports from
7 districts and approve the use of funds prior to expenditure. The department of elementary and
8 secondary education shall ensure the funds are aligned to activities that are innovative and
9 expansive and not utilized for activities the district is currently funding. The department of
10 elementary and secondary education shall prorate the funds available for distribution among
11 eligible recipients if the total calculated costs exceed the amount of funding available in any fiscal
12 year;

13 (i) State support for school resource officers. For purposes of this subsection, a school
14 resource officer (SRO) shall be defined as a career law enforcement officer with sworn authority
15 who is deployed by an employing police department or agency in a community-oriented policing
16 assignment to work in collaboration with one or more schools. School resource officers should
17 have completed at least forty (40) hours of specialized training in school policing, administered
18 by an accredited agency, before being assigned. Beginning in FY 2019, for a period of three (3)
19 years, school districts or municipalities that choose to employ school resource officers shall
20 receive direct state support for costs associated with employing such officers at public middle and
21 high schools. Districts or municipalities shall be reimbursed an amount equal to one-half (1/2) of
22 the cost of salaries and benefits for the qualifying positions. Funding will be provided for school
23 resource officer positions established on or after July 1, 2018, provided that:

24 (1) Each school resource officer shall be assigned to one school:

25 (i) Schools with enrollments below one thousand twelve hundred (1,200) students shall
26 require one school resource officer;

27 (ii) Schools with enrollments of one thousand twelve hundred (1,200) or more students
28 shall require two school resource officers;

29 (2) School resource officers hired in excess of the requirement noted above shall not be
30 eligible for reimbursement; and

31 (3) Schools that eliminate existing school resource officer positions and create new
32 positions under this provision shall not be eligible for reimbursement; and

33 (j) Categorical programs defined in (a) through (g) shall be funded pursuant to the
34 transition plan in § 16-7.2-7.

1 SECTION 2. Sections 16-87-2 and 16-87-4 of the General Laws in Chapter 16-87
2 entitled "Rhode Island Prekindergarten Education Act" are hereby amended to read as follows:

3 **16-87-2. Findings.**

4 (a) The general assembly hereby finds that attending high quality early childhood
5 education programs help children develop important social and cognitive skills and knowledge
6 that prepares children to succeed in school. Research has shown long-lasting benefits for children
7 who participate in very high quality, educationally focused early childhood programs. The
8 benefits to children can also generate substantial government cost savings, including reduced
9 need for special education services, reduced need for cash assistance and other public benefits,
10 and reduced rates of incarceration.

11 (b) The general assembly finds that there are substantial numbers of children in Rhode
12 Island entering kindergarten who are not adequately prepared to succeed in school. Early school
13 failure may ultimately contribute to such children dropping out of school at an early age, failing
14 to achieve their full potential, becoming dependent upon public assistance, or becoming involved
15 in criminal activities.

16 (c) Furthermore, the general assembly finds that there is an existing infrastructure of early
17 childhood programs in Rhode Island serving preschool age children in full-day and half-day
18 programs that is supported through state and federal investments in child care, Head Start and
19 special education. It is the goal of the general assembly to support a system of publicly-funded,
20 high quality prekindergarten education programs that are operated through a diverse delivery
21 network, including child care, Head Start and public school districts.

22 (d) By enacting this law, the general assembly acknowledges the need to adequately
23 prepare all children to succeed in school by providing access to publicly-funded high quality
24 prekindergarten education programs.

25 [\(e\) Since 2008, Rhode Island's state prekindergarten program has expanded to offer more](#)
26 [than one thousand high-quality prekindergarten seats to four-year-olds across eleven](#)
27 [communities. Rhode Island's mixed delivery prekindergarten model has been nationally](#)
28 [recognized as one of the highest quality state prekindergarten programs in the United States.](#)

29 **16-87-4. Early childhood workforce development.**

30 The Rhode Island department of elementary and secondary education [and the department](#)
31 [of human services](#) shall work with other state departments and private philanthropy to establish a
32 statewide, comprehensive, research-based early childhood workforce development scholarship
33 program to expand the numbers of early childhood educators who have an associate's or
34 bachelor's degree in early childhood education and who work with children from birth to age five

1 (5).

2 SECTION 3. Chapter 16-87 of the General Laws entitled "Rhode Island Prekindergarten
3 Education Act" is hereby amended by adding thereto the following section:

4 **16-87-6. High Quality, Universal Prekindergarten.**

5 (a) The general assembly acknowledges the need to adequately prepare all children to
6 succeed in school by providing access to publicly funded, high quality prekindergarten education
7 programs for all four-year-olds.

8 (b) Access to Rhode Island's mixed delivery system of high-quality prekindergarten
9 classrooms in child care centers, public school districts, and Head Start centers shall be expanded
10 across all communities in Rhode Island.

11 (c) Expansion shall continue until every family who wants a high quality, prekindergarten
12 seat for their four-year-old has one. Universal access will be considered achieved when seventy
13 percent of four-year-olds are enrolled in high-quality prekindergarten programs.

14 **16-87-7. Prekindergarten Facilities.**

15 The Rhode Island department of elementary and secondary education and the department
16 of human services shall work with other state departments and private philanthropy to research
17 and establish programs to improve, expand, and renovate facilities to ensure providers meet
18 licensing and facilities standards to expand access to high-quality prekindergarten learning
19 environments.

20 **16-87-8. High quality elements.**

21 (a) To expand access to high-quality prekindergarten education programs, it is essential
22 to invest in expanding high-quality early learning in order to meaningfully increase children's
23 school readiness.

24 (b) The Rhode Island department of elementary and secondary education is hereby
25 authorized to promulgate and adopt regulations for the implementation of high quality, universal
26 prekindergarten. The following quality standards shall be established in regulation by the Rhode
27 Island department of elementary and secondary education:

28 (i) Teacher education and certification;

29 (ii) Class size and staff ratios;

30 (iii) Learning time;

31 (iv) Learning standards;

32 (v) Curriculum;

33 (vi) Support for students with special needs;

34 (vii) Support for dual English language learners;

- 1 (viii) Professional development;
- 2 (ix) Child assessments; and
- 3 (x) Observations to improve practice

4 **16-87-9. Successful transitions.**

5 (a) Successful coordination between Rhode Island’s high-quality prekindergarten and
6 kindergarten programs is essential for setting a solid foundation for all students. In order to have a
7 seamless pathway from prekindergarten to third grade, standards, curriculum, instruction and
8 assessments shall be aligned.

9 (b) Effective transition programs and practices to help students and families move
10 successfully from one setting to another shall be established.

11 (c) All Local Education Agencies (LEAs) in Rhode Island shall develop a transition plan
12 to kindergartens for all incoming students and families. These plans must contain two parts --
13 student and family transition strategies, and program-level transition planning strategies:

14 (1) For student and family transition the following strategies shall be considered:

- 15 (i) Student visits to their future kindergarten classroom;
- 16 (ii) Kindergarten teacher visits to the prekindergarten classrooms;
- 17 (iii) Workshops for families of incoming kindergarten children; and
- 18 (iv) Kindergarten orientation sessions the summer before school starts.

19 (2) For program-level transition planning the following strategies shall be considered:

- 20 (i) Creation of transition teams and liaisons between prekindergarten programs and
21 district schools;
- 22 (ii) Joint professional development and data sharing for prekindergarten to third grade
23 teachers; and
- 24 (iii) Teacher-to-teacher conferences.

25 **16-87-10. Early childhood education governance and data system.**

26 (a) The Rhode Island department of elementary and secondary education and the
27 department of human services shall work with other state departments that comprise the
28 Children’s Cabinet including, but not limited to, Rhode Island’s department of health, department
29 of children, youth and families, and the executive office of health and human services to facilitate
30 the coordination of federal, state, and local policies concerning early learning and care, as well as
31 seeking, applying for and encouraging the use of any federal funds for early learning and care.
32 These departments shall work together to identify ways to streamline decision-making, eliminate
33 inefficiencies, and ensure that all state systems are coordinated and aligned to the same goals.

34 (b) In order to support a successful early learning system, including the expansion of

1 [high-quality prekindergarten programs, the Early Childhood and Education Data System](#)
2 [\(ECEDS\) shall receive continued investment, development and support. ECEDS is an integrated](#)
3 [data system to facilitate the sharing of information and data-driven decision-making. ECEDS has](#)
4 [become the centralized source for much our early learning data across multiple state agencies. It](#)
5 [also has the capability to share essential child level data with state agencies and early childhood](#)
6 [programs and key information about early learning providers and programs with families.](#)

7 **16-87-6. sdd.**

8 [SectionText](#)

9 **16-87-6. sdd.**

10 [SectionText](#)

11 **16-87-6. sdd.**

12 [SectionText](#)

13 **16-87-6. sdd.**

14 [SectionText](#)

15 **16-87-6. sdd.**

16 [SectionText](#)

17 SECTION 4. Sections 16-87-3 and 16-87-5 of the General Laws in Chapter 16-87
18 entitled "Rhode Island Prekindergarten Education Act" are hereby repealed.

19 **16-87-3. Planning phase for a prekindergarten program.**

20 ~~(a) The Rhode Island department of elementary and secondary education shall begin~~
21 ~~planning an initial, pilot prekindergarten program that meets high quality standards, builds on the~~
22 ~~existing early childhood education infrastructure in the state (including child care, Head Start and~~
23 ~~public schools) and serves children ages three (3) and four (4) who reside in communities with~~
24 ~~concentrations of low performing schools. This planning phase will develop specific goals to~~
25 ~~expand the pilot prekindergarten program over time and will also identify opportunities to~~
26 ~~strengthen care and learning programs for infants and toddlers.~~

27 ~~(b) During this planning phase, the Rhode Island department of elementary and~~
28 ~~secondary education will quantify the resources needed to achieve and maintain high quality~~
29 ~~standards in prekindergarten programs and identify incentives and supports to develop a qualified~~
30 ~~early education workforce, including opportunities for experienced early childhood educators and~~
31 ~~paraprofessionals to acquire college degrees and earn early childhood teacher certification.~~

32 ~~(c) The Rhode Island department of elementary and secondary education will begin to~~
33 ~~develop plans to collect and analyze data regarding the impact of the pilot prekindergarten~~
34 ~~program on participating children's school readiness and school achievement.~~

1 **16-87-5. Reporting:**

2 ~~The Rhode Island department of elementary and secondary education shall report back to~~
3 ~~the general assembly and the governor on the progress of the pilot planning phase no later than~~
4 ~~October 31, 2008.~~

5 SECTION 5. Section 40-6.2-1.1 of the General Laws in Chapter 40-6.2 entitled "Child
6 Care - State Subsidies" is hereby amended to read as follows:

7 **40-6.2-1.1. Rates established.**

8 (a) Through June 30, 2015, subject to the payment limitations in subsection (c), the
9 maximum reimbursement rates to be paid by the departments of human services and children,
10 youth and families for licensed childcare centers and licensed family-childcare providers shall be
11 based on the following schedule of the 75th percentile of the 2002 weekly market rates adjusted
12 for the average of the 75th percentile of the 2002 and the 2004 weekly market rates:

13	LICENSED CHILDCARE CENTERS	75th PERCENTILE OF WEEKLY
14		MARKET RATE
15	INFANT	\$182.00
16	PRESCHOOL	\$150.00
17	SCHOOL-AGE	\$135.00
18	LICENSED FAMILY CHILDCARE	75th PERCENTILE OF WEEKLY
19	PROVIDERS	MARKET RATE
20	INFANT	\$150.00
21	PRESCHOOL	\$150.00
22	SCHOOL-AGE	\$135.00

23 Effective July 1, 2015, subject to the payment limitations in subsection (c), the maximum
24 reimbursement rates to be paid by the departments of human services and children, youth and
25 families for licensed childcare centers and licensed family-childcare providers shall be based on
26 the above schedule of the 75th percentile of the 2002 weekly market rates adjusted for the
27 average of the 75th percentile of the 2002 and the 2004 weekly market rates. These rates shall be
28 increased by ten dollars (\$10.00) per week for infant/toddler care provided by licensed family-
29 childcare providers and license-exempt providers and then the rates for all providers for all age
30 groups shall be increased by three percent (3%). For the fiscal year ending June 30, 2018,
31 licensed childcare centers shall be reimbursed a maximum weekly rate of one hundred ninety-
32 three dollars and sixty-four cents (\$193.64) for infant/toddler care and one hundred sixty-one
33 dollars and seventy-one cents (\$161.71) for preschool-age children.

34 (b) Effective July 1, 2018, subject to the payment limitations in subsection (c), the

1 maximum infant/toddler and preschool-age reimbursement rates to be paid by the departments of
2 human services and children, youth and families for licensed childcare centers shall be
3 implemented in a tiered manner, reflective of the quality rating the provider has achieved within
4 the state's quality rating system outlined in § 42-12-23.1.

5 (1) For infant/toddler childcare, tier one shall be reimbursed two and one-half percent
6 (2.5%) above the FY 2018 weekly amount, tier two shall be reimbursed five percent (5%) above
7 the FY 2018 weekly amount, tier three shall be reimbursed thirteen percent (13%) above the FY
8 2018 weekly amount, tier four shall be reimbursed twenty percent (20%) above the FY 2018
9 weekly amount, and tier five shall be reimbursed thirty-three percent (33%) above the FY 2018
10 weekly amount.

11 (2) For preschool reimbursement rates, tier one shall be reimbursed ~~two and one-half~~
12 ~~(2.5%)~~ three and two-tenths percent (3.2%) above the FY 2018 weekly amount, tier two shall be
13 reimbursed five ~~percent (5%)~~ and eight-tenths percent (5.8%) above the FY 2018 weekly amount,
14 tier three shall be reimbursed ~~ten percent (10%)~~ thirteen percent (13%) above the FY 2018
15 weekly amount, tier four shall be reimbursed ~~thirteen percent (13%)~~ fifteen percent (15%) above
16 the FY 2018 weekly amount, and tier five shall be reimbursed ~~twenty-one percent (21%)~~ thirty-
17 three percent (33%) above the FY 2018 weekly amount.

18 ~~(e) The departments shall pay childcare providers based on the lesser of the applicable~~
19 ~~rate specified in subsection (a), or the lowest rate actually charged by the provider to any of its~~
20 ~~public or private childcare customers with respect to each of the rate categories, infant, preschool~~
21 ~~and school age.~~

22 ~~(d)~~ (c) By June 30, 2004, and biennially through June 30, 2014, the department of labor
23 and training shall conduct an independent survey or certify an independent survey of the then
24 current weekly market rates for childcare in Rhode Island and shall forward such weekly market
25 rate survey to the department of human services. The next survey shall be conducted by June 30,
26 2016, and triennially thereafter. The departments of human services and labor and training will
27 jointly determine the survey criteria including, but not limited to, rate categories and sub-
28 categories.

29 ~~(e)~~ (d) In order to expand the accessibility and availability of quality childcare, the
30 department of human services is authorized to establish by regulation alternative or incentive
31 rates of reimbursement for quality enhancements, innovative or specialized childcare and
32 alternative methodologies of childcare delivery, including non-traditional delivery systems and
33 collaborations.

34 (f) Effective January 1, 2007, all childcare providers have the option to be paid every two

1 (2) weeks and have the option of automatic direct deposit and/or electronic funds transfer of
2 reimbursement payments.

3 SECTION 6. This article shall take effect upon passage.

4 **ARTICLE 11**

5 RELATING TO RHODE ISLAND PROMISE

6 SECTION 1. The title of Chapter 16-107 of the General Laws entitled "Rhode Island
7 Promise Scholarship" is hereby amended to read as follows:

8 ~~CHAPTER 16-107~~

9 ~~RHODE ISLAND PROMISE SCHOLARSHIP~~

10 CHAPTER 16-107

11 RHODE ISLAND PROMISE

12 SECTION 2. Sections 16-107-1, 16-107-2, 16-107-3, 16-107-4, 16-107-5, 16-107-6, 16-
13 107-7 and 16-107-8 of the General Laws in Chapter 16-107 entitled "Rhode Island Promise
14 Scholarship" are hereby amended to read as follows:

15 **16-107-1. Short title.**

16 This chapter shall be known and may be cited as the "Rhode Island Promise" ~~Scholarship~~
17 ~~Aet."~~

18 **16-107-2. Legislative findings and purpose.**

19 (a) The general assembly finds and declares that:

20 (1) Education is critical for the state's young people to achieve their dreams and develop
21 their talents;

22 (2) The state's economic success depends on a highly educated and skilled workforce,
23 which is made all the more urgent by the impending need for the state to increase its state
24 postsecondary attainment rate to at least seventy percent (70%) by 2025 to keep pace with
25 projections of the percentage of state jobs that will require a postsecondary degree or certificate;
26 and

27 (3) The state's future prosperity depends upon its ability to make educational
28 opportunities beyond high school available for all students, including adults, as part of a free
29 public education.

30 (b) In order to address the findings set forth in subsection (a), ~~the purpose of this chapter~~
31 ~~is to~~ Rhode Island Promise is a promise and commitment on behalf of:

32 (1) The state to promise to support its students' higher education ambitions by making a
33 higher education affordable and part of a free public education for all students;

34 (2) The students to promise to complete a degree in a timely manner and to give back to

1 Rhode Island after graduation; and

2 (3) the state’s public postsecondary institutions to promise to accomplish the following:

3 (i) ~~increase~~ Increase the number of students enrolling in and completing degrees and
4 certificates on time from eligible postsecondary institutions; ~~from the community college of~~
5 ~~Rhode Island.~~

6 (ii) Align their postsecondary degrees and certificates with emerging workforce demands;

7 (iii) Adopt policies and practices that support positive outcomes for all student learners;

8 (iv) Reduce and eliminate achievement gaps for students from groups that are
9 underrepresented at the state’s public postsecondary institutions, including, but not limited to,
10 students from low-income families; students of underrepresented races and ethnicities; and
11 students who are adults, current or former foster youths, with disabilities, formerly incarcerated,
12 undocumented immigrants, and veterans; and

13 (v) Increase the number of graduates who live, work, or continue their education in
14 Rhode Island after graduation.

15 **16-107-3. Establishment of scholarship program.**

16 Beginning with the high school graduating class of 2017, it is hereby established the
17 Rhode Island promise scholarship program ~~that will end with the high school graduating class of~~
18 ~~2020~~. The general assembly shall annually appropriate the funds necessary to implement the
19 purposes of this chapter. Additional funds beyond the scholarships may be appropriated to
20 support and advance the Rhode Island promise scholarship program. In addition to appropriation
21 by the general assembly, charitable donations may be accepted into the scholarship program.

22 **16-107-4. Definitions.**

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

24 (1) “Adult Student” means any student who is twenty-five (25) years of age or older by
25 the start of the semester in which he or she is seeking to enroll.

26 (2) “Certificate” means any certificate program with labor market value as defined by the
27 Postsecondary Commissioner.

28 (3) “College-level credit” means credit awarded by a college or university for
29 completion of its own courses or other academic work.

30 (4) “Eligible postsecondary institution” means Rhode Island College or the Community
31 College of Rhode Island;

32 ~~(5)~~ (5) “FAFSA” means the Free Application for Federal Student Aid form;

33 (6) “General Education Coursework” means the educational foundation of knowledge,
34 skills, and attitudes that prepare students for success in their majors and their personal and

1 professional lives after graduation. It includes but is not limited to the required coursework of all
2 degrees developed by each eligible postsecondary institution that is approved by the council on
3 postsecondary education that is intended to ensure that all graduates of a state institution have a
4 balanced core of competencies and knowledge. This does not necessarily include coursework
5 specifically required for one's major.

6 (2) (7) "Mandatory fees and tuition" are the costs that every student is required to pay in
7 order to enroll in classes, and does not include room and board, textbooks, program fees that may
8 exist in some majors, course fees that may exist for some specific courses, meal plans, or travel;

9 (3) (8) "On track to graduate on time" means the standards determined by the ~~community~~
10 ~~college of Rhode Island~~ eligible postsecondary institutions in establishing the expectation of a
11 student to graduate with (i) an associate's degree within two (2) years of enrollment in case of a
12 student attending the Community College of Rhode Island full-time or within four (4) years in the
13 case of adult students attending part-time; or (ii) a bachelor's degree within four (4) years of
14 enrollment in the case of a student attending Rhode Island College, or the prescribed completion
15 time for a student completing a certificate at the eligible postsecondary institution (recognizing
16 that some students, including students who require developmental education, are double majors,
17 or are enrolled in certain professional programs may require an extended time period for degree
18 completion);

19 (9) "Receiving Institution" means the eligible postsecondary institution attended by a
20 transfer student after transfer;

21 (4) (10) "Scholarship program" means the Rhode Island promise scholarship program
22 that is established pursuant to § 16-107-3;

23 (5) (11) "Recipient student" means a student ~~attending the community college of Rhode~~
24 ~~Island~~ who qualifies to receive the Rhode Island promise scholarship pursuant to § 16-107-6 or §
25 16-107-9; and

26 (12) "Sending Institution" means the eligible postsecondary institution attended by a
27 transfer student before transfer;

28 (6) (13) "State" means the State of Rhode Island and Providence Plantations.

29 (14) "Transfer student" means any student who attends an eligible postsecondary
30 institution and holds any college-level credit hours for courses or other academic work at a
31 previously attended eligible postsecondary institution.

32 **16-107-5. Administration of scholarship program.**

33 (a) The financial aid office, in conjunction with the office of enrollment management or
34 their respective equivalent offices, at an eligible postsecondary institution the ~~community college~~

1 ~~of Rhode Island~~, shall administer the scholarship program for state residents seeking associate
2 degrees, bachelor's degrees, or certificates who meet the eligibility requirements in this chapter.

3 (b) An award of the scholarship program shall cover up to the cost of two (2) years of
4 tuition and mandatory fees, or in the case of an adult student sixty (60) credit hours of tuition and
5 mandatory fees over a duration of no more than four (4) years, less federal and all other financial
6 aid monies available to the recipient student. None of any grants received by students from the
7 Department of Children, Youth and Families' Higher Education Opportunity Incentive Grant as
8 established by § 42-72.8 or the College Crusade Scholarship Act as established in § 16-70 shall
9 be considered federal or financial aid for the purposes of this Chapter.

10 (c) The scholarship program is limited to one award per student as required by § 16-107-
11 6(a)(7).

12 A student may continue to receive an award towards a degree following completion of a
13 certificate program, provided that the student remains on track to graduate on time.

14 (d) If a recipient student is eligible to receive employer-sponsored tuition assistance, the
15 eligible postsecondary institution shall enter into an agreement with the recipient student and/or
16 the student's employer stipulating that student's home institution would provide an upfront
17 scholarship award and the student's employer would submit corresponding tuition assistance
18 reimbursements to the student's home institution upon the student's completion of applicable
19 courses, consistent with the agreement and any applicable policy of the student's employer.

20 **16-107-6. Eligibility for scholarship at the Community College of Rhode Island.**

21 (a) Beginning with the students who enroll at the community college of Rhode Island
22 directly after high school in fall of 2017 and adult students who enroll at the community college
23 of Rhode Island in fall of 2019 ~~ending with students who enroll at the community college of~~
24 ~~Rhode Island in the fall of 2020~~, to be considered for the scholarship, a student:

25 (1) Must qualify for in-state tuition and fees pursuant to the residency policy adopted by
26 the council on postsecondary education, as amended, supplemented, restated, or otherwise
27 modified from time to time ("residency policy"); provided, that, the student must ~~have~~ either:

28 (i) have satisfied the high school graduation/equivalency diploma condition prior to
29 reaching nineteen (19) years of age; provided, further, that in addition to the option of meeting the
30 requirement by receiving a high school equivalency diploma as described in the residency policy,
31 the student can satisfy the condition by receiving other certificates or documents of equivalent
32 nature from the state or its municipalities as recognized by applicable regulations promulgated by
33 the council on elementary and secondary education; or

34 (ii) be qualified as an adult student;

1 (2) ~~Must~~ Other than an adult student, must be admitted to, and must enroll and attend the
2 community college of Rhode Island on a full-time basis by the semester immediately following
3 high school graduation or the semester immediately following receipt of a high school
4 equivalency diploma;

5 (3) Must complete the FAFSA and any required FAFSA verification by the deadline
6 prescribed by the community college of Rhode Island for each year in which the student seeks to
7 receive funding under the scholarship program;

8 (4) Must ~~either:~~

9 (i) continue to be enrolled on a full-time basis; or

10 (ii) if qualified as an adult student, continue to be enrolled in courses corresponding to at
11 least eighteen (18) credit hours or more on an annual basis.

12 (5) Must maintain an average annual cumulative grade point average (GPA) of 2.5 or
13 greater, as determined by the community college of Rhode Island;

14 (6) Must remain on track to graduate on time as determined by the community college of
15 Rhode Island;

16 (7) Must not have already received an award under this scholarship program; and

17 (8) Must commit to live, work, or continue their education in Rhode Island after
18 graduation.

19 The community college of Rhode Island shall develop a policy that will secure this
20 commitment from recipient students.

21 (b) Notwithstanding the eligibility requirements under subsection (a) of this section
22 ("specified conditions"):

23 (i) In the case of a recipient student who has an approved medical or personal leave of
24 absence or is unable to satisfy one or more specified conditions because of the student's medical
25 or personal circumstances, the student may continue to receive an award under the scholarship
26 program upon resuming the student's education so long as the student continues to meet all other
27 applicable eligibility requirements; and

28 (ii) In the case of a recipient student who is a member of the national guard or a member
29 of a reserve unit of a branch of the United States military and is unable to satisfy one or more
30 specified conditions because the student is or will be in basic or special military training, or is or
31 will be participating in a deployment of the student's guard or reserve unit, the student may
32 continue to receive an award under the scholarship program upon completion of the student's
33 basic or special military training or deployment.

34 **16-107-7. Reporting and disbursement.**

1 (a) On or before November 10 and May 10 of each fiscal year following fiscal year 2017,
2 the ~~community college of Rhode Island~~ eligible postsecondary institutions shall each shall submit
3 a report to the director of the office of management and budget, the state budget officer, the house
4 fiscal advisor, the senate fiscal advisor, the commissioner of postsecondary education, and the
5 chair of the council on postsecondary education detailing the number of students eligible to
6 participate in the scholarship program, the amount of federal and institutional financial aid
7 anticipated to be received by recipient students, the aggregate tuition and mandatory fee costs
8 attributable to recipient students, and the resulting total cost of the scholarship program to the
9 state. The report shall contain such data for both the current fiscal year and the most up-to-date
10 forecast for the following fiscal year. Data reported shall be subdivided by student-year cohort
11 and shall be accompanied by a written explanation detailing the estimating methodology utilized
12 and any impact(s) the forecasted data may present to institutional capacity, operational costs, and
13 the tuition/fee revenue base of the institution.

14 (b) On or before July 1, 2020, and annually thereafter, all eligible postsecondary
15 institutions ~~the community college of Rhode Island~~ and the commissioner of postsecondary
16 education shall submit a report evaluating the program ~~based on the first two cohorts~~ to the
17 governor, speaker of the house, and the president of the senate. This evaluation shall include the
18 following:

- 19 (1) The number of students who started in each cohort;
- 20 (2) The number of students in each cohort who have attained a degree or certification in
21 an on-time manner;
- 22 (3) The number of students in each cohort who have not attained a degree or certification
23 in an on-time manner and an analysis of why that has happened;
- 24 (4) The number of students in each cohort who began the program but have been unable
25 to continue or complete the program and an analysis of why that has happened;
- 26 (5) The costs of the program and the costs of continuing the program;
- 27 (6) Suggestions for ways to increase the success of the program;
- 28 (7) Recommendations as to modifying, continuing, expanding, curtailing, or
29 discontinuing the program; ~~and~~
- 30 (8) Any such other recommendations or information as the ~~community college of Rhode~~
31 ~~Island~~ eligible postsecondary institutions and the commissioner of postsecondary education deem
32 appropriate to include in the evaluation; and.

33 (9) An update on the implementation of requirements pursuant to § 16-107-10.

34 (c) The office of management and budget, in consultation with the office of the

1 postsecondary commissioner, shall oversee the apportionment and disbursement of all funds
2 appropriated for the purpose of the scholarship program.

3 **16-107-8. Rules and procedures.**

4 The council on postsecondary education is hereby authorized to promulgate rules to
5 effectuate the purposes of this chapter and the ~~community college of Rhode Island~~ eligible
6 postsecondary institutions shall each establish appeal procedures for the award, denial, or
7 revocation of funding under the scholarship program. The rules shall be promulgated in
8 accordance with § 16-59-4.

9 SECTION 3. Chapter 16-107 of the General Laws entitled "Rhode Island Promise
10 Scholarship" is hereby amended by adding thereto the following section:

11 **16-107-9. Eligibility for scholarship at Rhode Island College.**

12 (a) Beginning with the students who enrolled at Rhode Island College in the Fall of 2017
13 a student:

14 (1) Must qualify for in-state tuition and fees pursuant to the residency policy adopted by
15 the council on postsecondary education, as amended, supplemented, restated, or otherwise
16 modified from time to time ("residency policy");

17 (2) Must be a currently enrolled full-time student who has declared a major and earned a
18 minimum of 60 credit hours towards an eligible program of study, as determined by Rhode Island
19 College;

20 (3) Must complete the FAFSA and any required FAFSA verification by the deadline
21 prescribed by Rhode Island College for each year in which the student seeks to receive funding
22 under the scholarship program;

23 (4) Must enroll full-time as a freshman as a first-time student and continue to be enrolled
24 on a full-time basis;

25 (5) Must maintain an average annual cumulative grade point average (GPA) of 2.5 or
26 greater, as determined by Rhode Island College;

27 (6) Must remain on track to graduate on time as determined by Rhode Island College;

28 (7) Must not have already received an award under this scholarship program; and

29 (8) Must commit to live, work, or continue their education in Rhode Island after
30 graduation.

31 Rhode Island College shall develop a policy that will secure this commitment from
32 recipient students.

33 (b) Notwithstanding the eligibility requirements under subsection (a) of this section
34 ("specified conditions"):

1 (i) In the case of a recipient student who has an approved medical or personal leave of
2 absence or is unable to satisfy one or more specified conditions because of the student's medical
3 or personal circumstances, the student may continue to receive an award under the scholarship
4 program upon resuming the student's education so long as the student continues to meet all other
5 applicable eligibility requirements; and

6 (ii) In the case of a recipient student who is a member of the national guard or a member
7 of a reserve unit of a branch of the United States military and is unable to satisfy one or more
8 specified conditions because the student is or will be in basic or special military training, or is or
9 will be participating in a deployment of the student's guard or reserve unit, the student may
10 continue to receive an award under the scholarship program upon completion of the student's
11 basic or special military training or deployment.

12 **16-107-10. Requirements of the Eligible Postsecondary Institutions of Higher**
13 **Education and the Council on Postsecondary Education.**

14 The requirements of the eligible postsecondary institutions and council on postsecondary
15 education shall advance the goals outlined in Section § 16-107-2 and shall include all of the
16 following:

17 (a) The council on postsecondary education shall adopt a policy by January 1, 2020 that
18 reduces an eligible postsecondary institution's performance incentive funding pursuant to § 16-
19 106 for every student who begins their course of study or transfers into an eligible postsecondary
20 institution and who completes more than 135 credit hours to achieve a bachelor's degree or more
21 than 75 credit hours to complete an associate degree. Exceptions may be made in the policy for
22 programs that require more than 135 credit hours to achieve a bachelor's degree or more than 75
23 credit hours to complete an associate degree. The institution's performance incentive funding
24 must be reduced by an amount determined by the council per credit hour beyond the thresholds
25 established in the immediately preceding sentence on an annual basis based on the immediately
26 prior year's student data.

27 (b) Each eligible postsecondary institution shall offer credit courses during summer and
28 winter intersessions by January 1, 2020. Summer and winter intersessions shall have the
29 following characteristics:

30 (1) Enrollment shall be open to all current students of the eligible postsecondary
31 institution.

32 (2) Coursework shall be available in at least the most in-demand courses of study so as to
33 allow students to matriculate more easily through their eligible postsecondary institution as
34 determined by the institution.

1 (c) The council on postsecondary education shall revise its Transfer and Articulation
2 policies by July 1, 2021 to include the following requirements:

3 (1) All eligible postsecondary institutions shall accept all college-level credit hours
4 earned with a passing grade taken at any eligible postsecondary institution by any student to be
5 applied in the same way by each eligible postsecondary institution as they would be if they were
6 taken at that institution. All eligible postsecondary institutions shall uniformly determine which
7 courses are college-level on the basis of whether the courses are not remedial or developmental,
8 whether the courses carry one or more credit hours, and whether the credit hours are eligible to be
9 counted toward graduation at the sending institution. If any non-remedial course is not
10 determined to be college-level, that institution must improve the course to meet the agreed-upon
11 standard and ensure transferability.

12 (2) Transfer students shall not be required to take additional assessments or evaluations if
13 this is not required for home institution students. If assessments or evaluations are required for
14 specific programs, then they shall be used at every eligible postsecondary institution in applicable
15 courses.

16 (3) The direction of student transfer from any eligible postsecondary institution to another
17 eligible postsecondary institution, from a two-year to a four-year college or university, four-year
18 to a two-year, or four-year to four-year, shall not affect the transferability of credit hours.

19 (4) The numerical value of credit hours shall be maintained in a transfer from any eligible
20 postsecondary institution to another eligible postsecondary institution. The receiving institution
21 shall grant the same total number of credits as originally assigned by the sending institution. In
22 some cases there may be a difference in the number of credits assigned to the course by each
23 institution. In those cases, the course will receive the number of credits assigned by the sending
24 institution with any remaining number of credits assigned as elective credits.

25 (5) Whenever possible, college-level credit earned in a transferable course will be granted
26 without regard to the date when the course was completed. Exceptions may be granted under a
27 process detailed in the council's policy.

28 (6) All eligible postsecondary institutions shall establish a common curriculum of general
29 education coursework that contains a minimum of [30-32] college-level credits. Students at
30 eligible postsecondary institutions who complete the common curriculum of general education
31 coursework shall be able to transfer each college-level credit contained within the curriculum
32 from an eligible postsecondary institution to another eligible postsecondary institution and have
33 each college-level credit from the common curriculum be counted towards the student's degree
34 requirements at any eligible postsecondary institution. Students completing the common

1 curriculum of general education coursework shall not be required to take any additional lower-
2 division general education courses upon transfer. The council on postsecondary education is
3 hereby directed to adopt at least one common curriculum of general education coursework
4 described in this section that is available for use by students by the beginning of the 2020-2021
5 academic year. Any lower division courses available at the Community College of Rhode Island
6 must articulate to Rhode Island College and the University of Rhode Island as meeting general
7 education, major prerequisite, or major requirements. Courses developed to meet major
8 requirements for career and technical programs may be exempt from this requirement if an
9 articulated bachelor's degree is not available.

10 (7) All undergraduate courses at each eligible postsecondary institution shall utilize the
11 same course numbering system with equivalent courses offered throughout the institutions. To be
12 assigned a new and unique course number, the proposed course content must be unique and not
13 found in a current or pending course. The council on postsecondary education shall adopt this
14 common course numbering system for use by all eligible postsecondary institutions by July 1,
15 2021, with the system being implemented by the beginning of the 2021/2022 school year.

16 (8) Each eligible postsecondary institution shall collaborate to develop a unified
17 statewide transfer agreement, aligned with the common curriculum of general education
18 coursework established under paragraph (c)(7) of this section for each course of study. The
19 council on postsecondary education shall be responsible for adopting the agreements. The council
20 shall adopt a unified statewide transfer agreement for at least three major courses of study per
21 year until all courses of study have a unified statewide transfer agreement. The first three unified
22 statewide transfer agreements must be adopted by the council by January 1, 2020. Each unified
23 statewide transfer agreement developed under this section must:

24 (i) Enable a student to transfer from each eligible postsecondary institution to any other
25 eligible postsecondary institution without the loss of college-level credit or the requirement to
26 retake a course at a public institution that the student has successfully completed at any other
27 eligible postsecondary institution, provided that the grade in each course that is transferred meets
28 the degree requirements established by the unified statewide transfer agreement;

29 (ii) Contain provisions that identify the optimal number of college-level credit hours,
30 including credit hours in the major course of study, that the student should have when the student
31 transfers from any eligible postsecondary institution to another eligible postsecondary institution
32 in order for the student to efficiently receive a bachelor's degree; and

33 (iii) Define the classes and completion standards for the optimal number of college-level
34 credit hours identified in paragraph (ii) of this subsection that may be taken at each eligible

1 postsecondary institution;

2 (iv) Ensure that if a student at any eligible postsecondary institution has completed 60
3 college-level credit hours of coursework in conformity with the completion standards identified in
4 paragraph (iii) of this subsection and transfers to any eligible postsecondary institution, the
5 student will receive junior status in the major course of study at the eligible postsecondary
6 institution and be able to receive a bachelor's degree in the major course of study by completing
7 the additional college-level credits identified in the unified statewide transfer agreement after the
8 transfer, based on the total number of college-level credit hours and standards approved by the
9 accrediting body for the eligible postsecondary institution; and

10 (v) For unified statewide transfer agreements that specify an optimal number of college-
11 level credit hours for transfer students other than 60, ensure that if a student at any eligible
12 postsecondary institution has completed the specified number of college-level credit hours of
13 coursework in conformity with the completion standards identified in this subsection and
14 transfers to another eligible postsecondary institution, the student will receive status at the eligible
15 postsecondary institution based on the number of academic credit hours referenced in the
16 applicable transfer agreement that is comparable to the status of students with the same number of
17 college-level credit hours in the major course of study who began their postsecondary studies at
18 the receiving institution, and be able to receive a bachelor's degree in the major course of study
19 by completing the additional college-level credit hours specified in the unified statewide transfer
20 agreement after the transfer based on the total number of college-level credits and standards
21 approved by the accrediting body for the eligible postsecondary institution.

22 (d) Each eligible postsecondary institution shall submit policies and procedures for
23 students to earn college-level credit hours for prior learning to the council on postsecondary
24 education by July 1, 2021. At a minimum, these procedures shall include:

25 (1) A listing of the types of documentation acceptable to the institution and the dates of
26 inclusion for which prior learning is acceptable;

27 (2) Guidelines for student requests for awards of college-level credit hours for prior
28 learning. Institutions must establish a written record of their decisions and the basis for that
29 decision in accepting or declining a Prior Learning Assessment ("PLA") for academic credit
30 hours. Institutional policies should ensure the transparency of the award or denial of PLA credit
31 hours;

32 (3) A process for appealing PLA decisions; and

33 (4) A process for assessing every enrolling student for college-level credit hours for prior
34 learning;

1 Credit hours earned through PLA will be transferable in accordance with this chapter.

2 (e) Each eligible postsecondary institution shall complete an Academic Program
3 Prioritization Process approved by the council on postsecondary education by September 1, 2021.
4 This process shall include the following and shall not take more than one year to complete after
5 the process is approved by the Council:

6 (1) An analysis of the postsecondary and workforce needs of the state;

7 (2) Identification of a plan for program expansion, consolidation, and closure based on
8 that analysis;

9 (3) Participation of, but not limited to, faculty, the business community, and the
10 community at large.

11 (f) The council on postsecondary education shall approve a policy by January 1, 2020
12 that sets standards for making course offerings at the eligible postsecondary institutions
13 predictable, structured, and more flexible to meet student scheduling needs. The policy shall
14 facilitate opportunities for students to take required courses in a timely manner. The policy shall
15 also encourage the institutions to enable students to begin courses outside of the traditional
16 academic schedules in order to improve time to completion. The policy shall further make
17 courses accessible to working students and consistently available outside of regular work hours.

18 (g) Each eligible postsecondary institution shall establish and submit to the council on
19 postsecondary education for approval a work plan to implement with an effective date no later
20 than September 1, 2020 a clearly structured, coherent and guided pathway program available to
21 all entering students for purposes of improving students' outcomes and reducing time to attain
22 degrees. Work plans submitted by all eligible postsecondary institutions shall do the following:

23 (1) Simplify students' choices with default program maps developed by faculty and
24 advisors for all academic and vocational programs that show students a clear pathway to
25 completion within two (2) academic years for an associate degree program and four (4) years for
26 a bachelor's degree program;

27 (2) Ensure student advising and support services are available to help students
28 transitioning from high school, exploring academic fields, choosing a major, and developing a
29 comprehensive academic plan so as to remain on track to graduate on time;

30 (3) Redesign traditional remediation to become an "on-ramp" to a program of study,
31 which helps students explore academic and career options from the beginning of their college
32 experience, to align math and other foundational coursework with a student's program of study,
33 and to integrate and contextualize instructions to build academic and nonacademic foundation
34 skills throughout the college-level curriculum, particularly in program "gateway" courses;

1 (4) Implement procedures and systems, supported by appropriate technology, to monitor
2 students' progress toward completing their academic plans, to identify students who are at risk of
3 not progressing in a program, and to intervene promptly with advising and other academic
4 supports to help students resume their progress or revise their plans; and

5 (5) Embed academic and nonacademic supports throughout student programs to promote
6 student learning and persistence.

7 (h) Each eligible postsecondary institution shall utilize evidence-based assessment and
8 placement practices that incorporate multiple student performance measures to improve outcomes
9 for underprepared students, which measures shall include, but not be limited to, overall grade
10 point averages and grades in high school courses.

11 (i) The Office of the Postsecondary Commissioner shall maintain and publish data on the
12 state's postsecondary system. The eligible postsecondary institutions shall, on a quarterly basis,
13 transmit the following data elements, disaggregated by institution, race/ethnicity, program/major
14 enrollment, enrollment status, and income level, including Pell status, to the Office:

15 (1) Average net cost of attendance;

16 (2) Retention by term or year;

17 (3) Short- and long-term wage effects;

18 (4) Cumulative college-level credit hours attempted and earned;

19 (5) Remedial and gateway course enrollment and completion;

20 (6) Transfer credit(s) earned by students transferring into the institution;

21 (7) Graduation rates;

22 (8) Time and Credits to earning a credential; and

23 (9) Any other data as determined necessary for regular review and analysis by the council
24 on postsecondary education to accomplish the goals articulated in § 16-107-2. This data should be
25 regularly available on the Postsecondary Commissioner's website for public use.

26 **16-107-11. Eligibility for child care assistance.**

27 (a) Recipient students may qualify for child care assistance administered by the
28 department of human services for appropriate child care pursuant to §40-5.2-20 (b).

29 (b) The department of human services shall promulgate rules, regulations and procedures
30 to facilitate access to child care assistance for recipient students who are eligible pursuant to §40-
31 5.2-20(b).

32 SECTION 4. Section 16-56-6 of the General Laws in Chapter 16-56 entitled
33 "Postsecondary Student Financial Assistance" is hereby amended to read as follows:

34 **16-56-6. Need-based grants.**

1 (a) Amount of funds allocated. The commissioner of postsecondary education shall
2 allocate annually the appropriation for need-based scholarships and grants. ~~Of the total amount~~
3 ~~appropriated for need based scholarship and grants, the lesser of twenty percent (20%) or two~~
4 ~~million dollars (\$2,000,000) shall be distributed to qualified students attending participating,~~
5 ~~independent, non-profit, higher education institutions in Rhode Island. The remainder of funds~~
6 ~~shall be limited to public higher education institutions in Rhode Island. As part of the annual~~
7 ~~budget submission, the office of postsecondary commissioner shall include a plan of how the~~
8 ~~need based scholarship and grant funds will be allocated to each public institution receiving funds~~
9 ~~pursuant to this chapter and how the funds will be distributed to students attending independent,~~
10 ~~non-profit institutions.~~

11 (b) Eligibility of individuals. Eligibility for need-based grants and scholarships shall be
12 determined by the office of the postsecondary commissioner.

13 (c) Number and terms of awards. The number of awards to be granted in any one fiscal
14 year shall be contingent upon the funds allocated to this section.

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

16 ARTICLE 12

17 RELATING TO ECONOMIC DEVELOPMENT

18 ARTICLE 12

19 RELATING TO ECONOMIC DEVELOPMENT

20 SECTION 1. Section 42-64.10-6 of the General Laws in Chapter 42-64.10 entitled
21 "Quonset Development Corporation" is hereby amended to read as follows:

22 **42-64.10-6. Additional general powers and duties.**

23 In addition to the powers enumerated in § 42-64.10-5, except to the extent inconsistent
24 with any specific provision of this chapter, the corporation shall have and may exercise additional
25 general powers:

26 (a) As set forth in § 42-64-7 necessary or convenient to effect its purposes; provided,
27 however, that the corporation shall not have the power to issue bonds or notes or exercise eminent
28 domain;

29 (b) As a subsidiary of the Rhode Island commerce corporation as provided for in § 42-64-
30 7.1;

31 (c) As the Rhode Island commerce corporation's true and lawful attorney as agent and
32 attorney-in-fact and in the name, place and stead of the Rhode Island commerce corporation with
33 respect to all property of the Rhode Island commerce corporation at Quonset Business Park
34 (hereinafter referred to as "the Property") and for the purposes hereinafter set forth:

1 (1) To ask, demand, recover, collect, receive, hold, and possess all sums of money, debts,
2 dues, goods, wares, merchandise, chattels, effects, bonds, notes, checks, drafts, accounts,
3 deposits, safe deposit boxes, interests, dividends, stock certificates, certificates of deposit,
4 insurance benefits and proceeds, documents of title, personal and real property, tangible and
5 intangible property, and property rights, liquidated or unliquidated, that now are, or hereafter,
6 shall be, or become, due, owing, or payable in respect to the property, and upon receipt thereof, or
7 of any part thereof, to make, sign, execute, and deliver such receipts, releases, or other discharges
8 for the same as the corporation shall deem proper.

9 (2) To lease, purchase, exchange and acquire, and to bargain, contract, and agree for the
10 lease, purchase, exchange, and acquisition of, and to take, receive, possess, and manage any real
11 or personal property related in any way to the property, tangible and intangible, or any interest
12 therein.

13 (3) To enter into and upon all and each of the real properties constituting a part of, or
14 related in any way, to the property, and to let, manage, and improve the real property or any part
15 thereof, and to repair or otherwise improve or alter, and to insure any buildings or structures
16 thereon.

17 (4) To market and sell, either at public or private sale, or exchange any part or parts of the
18 real or personal properties, including indebtedness or evidence thereof, constituting a part of or
19 related in any way to the property, including sales on credit, and for that purpose to execute and
20 receive all promissory notes, bonds, mortgages, deeds of trust, security agreements, and other
21 instruments that may be necessary or proper, and to bargain, contract, and agree with respect to
22 the sale or exchange of such properties; and to execute and deliver good and sufficient deeds,
23 bills of sale, assignments, or other instruments or endorsements for the conveyance or transfer of
24 the same; and to give receipts for all or any part of the purchase price or other consideration.

25 (5) To sign, endorse, execute, acknowledge, deliver, receive, and possess such
26 applications, contracts, agreements, options, covenants, deeds, conveyances, trust deeds,
27 mortgagees deeds, security agreements, bills of sale, leases, mortgages, assignments, insurance
28 policies, bills of lading, warehouse receipts, documents of title, bills, bonds, debentures, checks,
29 drafts, bills of exchange, notes, stock certificates, proxies, warrants, commercial paper, receipts,
30 withdrawal receipts, and deposit instruments relating to accounts or deposits in, or certificates of
31 deposit of, banks, savings and loan or other institutions or associations, proofs of loss, evidences
32 of debts, releases, and satisfactions of mortgages, judgments, liens, security agreements, and other
33 debts and obligations, and other instruments in writing of whatever kind and nature as be
34 necessary or proper in the exercise of the rights and powers herein granted.

1 (6) To enter into subordination agreements, inter-creditor agreements, reinstatement
2 agreements, "stand still" and "stand-by" agreements, modification agreements, forbearance
3 agreements, and other contracts having the effect of subordinating, modifying, renewing,
4 restructuring or otherwise altering the rights, obligations, or liabilities of the commerce
5 corporation, under or with respect to any indebtedness, property, or other assets constituting or
6 securing any property.

7 (7) To make demands, give notices of default, notices of intention to accelerate, notices
8 of acceleration, or such other notices as the corporation deems necessary or appropriate, and to
9 take other actions and exercise other rights that may be taken under the terms of any loan
10 agreements, security agreements, guaranties, or other documents or agreements evidencing, or
11 otherwise relating to, the property, including foreclosure, lease, sale, taking possession of,
12 realization upon, or any other disposition of any property or any collateral therefor or guarantee
13 thereof.

14 (8) To exercise any powers and any duties vested in the commerce corporation as a
15 partner, joint venturer, participant, or other joint-interest holder with respect to any property, or to
16 concur (or not) with persons jointly interested with the commerce corporation in any property.

17 (9) With respect to the property: (i) To sue on, or otherwise prosecute, any claim or cause
18 of action, or commence or seek any legal, equitable, or administrative or other remedy in any
19 legal, administrative, arbitration, mediation, or other proceeding whatsoever (including, non-
20 judicial repossessions and foreclosures or similar actions to recover collateral); (ii) To defend, or
21 otherwise participate for, or in the name of, the commerce corporation in any legal,
22 administrative, arbitration, mediation, or other proceedings; (iii) To process, determine, or
23 adjudge any claim or cause of action for, or in the name of, the commerce corporation; (iv) To
24 compromise, settle, discharge or resolve, or make, execute, or deliver any endorsements,
25 acquittances, releases, receipts, or other discharges of any claim, cause of action, determination,
26 judgment, or other proceeding for, or in the name of, the commerce corporation; and (v) To
27 prepare, execute, and file ad valorem, franchise and other tax returns, protests and suits against
28 taxing authorities, and to prepare, execute, and file other governmental or quasi-governmental
29 reports, declarations, applications, requests and documents in connection with any property, and
30 to pay taxes in connection with the property as the corporation deems necessary or appropriate, or
31 as otherwise required by law.

32 (10) Any third party shall be entitled to rely on a writing signed by the corporation to
33 conclusively establish the identity of a particular Property as property for all purposes hereof.

34 (d) To own, hold, improve, operate, manage, and regulate utilities at the Quonset

1 Business Park and to establish rates, fees, and charges, to adopt regulations, and to impose
2 penalties for any services or utilities it provides, or causes to have available, and to have functions
3 and exercise powers as necessary and appropriate under the provisions of §§ 42-64-4, 42-64-7.4,
4 42-64-7.8, 42-64-7.9 and 42-64-9.1 -- 42-64-9.10, inclusive.

5 (e) To enter into agreements with any city, town, district, or public corporation with
6 regard to application and/or administration of zoning or other land use ordinances, codes, plans,
7 or regulations, and cities, towns, districts, and public corporations are hereby authorized and
8 empowered, notwithstanding any other law to the contrary, to enter into such agreements with the
9 corporation and to do all things necessary to carry out their obligations under such agreements; in
10 the absence of any such agreement the corporation shall act in accordance with the provisions of
11 § 42-64-13.

12 (f) To enter into agreements, including with any state agency, city, town, district, or
13 public corporation, for the provision of police, security, fire, sanitation, health protection, and
14 other public services.

15 (g) To be exempt from taxation and to enter into agreements for payments in lieu of taxes
16 as provided for in § 42-64-20.

17 (h) To establish a stormwater management and conveyance system and regulate
18 connections, user fees, charges and assessments in connection therewith. In particular, the
19 corporation shall have full and complete power and authority to:

20 (1) Limit, deny, or cause appropriate direct or indirect connections to be made between
21 any building or property located in the Quonset Business Park, or from any location outside the
22 boundaries of the Quonset Business Park and discharging into the corporation's stormwater
23 management and conveyance systems. The corporation may prescribe those rules and regulations
24 for stormwater runoff, that in the opinion of the corporation, are necessary and appropriate for the
25 maintenance and operation of the stormwater management and conveyance systems, and may
26 establish, from time to time, rules and regulations relating to stormwater management in the
27 Quonset Business Park. Any person or entity having an existing connection to the stormwater
28 management and conveyance systems or currently discharging into such systems, will obtain a
29 permit from the corporation in accordance with its rules and regulations. No person or entity
30 shall, without first being granted a written permit from the corporation in accordance with its
31 rules and regulations, make any future connection or permit any runoff from any structure or
32 property to any stormwater management and conveyance systems, or any appurtenance thereto,
33 without first being granted a written permit from the corporation in accordance with its rules and
34 regulations.

1 (2) Compel any person or entity within the Quonset Business Park, for the purpose of
2 stormwater runoff, to establish a direct connection on the property of the person or entity, or at
3 the boundary thereof, to the corporation's stormwater management and conveyance systems.
4 These connections shall be made at the expense of such person or entity. The term
5 "appurtenance" as used herein shall be construed to include adequate pumping facilities,
6 whenever the pumping facilities shall be necessary to deliver the stormwater runoff to the
7 stormwater management and conveyance systems.

8 (3) Assess any person or entity having a direct or indirect connection (including, without
9 limitation, via runoff) to the Quonset Business Park stormwater management and conveyance
10 systems the reasonable charges for the use, operation, maintenance, and improvements to the
11 systems. The corporation shall also be entitled, in addition to any other remedies available, to
12 assess fines for violations of the rules and regulations established by the corporation with respect
13 to stormwater management.

14 (4) Collect the fees, charges, and assessments from any person or entity so assessed. Each
15 person or entity so assessed shall pay the fees, charges, or assessments within the time frame
16 prescribed by the rules and regulations of the corporation. The corporation may collect the fees,
17 charges, and assessments in the same manner in which taxes are collected by municipalities, with
18 no additional fees, charges, assessments, or penalties (other than those provided for in chapter 9
19 of title 44). All unpaid charges shall be a lien upon the real estate of the person or entity. The lien
20 shall be filed in the records of land evidence for the city or town in which the property is located
21 and the corporation shall simultaneously, with the filing of the lien, give notice to the property
22 owner. Owners of property subject to a lien for unpaid charges are entitled to a hearing within
23 fourteen (14) days of the recording of the lien.

24 (5) Notwithstanding the provisions of subsection (h)(4) of this section, the corporation is
25 authorized to terminate the water supply service or prohibit the use of the corporation's
26 stormwater management and conveyance systems of any person or entity for the nonpayment of
27 storm water management user fees, charges, and assessments. The corporation shall notify the
28 user of termination of water supply or use of the stormwater management and conveyance
29 systems at least forty-eight (48) hours prior to ceasing service. The corporation may assess any
30 person or entity any fees, charges, and assessments affiliated with the shut off and restoration of
31 service.

32 (6) Without in any way limiting the foregoing powers and authority, the corporation is
33 also hereby empowered to: (i) Establish a fee system and raise funds for administration and
34 operation of the stormwater management and conveyance systems; (ii) Prepare long-range,

1 stormwater management master plans; (iii) Implement a stormwater management district; (iv)
2 Retrofit existing structures to improve water quality or alleviate downstream flooding or erosion;
3 (v) Properly maintain existing stormwater management and conveyance systems; (vi) Hire
4 personnel to carry out the functions of the stormwater management and conveyance systems; (vii)
5 Receive grants, loans, or funding from state and federal water-quality programs; (viii) Grant
6 credits to property owners who maintain retention and detention basins or other filtration
7 structures on their property; (ix) Make grants for implementation of stormwater management
8 plans; (x) Purchase, acquire, sell, transfer, or lease real or personal property; (xi) Impose liens;
9 (xii) Levy fines and sanctions for noncompliance; (xiii) Provide for an appeals process; and (xiv)
10 Contract for services in order to carry out the function of the stormwater management and
11 conveyance systems.

12 (i) To purchase and obtain water supply and water service from any city, town, water
13 district, or other water supply authority. In particular, the corporation is authorized to:

14 (1) Enter into agreements or contracts with any city, town, county, water district, or other
15 water supply authority to purchase, acquire, and receive water supply and water service.

16 (2) Enter into cooperative agreements with cities, towns, counties, water districts, or other
17 water supply authorities for the interconnection of facilities or for any other lawful corporate
18 purposes necessary or desirable to effect the purposes of this chapter.

19 (3) Connect the water supply system at Quonset Business Park with any city, town,
20 county, water district, or other water supply authority that receives or has a connection with the
21 city of Providence and/or the Providence Water Supply Board (or any successor thereof) and
22 purchase, connect to, receive, and enter into agreements to receive water supply from any city,
23 town, county, water district, or other water supply authority regardless of the origin of such water
24 supply. The city of Providence and the Providence Water Supply Board (and any successor
25 thereof) are authorized and directed to supply water to the Quonset Business Park either directly
26 or via connections between the Quonset Development Corporation and any city, town, county,
27 water district, or other water supply authority, notwithstanding any terms to the contrary in any
28 agreement, including, without limitation, any agreement between any city, town, county, water
29 district, or other water supply authority and the city of Providence and/or the Providence Water
30 Supply Board (or its or their predecessors), or the provisions of chapter 16 of title 39. In addition,
31 the provisions of § 18 of chapter 1278 of the public laws of Rhode Island of 1915 as amended,
32 and any other public law that would conflict with the terms hereof, are hereby amended to
33 authorize the provision of water supply by the city of Providence and the Providence Water
34 Supply Board (or any successor thereof) to the Quonset Business Park and to authorize any

1 additional connections in accordance herewith. There shall be no requirement that the corporation
2 demonstrate public necessity before entering into such agreements, connecting to such water
3 supplies, or receiving such water as described in this subsection, but the corporation shall be
4 subject to the other applicable provisions of chapter 15 of title 46.

5 (d) The corporation shall have and may exercise all powers set forth in general laws § 42-
6 64.33-6, § 42-64.33-7 and § 42-64.33-9 in the place and stead of the state and local partnership
7 council but only to the extent the state and local partnership council has not exercised jurisdiction
8 with respect to the subject matter or project over which the corporation intends to act, and upon
9 the exercise of such powers in relation to a municipality or a project therein, notice of which shall
10 be provided to the state and local partnership council of the exercise of jurisdiction by the
11 corporation. The corporation shall have exclusive jurisdiction and authority of the subject matter
12 thereof to the exclusion of the state and local partnership council, unless otherwise agreed to in
13 writing by the corporation.

14 SECTION 2. Section 42-64.10-7 of the General Laws in Chapter 42-64.10 entitled
15 "Quonset Development Corporation" is hereby amended to read as follows:

16 **42-64.10-7. Directors, officers and employees.**

17 (a) Directors.

18 (1) Except in the exercise of the powers conferred under § 42-64.10-6(d). ~~T~~he powers of
19 the corporation shall be vested in a board of directors consisting of eleven (11) members. The
20 membership of the board shall consist of the executive director of the Rhode Island economic
21 development corporation as chairperson, (who shall vote only in the event of a tie), six (6)
22 members appointed by the governor, with the advice and consent of the senate, two (2) members
23 appointed by the town council of the town of North Kingstown, one member appointed by the
24 town council of the town of Jamestown, and one member appointed by the town council of the
25 town of East Greenwich. The initial members of the board shall be divided into three (3) classes
26 and shall serve initial terms on the board of directors as follows: two (2) of the directors
27 appointed by the governor; one of the directors appointed by the town council of the town of
28 North Kingstown shall be appointed for an initial term of one year; two (2) of the directors
29 appointed by the governor, one director appointed by the town council of the town of North
30 Kingstown and the director appointed by the town of East Greenwich shall be appointed for an
31 initial term of two (2) years; and two (2) of the directors appointed by the governor and one
32 director appointed by the town of Jamestown shall be appointed for an initial term of three (3)
33 years. Upon expiration of each initial term and upon the expiration of each term thereafter, a
34 successor shall be appointed by the same authority that made the initial appointment, and in the

1 case of appointments by the governor with the advice and consent of the senate, to serve for a
2 term of three (3) years so that members of the board of directors shall serve for staggered terms of
3 three (3) years each. A vacancy on the board, other than by expiration, shall be filled in the same
4 manner as an original appointment, but only for the unexpired portion of the term. If a vacancy
5 occurs with respect to one of the directors appointed by the governor when the senate is not in
6 session, the governor shall appoint a person to fill the vacancy, but only until the senate shall next
7 convene and give its advice and consent to a new appointment. A member shall be eligible to
8 succeed himself or herself. Appointed directors shall not serve more than two (2) successive three
9 (3) year terms but may be reappointed after not being a director for a period of at least twelve
10 (12) months. Each appointed director shall hold office for the term for which the director is
11 appointed and until the director's successor shall have been appointed and qualified, or until the
12 director's earlier death, resignation or removal. Except for members of the town council of the
13 town of North Kingstown, who may serve as members of the board of directors, no director shall
14 be an elected official of any governmental entity. In the exercise of the powers conferred under §
15 42-64.10-6(d) and only with respect to actions taken consistent with the program established
16 under chapter 64.33 of title 42, which actions may not involve land in the Quonset Business Park,
17 the powers of the corporation shall be vested in a board of directors consisting of seven (7)
18 members, including the chairperson, who shall be the secretary of commerce and vote only in the
19 event of a tie, and six members to be appointed by the governor with the advice and consent of
20 the senate, provided that the number of board members shall be increased in instances where a
21 project is situated in one or more municipalities. Such powers conferred under § 42-64.10-6(d)
22 may only be exercised in connection with carrying out the program established under chapter
23 64.33 of title 42. In the exercise of the powers conferred under § 42-64.10-6(d), the board shall
24 add, and the total number of directors shall be increased by (i) two (2) new members appointed by
25 the governing body of the municipality in which the project is located when a project is located in
26 a single municipality or (ii) new members appointed by the governing body of each municipality
27 in which the project is located when a project is located in more than one municipality, with each
28 municipality appointing one member to the board.

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

31 **42-64.20-3. Definitions.**

32 As used in this chapter:

33 (1) "Adaptive reuse" means the conversion of an existing structure from the use for which
34 it was constructed to a new use by maintaining elements of the structure and adapting such

1 elements to a new use.

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

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

17 (4) "Applicant" means a developer applying for a rebuild Rhode Island tax credit under
18 this chapter.

19 (5) "Business" means a corporation as defined in § 44-11-1(4), or a partnership, an S
20 corporation, a non-profit corporation, a sole proprietorship, or a limited liability corporation. A
21 business shall include an affiliate of the business if that business applies for a credit based upon
22 any capital investment made by an affiliate.

23 (6) "Capital investment" in a real estate project means expenses by a developer incurred
24 after application for:

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

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

30 In addition to the foregoing, if a developer acquires or leases a qualified development
31 project, the capital investment made or acquired by the seller or owner, as the case may be, if
32 pertaining primarily to the premises of the qualified development project, shall be considered a
33 capital investment by the developer and, if pertaining generally to the qualified development
34 project being acquired or leased, shall be allocated to the premises of the qualified development

1 project on the basis of the gross leasable area of the premises in relation to the total gross leasable
2 area in the qualified development project. The capital investment described herein shall be
3 defined through rules and regulations promulgated by the commerce corporation.

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

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

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

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

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

13 (9) "Commercial" shall mean non-residential development.

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

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

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

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

33 (14) "Hope community" means a municipality for which the five-year (5) average
34 percentage of families with income below the federal poverty level exceeds the state five-year (5)

1 average percentage, both as most recently reported by the U.S. Department of Commerce, Bureau
2 of the Census.

3 (15) “Manufacturer” shall mean any entity that:

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

9 (b) Is described in codes 31-33 of the North American Industry Classification System, as
10 revised from time to time.

11 (16) "Mixed use" means a development comprising both commercial and residential
12 components.

13 (17~~6~~) "Partnership" means an entity classified as a partnership for federal income tax
14 purposes.

15 (18~~7~~) "Placed in service" means the earlier of i) substantial construction or rehabilitation
16 work has been completed which would allow for occupancy of an entire structure or some
17 identifiable portion of a structure, as established in the application approved by the commerce
18 corporation board or ii) receipt by the developer of a certificate, permit or other authorization
19 allowing for occupancy of the project or some identifiable portion of the project by the municipal
20 authority having jurisdiction.

21 (19~~8~~) "Project" means qualified development project as defined under subsection (22).

22 (20~~19~~) "Project area" means land or lands under common ownership or control in which a
23 qualified development project is located.

24 (21~~0~~) "Project cost" means the costs incurred in connection with the qualified
25 development project or qualified residential or mixed use project by the applicant until the
26 issuance of a permanent certificate of occupancy, or until such other time specified by the
27 commerce corporation, for a specific investment or improvement, as defined through rules and
28 regulations promulgated by the commerce corporation.

29 (22~~1~~) "Project financing gap" means

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

34 (ii) The amount of funds that the state may invest in a project to gain a competitive

1 advantage over a viable and comparable location in another state by means described in this
2 chapter.

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

9 (243) "Recognized historical structure" means a property which is located in the state of
10 Rhode Island and is commonly considered to be of historic or cultural significance as determined
11 by the commerce corporation in consultation with the state historic preservation officer.

12 (243) "Residential" means a development of residential dwelling units.

13 (25) "Targeted industry" means any advanced, promising, or otherwise prioritized
14 industry identified in the economic development vision and policy promulgated pursuant to § 42-
15 64.17-1 or, until such time as any such economic development vision and policy is promulgated,
16 as identified by the commerce corporation.

17 (265) "Transit oriented development area" means an area in proximity to transit
18 infrastructure that will be further defined by regulation of the commerce corporation in
19 consultation with the Rhode Island department of transportation.

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

25 SECTION 4. Section 42-64.20-5 of the General Laws in Chapter 42-64.20 entitled
26 "Rebuild Rhode Island Tax Credit" is hereby amended to read as follows:

27 **42-64.20-5. Tax credits.**

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

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

34 (1) The applicant has committed capital investment or owner equity of not less than

1 twenty percent (20%) of the total project cost;

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

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

6 (i) The applicant will, at the discretion of the commerce corporation, obtain a tax
7 stabilization agreement from the municipality in which the real estate project is located on such
8 terms as the commerce corporation deems acceptable;

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

18 (iii) Involves a total project cost of not less than \$5,000,000, except for a qualified
19 development project located in a hope community or redevelopment area designated under § 45-
20 32-4 in which event the commerce corporation shall have the discretion to modify the minimum
21 project cost requirement.

22 (c) The commerce corporation shall develop separate, streamlined application processes
23 for the issuance of Rebuild RI tax credits for each of the following:

24 (1) Qualified development projects that involve certified historic structures;

25 (2) Qualified development projects that involve recognized historical structures;

26 (3) Qualified development projects that involved at least one manufacturer; and

27 (4) Qualified development projects that include affordable housing or workforce housing.

28 (d) Applications made for a historic structure or recognized historic structure tax credit
29 under chapter 33.6 of title 44 shall be considered for tax credits under this chapter. The division
30 of taxation, at the expense of the commerce corporation, shall provide communications from the
31 commerce corporation to those who have applied for and are in the queue awaiting the offer of
32 tax credits pursuant to chapter 33.6 of title 44 regarding their potential eligibility for the Rebuild
33 RI Tax Credit program.

34 (e) Applicants (i) qualifying for a tax credit pursuant to chapter 33.6 of title 44, (ii) whose

1 [application involves a certified historic structure or recognized historical structure, or \(iii\) whose](#)
2 [project is occupied by at least one manufacturer](#) shall be exempt from the requirements of
3 subparagraphs (b)(3)(ii) and (b)(3)(iii). The following procedure shall apply to such applicants:

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

6 (2) The commerce corporation shall retain sole authority for determining the eligibility of
7 an applicant for tax credits awarded under this chapter; and

8 (3) The commerce corporation shall not award in excess of fifteen percent (15%) of the
9 annual amount ~~appropriated~~ [authorized](#) in any fiscal year to applicants seeking tax credits
10 pursuant to [this](#) subsection (~~ee~~).

11 (~~ef~~) Maximum project credit.

12 (i) For qualified development projects, the maximum tax credit allowed under this
13 chapter shall be the lesser of (1) thirty percent (30%) of the total project cost; or (2) the amount
14 needed to close a project financing gap (after taking into account all other private and public
15 funding sources available to the project), as determined by the commerce corporation.

16 (ii) The credit allowed pursuant to this chapter shall not exceed fifteen million dollars
17 (\$15,000,000) for any qualified development project under this chapter. No building or qualified
18 development project to be completed in phases or in multiple projects shall exceed the maximum
19 project credit of fifteen million dollars (\$15,000,000) for all phases or projects involved in the
20 rehabilitation of such building. Provided, however, that for purposes of this subsection and no
21 more than once in a given fiscal year, the commerce corporation may consider the development
22 of land and buildings by a developer on the "I-195 land" (as defined in § 42-64.24-3(6) of the
23 general laws) as a separate, qualified development project from a qualified development project
24 by a tenant or owner of a commercial condominium or similar legal interest including leasehold
25 improvement, fit out, and capital investment. Such qualified development project by a tenant or
26 owner of a commercial condominium or similar legal interest on the I-195 land may be exempted
27 from subparagraph (~~fd~~)(i)(1). [Separate buildings on the I-195 land may be considered to be](#)
28 [separate qualified development projects when determining eligibility under this chapter.](#)

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

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

1 structure;

2 (2) The project is undertaken by or for a targeted industry;

3 (3) The project is located in a transit-oriented development area;

4 (4) The project includes residential development of which at least twenty percent (20%)
5 of the residential units are designated as affordable housing or workforce housing;

6 (5) The project includes the adaptive reuse of property subject to the requirements of the
7 industrial property remediation and reuse act, § 23-19.14-1 et seq.; or

8 (6) The project includes commercial facilities constructed in accordance with the
9 minimum environmental and sustainability standards, as certified by the commerce corporation
10 pursuant to Leadership in Energy and Environmental Design or other equivalent standards.

11 (~~h~~) Maximum aggregate credits. The aggregate sum authorized pursuant to this chapter
12 shall not exceed ~~one~~-two hundred and fifty million dollars (\$~~150~~250,000,000), and the commerce
13 corporation shall promulgate guidelines regarding the amounts to be authorized for certified
14 historic structures, recognized historical structures, and residential projects.

15 (~~g~~) Tax credits shall not be allowed under this chapter prior to the taxable year in which
16 the project is placed in service.

17 (~~h~~) The amount of a tax credit allowed under this chapter shall be allowable to the
18 taxpayer in up to five, annual increments; no more than thirty percent (30%) and no less than
19 fifteen percent (15%) of the total credits allowed to a taxpayer under this chapter may be
20 allowable for any taxable year.

21 (~~k~~) If the portion of the tax credit allowed under this chapter exceeds the taxpayer's total
22 tax liability for the year in which the relevant portion of the credit is allowed, the amount that
23 exceeds the taxpayer's tax liability may be carried forward for credit against the taxes imposed for
24 the succeeding four (4) years, or until the full credit is used, whichever occurs first. Credits
25 allowed to a partnership, a limited liability company taxed as a partnership, or multiple owners of
26 property shall be passed through to the persons designated as partners, members, or owners
27 respectively pro rata or pursuant to an executed agreement among such persons designated as
28 partners, members, or owners documenting an alternate distribution method without regard to
29 their sharing of other tax or economic attributes of such entity.

30 (~~l~~) The commerce corporation in consultation with the division of taxation shall
31 establish, by regulation, the process for the assignment, transfer, or conveyance of tax credits.

32 (~~k~~) For purposes of this chapter, any assignment or sales proceeds received by the
33 taxpayer for its assignment or sale of the tax credits allowed pursuant to this section shall be
34 exempt from taxation under title 44. If a tax credit is subsequently revoked or adjusted, the

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

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

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

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

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

24 (pr) The commerce corporation shall promulgate rules and regulations for the
25 administration and certification of additional tax credit under subsection (e), including criteria for
26 the eligibility, evaluation, prioritization, and approval of projects that qualify for such additional
27 tax credit.

28 (qs) The commerce corporation shall not have any obligation to make any award or grant
29 any benefits under this chapter.

30 SECTION 5. Section 42-64.20-7 of the General Laws in Chapter 42-64.20 entitled
31 "Rebuild Rhode Island Tax Credit" is hereby amended to read as follows:

32 **42-64.20-7. Rebuild Rhode Island tax credit fund.**

33 (a) There is hereby established at the commerce corporation a restricted account known
34 as the rebuild Rhode Island tax-credit fund (the "~~Fund~~fund") in which all amounts appropriated

1 for the program created under this chapter shall be deposited. The fund shall be used ~~(h)~~ to pay for
2 the redemption of tax credits or reimbursement to the state for tax credits applied against a
3 taxpayer's liability. The commerce corporation may pledge and reserve amounts deposited into
4 the fund for the purpose of securing payment for the redemption of tax credits or for making
5 reimbursements to municipalities pursuant to chapter 64.22 of title 42 of the general laws. The
6 fund shall be exempt from attachment, levy, or any other process at law or in equity. The director
7 of the department of revenue shall make a requisition to the commerce corporation for funding
8 during any fiscal year as may be necessary to pay for the redemption of tax credits presented for
9 redemption or to reimburse the state for tax credits applied against a taxpayer's tax liability. The
10 commerce corporation shall pay from the fund such amounts as requested by the director of the
11 department of revenue necessary for redemption or reimbursement in relation to tax credits
12 granted under this chapter; provided, however, that the commerce corporation shall not be
13 required to pay from the fund such sums pledged and reserved by the commerce corporation, as
14 permitted in this section, except for redemption of tax credits.

15 (b) Notwithstanding anything in this chapter to the contrary, the commerce corporation
16 may make a loan or equity investment as an alternative incentive in lieu of the provision of tax
17 credits so long as the applicant otherwise qualifies for tax credits under this chapter. In addition to
18 the qualification requirements of this chapter, any loan or equity investment shall be subject to the
19 provisions of §§ 42-64.20-5(b), ~~(d), (e), (f)~~, (g), ~~(n), (o), (ph), (j), (q), (r), and (s), and (q)~~, 42-
20 64.20-7, 42-64.20-8, 42-64.20-9, and 42-64.20-10 as if such loan or equity investment were a tax
21 credit. The commerce corporation may pay, reserve, and/or pledge monies for a loan or equity
22 investment from the fund.

23 (c) The commerce corporation may provide appropriate technical assistance to an
24 applicant for tax credits for projects under this chapter, including projects involving historic
25 structures and recognized historical structures to enable the applicant to provide all information
26 and data necessary for the consideration of its application by the commerce corporation. The cost
27 of technical assistance provided to applicants can be paid from the fund in an amount not to
28 exceed \$250,000 per year.

29 SEC 6

30 SECTION 7. Section 42-64.21-5 of the General Laws in Chapter 42-64.21 entitled
31 "Rhode Island Tax Increment Financing" is hereby amended to read as follows:

32 **42-64.21-5. Financing.**

33 (a) Up to the limits established in subsection (b) of this section and in accordance with a
34 TIF agreement, the division of taxation shall pay to the developer incremental state revenues

1 directly realized from projects or businesses operating in the qualifying TIF area from the taxes
2 assessed and collected under chapters 11, 13, 14, 17, 18, 19, and 30 of Title 44 of the general
3 laws or realized from such venue ticket sales or parking taxes as may be established and levied
4 under state law.

5 (b) Up to 75 percent of the projected annual incremental revenues may be allocated under
6 a TIF agreement. The incremental revenue for the revenues listed in subsection (a) of this section
7 shall be calculated as the difference between the amount collected in any fiscal year from any
8 eligible revenue source included in the TIF agreement, less the revenue increment base for that
9 eligible revenue.

10 (c) The division of taxation is hereby authorized and empowered to segregate the annual
11 incremental revenues allocated under a TIF agreement and transfer such amounts to the general
12 treasurer for deposit in a restricted account known as the TIF fund. The TIF fund shall be used
13 solely to pay for the incentives granted under this chapter. The director of the department of
14 revenue shall annually determine if a surplus exists in the TIF fund over amounts necessary to
15 fund incentives under this chapter in a fiscal year and may authorize the general treasurer to
16 transfer any surplus to the general fund. The unexpended balance of such sum of money received
17 and appropriated for the TIF fund remaining in the treasury at the close of each fiscal year, shall
18 be continued to and is hereby annually appropriated for the same account for the ensuing year.

19 (d) Under conditions defined by the commerce corporation and in consultation with the
20 department of revenue, ~~those all~~ taxes ~~eligible for inclusion in this TIF program~~ identified in § 42-
21 64.21-5(a) that would otherwise comprise 75% of the incremental revenue available for allocation
22 under § 42-64.21-5(b), may instead be exempted by the commerce corporation up to the levels
23 permitted by this act in cases of significant taxpayers or for transactions occurring within a
24 qualifying TIF area. Any incremental tax revenue exempted by the commerce corporation
25 pursuant to this act shall not be assessed and/or collected as a tax from any person or entity. Such
26 significant taxpayers; and any other person or entity entering into a contract with the commerce
27 corporation consummating a transaction giving rise to the exemptions provided pursuant to this
28 subsection, may shall instead be required to contribute payments ~~in lieu of taxes (PILOTs)~~ into a
29 dedicated fund established by the commerce corporation. Such payments shall be ~~up to 75 percent~~
30 ~~of equal to~~ the amount that would otherwise be due to the state in the form of taxation in the
31 absence of such exemption as per the provisions of this statute. Such dedicated funds must be
32 used for the purposes described in this act. The balance of said state revenue not subject to an
33 exemption under this act shall be deposited in the general fund in the ordinary course by the
34 division of taxation. The commerce corporation and any other person or entity entering into

1 [transactions pursuant to this act shall provide to the division of taxation in a format it may](#)
2 [reasonably require, such information that will allow it to confirm compliance with this act, the](#)
3 [terms of the documents related to the transactions giving rise to the exemptions, and all applicable](#)
4 [state law.](#) The commerce corporation may issue revenue bonds secured by this dedicated fund.
5 Such bonds shall not be a general obligation of the state. (e) The commerce corporation shall
6 promulgate an application form and procedure for the program.

7 SECTION 8. Section 42-64.21-9 of the General Laws in Chapter 42-64.21 entitled
8 "Rhode Island Tax Increment Financing" is hereby amended to read as follows:

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

10 The commerce corporation shall enter into no agreement under this chapter after June 30,
11 2020.

12 SECTION 9. Section 42-64.22-15 of the General Laws in Chapter 42-64.22 entitled "Tax
13 Stabilization Incentive" is hereby amended to read as follows:

14 **42-64.22-15. Sunset.**

15 The commerce corporation shall enter into no agreement under this chapter after
16 [December 31, 2023](#)~~June 30, 2020~~.

17 SECTION 10. Section 42-64.23-8 of the General Laws in Chapter 42-64.23 entitled
18 "First Wave Closing Fund" is hereby amended to read as follows:

19 **42-64.23-8. Sunset.**

20 No financing shall be authorized to be reserved pursuant to this chapter after [December](#)
21 [31, 2023](#)~~June 30, 2020~~.

22 SECTION 11. Section 42-64.29-8 of the General Laws in Chapter 42-64.29 entitled
23 "Industry Cluster Grants" is hereby amended as follows:

24 **42-64.29-8. Sunset.**

25 No grants or incentives shall be authorized to be reserved pursuant to this chapter after
26 [December 31, 2023](#)~~June 30, 2020~~.

27 SECTION 12. Section 42-64.31-4 of the General Laws in Chapter 42-64.31 entitled
28 "High School, College, and Employer Partnerships" is hereby amended as follows:

29 **42-64.31-4. Sunset.**

30 No grants shall be authorized pursuant to this chapter after [December 31, 2023](#)~~June 30,~~
31 ~~2020~~.

32 SECTION 19. Section 42-64.32-6 of the General Laws in Chapter 42-64.32 entitled "Air
33 Service Development Fund" is hereby amended as follows:

34 **42-64.32-6. Sunset.**

1 No grants, credits, or incentives shall be authorized or authorized to be reserved pursuant
2 to this chapter after December 31, 2023~~June 30, 2020~~.

3 SECTION 20. It is hereby enacted as follows:

4 **42-64.33-1. Legislative findings.**

5 (a) It is found and declared that:

6 (1) Rhode Island is home to a growing economy and municipalities are partners in the
7 state's economic growth;

8 (2) The state seeks to work in even closer partnership with cities and towns to support
9 economic development throughout the state;

10 (3) The state seeks to serve as resource and partner for best practices and technical
11 assistance to enable the continued growth of cities and towns;

12 (4) Cities and towns have achieved great progress over the past four years through
13 initiatives such as LEAN programs, e-permitting, and other process improvement programs and
14 these successes should be built upon and expanded;

15 (5) Expanding statewide efforts in land-assembly and site-preparation is a core
16 recommendation of the 2015 Brookings report "Rhode Island Innovates";

17 (6) Rhode Island lacks readily developable land and this lack of shovel ready sites can
18 prevent manufacturers and other firms from locating in Rhode Island.

19 (7) Rhode Island can create a national model that integrates economic development
20 processes across the state in a mutually accountable partnership with cities and towns and Rhode
21 Island can develop an attractive portfolio of pre-permitted sites.

22 (8) This approach is premised upon cities and towns opting in – participating in ways that
23 are of the greatest value to the local community involved.

24 **42-64.33-2. Short title.**

25 This chapter shall be known as "The State and Local Partnership Council Act."

26 **42-64.33-3. Creation.**

27 (a) There is authorized, created, and established a public corporation of the state having a
28 distinct legal existence from the state and not constituting a department of state government,
29 which is a governmental agency and public instrumentality of the state, to be known as the "state
30 and local partnership council" with those powers and purposes that are set forth in this chapter,
31 with the objectives of providing and promoting and encouraging the preservation, expansion and
32 sound development of new and existing industry, business, commerce, and related tourism and
33 recreational facilities, attracting and retaining "high value added" employment opportunities, and
34 promoting thereby the economic development of the state and the general welfare of its citizens.

1 **(b) The exercise by the council of the powers conferred by this chapter shall be deemed**
2 **and held to be the performance of an essential governmental function of the state for public**
3 **purposes. It is the intent of the general assembly by the passage of this chapter to vest in the**
4 **council all powers, authority, rights, privileges, and titles which may be necessary to enable it to**
5 **accomplish the purposes herein set forth, and this chapter and the powers granted hereby shall be**
6 **liberally construed in conformity with those purposes.**

7 **(c) The council and its corporate existence shall continue until terminated by law or until**
8 **the council shall cease entirely and continuously to conduct or be involved in any business**
9 **whatsoever in furtherance of its purposes; provided, that no termination shall take effect, so long**
10 **as the council shall have bonds, notes, or other obligations outstanding, unless adequate provision**
11 **shall have been made for the payment thereof pursuant to the documents securing the obligations**
12 **or to the terminating law. Upon termination of the existence of the council, all of its rights and**
13 **properties shall pass to and be vested in the commerce corporation, established pursuant to**
14 **chapter 64 of this title, or its successor or, if the commerce corporation is terminated and there is**
15 **no successor, in the state. At no time shall the assets or other property of the council inure to the**
16 **benefit of any person or other corporation or entity.**

17 **42-64.33-4. Purposes.**

18 **The council is authorized and established to carry out the program for the following**
19 **purposes:**

20 **(a) To foster and maintain strong collaborations with municipalities in the state.**

21 **(b) To provide all manner of support and assistance to municipalities in order to foster**
22 **economic development in Rhode Island .**

23 **(c) To promote site readiness in the state, including developing an inventory of vetted,**
24 **pad-ready sites in the state capable of supporting economic development and establishing a**
25 **professional capacity to develop, manage, and market lands to foster economic development in**
26 **Rhode Island.**

27 **(d) To establish, implement, and maintain high standards for design, improvement,**
28 **operation, and use of property in order to provide sites and related amenities for high quality**
29 **businesses that create high value-added jobs in Rhode Island.**

30 **(e) To plan, construct, reconstruct, rehabilitate, alter, improve, develop, maintain, operate**
31 **and/or acquire or convey any parcels, tracts, areas or projects within participating municipalities.**

32 **42-64.33-5. Definitions.**

33 **(a) As used in this chapter, words and terms, shall have the meaning set forth in § 42-64-**
34 **3 unless this chapter provides a different meaning or unless the context indicates a different**

1 meaning or intent.

2 (b) Within this chapter, the following words and terms shall have the following meanings
3 unless the context indicates a different meaning or intent:

4 (1) "Board" means the board of directors of the state and local partnership council.

5 (2) "Chairperson" means the chair of the board of the state and local partnership council.

6 (3) "Council" means the state and local partnership council.

7 (4) "Program" means the state and local partnership program to be carried out by the state
8 and local partnership council consistent with the provisions of this chapter.

9 **42-64.33-6. Assistance to municipalities.**

10 (a) Upon appropriate authorization by a municipality regarding participation in the
11 program, the council is authorized and empowered, in its discretion, to provide all manner of
12 support and assistance to municipalities in connection with fostering economic development
13 including, but not limited to, aiding in (i) the preparation, adoption or implementation of laws,
14 regulations, or processes related to development; and (ii) the planning and development of any
15 parcels, tracts, areas or projects within the municipality. Notwithstanding state and municipal law
16 or regulation to the contrary, such authorization, if needed, shall require a single vote of the
17 governing body of the municipality and the approval of the chief elected official, if any.

18 (b) In carrying out the program, the council is authorized and empowered to enter into
19 contractual agreements with municipalities, which contracts may include, among other things, for
20 the council to provide all manner of support and assistance to municipalities in connection with
21 fostering economic development including, but not limited to, aiding in the (i) preparation,
22 adoption or implementation of laws, regulations, or processes related to development; and (ii) the
23 planning and development of any parcels, tracts, areas or projects within the municipality; and
24 municipalities are authorized and empowered, notwithstanding any other law to the contrary, to
25 enter into any contractual agreements with the council and to do all things necessary to carry out
26 their obligations under the agreements.

27 (c)(1) Notwithstanding anything to the contrary in chapter 64.22 of title 42 of the general
28 laws or any regulations adopted in connection with the program created under chapter 64.22 of
29 title 42, if a qualifying community or hope community participating in the program grants a
30 qualifying tax stabilization agreement in connection with a qualifying development project, upon
31 recommendation by the council to the commerce corporation of eligibility of an enhanced award
32 and subject to availability of appropriated funds, the commerce corporation may provide a partial
33 reimbursement of no more than fifty percent (50%) of the qualifying community and/or hope
34 community's forgone tax revenue. The qualification for reimbursement shall cease upon any

1 termination or cessation of the underlying tax stabilization agreement or upon exhaustion of funds
2 appropriated pursuant to this section.

3 (2) Terms used in this subsection that are defined in chapter 64.22 of title 42, shall have
4 the meaning as assigned in chapter 64.22 of title 42.

5 (3) The council shall provide no more than five (5) certifications in any calendar year
6 under this subsection.

7 (d) Any department, agency, council, board or other instrumentality of the state shall
8 cooperate with the council in relation to the implementation, execution and administration of the
9 program created under this chapter.

10 **42-64.33-7. General powers.**

11 (a)(1) Except to the extent inconsistent with any specific provision of this chapter, the
12 council shall have and may exercise all general powers set forth in this chapter and the following
13 additional general powers:

14 (2) As set forth in § 42-64.10-5, § 42-64.10-6 and necessary or convenient to effect its
15 purposes; provided, that the council shall exercise the powers enumerated in § 42-64.10-6(c) in its
16 own name and stead with respect to the program and shall not have the powers set forth in §§ 42-
17 64.10-6(d), 42-64.10-6(h) and 42-64.10-6(i)(3); and

18 (3) To grant, loan or provide other financial assistance in relation to the implementation,
19 execution or administration of the program.

20 **42-64.33-8. Regulations.**

21 The council may adopt implementation guidelines, directives, criteria, rules and
22 regulations pursuant to § 42-35-1, et seq. as are necessary for the implementation and
23 administration of the program, including provisions for the imposition of fees or other charges in
24 relation to the administration of the program.

25 **42-64.33-9. Site readiness.**

26 (a) To promote site readiness within the state, the council is authorized and empowered
27 to:

28 (1) Develop a comprehensive, expedited permitting process in relation to parcels, tracts
29 or areas as authorized by a municipality participating in the program or provide support and
30 assistance consistent with applicable municipal law;

31 (2) Develop a pre-permitting process to allow for pre-permitted parcels, tracts or areas as
32 authorized by a municipality participating in the program or provide support and assistance
33 consistent with applicable municipal law;

34 (3) Issue any and all permits, licenses or other authorizations appropriate to carry-out the

1 program; and

2 (4) Plan, construct, reconstruct, rehabilitate, alter, improve, develop, operate, maintain,
3 any parcels, tracts, or projects owned by the council or other state instrumentality. To the extent
4 provided by the authorization for participation of a municipality in the program, such parcels,
5 tracts and projects shall be exempt from the zoning or other land use ordinances, codes, including
6 building and fire codes, plans, or regulations of any municipality or political subdivision. Parcels,
7 tracts, areas or projects which are planned, constructed, reconstructed, rehabilitated, altered,
8 improved, or developed by the council in accordance with the exemption provisions of this
9 subsection may be maintained and operated by lessees from and successors in interest to the
10 council in the same manner as if such parcel, tract, area or project had been in existence prior to
11 the enactment of the zoning or other land use ordinances, codes, plans, or regulations which, but
12 for this chapter, would otherwise be applicable.

13 (6) Notwithstanding any provision in this chapter to the contrary, in those instances in
14 which the department of environmental management exercises a permitting or licensing function
15 under the delegated authority of federal law, including, but not limited to, the Federal Clean
16 Water Act (33 U.S.C. § 1251 et seq.), the Resource Conservation and Recovery Act (42 U.S.C. §
17 6901 et seq.), the Clean Air Act (42 U.S.C. § 7401 et seq.), Coastal Zone Management Act of
18 1972 (16 U.S.C. § 1451 et seq.), and those state laws and regulations which implement those
19 federal laws, the department of environmental management shall be the licensing and permitting
20 authority. Further, notwithstanding any provision in this chapter to the contrary, in those
21 instances in which the coastal resources management council exercises a permitting, licensing or
22 other regulatory function under the delegated authority of federal law, including, but not limited
23 to, the Coastal Zone Management Act (16 U.S.C. § 1451 et seq.), and those state laws and
24 regulations which implement those federal laws, the coastal resources management council shall
25 be the licensing, permitting and regulatory authority. Moreover, the authority of the department
26 of environmental management and the coastal resources management council authorities under
27 state law, including but not limited to issuing licenses and permits delegated to the department of
28 environmental management pursuant to chapter 1 of title 2 and to the coastal resources
29 management council pursuant to chapter 23 of title 46, shall remain with those agencies.

30 (c) The council shall, in planning, constructing, reconstructing, rehabilitating, altering, or
31 improving any parcel, tract, area or project, comply with all requirements of federal laws, codes,
32 or regulations applicable to that planning, construction, reconstruction, rehabilitation, alteration,
33 or improvement. Except as otherwise specifically provided to the contrary in the authorization
34 allowing participation by a municipality in the program or a contract entered into between the

1 council and such municipality pursuant to § 42-64.33-5(b) of this section, no municipality or
2 other political subdivision of the state shall have the power to modify or change in whole or in
3 part the drawings, plans, or specifications for any parcel, tract, area or project adopted by the
4 council; nor to require that any person, firm, or council employed with respect to that parcel,
5 tract, area or project perform work in any other or different manner than that provided by those
6 drawings, plans, and specifications; nor to require that any such person, firm, or council obtain
7 any approval, permit, or certificate from the municipality or political subdivision in relation to the
8 parcel, tract, area or project; and the doing of that work by any person, firm, or council in
9 accordance with the terms of those drawings, plans, specifications, or contracts shall not subject
10 the person, firm, or council to any civil liability or penalty, other than as may be stated in the
11 contracts or may be incidental to the proper enforcement thereof; nor shall any municipality or
12 political subdivision have the power to require the council, or any lessee or successor in interest,
13 to obtain any approval, permit, or certificate from the municipality or political subdivision as a
14 condition of owning, using, maintaining, operating, or occupying any parcel, tract, area or project
15 acquired, constructed, reconstructed, rehabilitated, altered, or improved by the council or pursuant
16 to drawings, plans, and specifications made or approved by the council; provided, however, that
17 nothing contained in this subsection shall be deemed to relieve any person, firm, or council from
18 the necessity of obtaining from any municipality or other political subdivision of the state any
19 license which, but for the provisions of this chapter, would be required in connection with the
20 rendering of personal services or sale at retail of tangible personal property.

21 (f) Except to the extent that the council shall expressly otherwise agree, a municipality or
22 political subdivision, including, but not limited to, a county, city, town, or district, in which a
23 project of the council is located, shall provide for the project, whether then owned by the council
24 or any successor in interest, police, fire, sanitation, health protection, and other municipal services
25 of the same character and to the same extent as those provided for other residents of that
26 municipality or political subdivision, but nothing contained in this section shall be deemed to
27 require any municipality or political subdivision to make capital expenditures for the sole purpose
28 of providing any of these services for that project.

29 **42-64.33-10. Directors, officers and employees.**

30 (a)(1) Directors. The powers of the council shall be vested in a board of directors
31 consisting of nine (9) members. The membership of the board shall consist of the chief executive
32 officer of the Rhode Island commerce corporation as chairperson, (who shall vote only in the
33 event of a tie), and eight (8) members appointed by the governor. The initial members of the
34 board appointed by the governor shall be divided into three (3) classes and shall serve initial

1 terms on the board of directors as follows: three (3) of the directors shall be appointed for an
2 initial term of one year; three (3) of the directors, shall be appointed for an initial term of two (2)
3 years; and two (2) of the directors shall be appointed for an initial term of three (3) years. Upon
4 expiration of each initial term and upon the expiration of each term thereafter, a successor shall
5 be appointed by the governor, to serve for a term of three (3) years so that members of the board
6 of directors shall serve for staggered terms of three (3) years each. Two (2) members of the board
7 shall be representatives of the municipalities of Rhode Island. A vacancy on the board, other than
8 by expiration, shall be filled in the same manner as an original appointment, but only for the
9 unexpired portion of the term. A member shall be eligible to succeed himself or herself.
10 Appointed directors shall not serve more than two (2) successive three (3) year terms but may be
11 reappointed after not being a director for a period of at least twelve (12) months. Each appointed
12 director shall hold office for the term for which the director is appointed and until the director's
13 successor shall have been appointed and qualified, or until the director's earlier death, resignation
14 or removal.

15 (2) The directors shall receive no compensation for the performance of their duties under
16 this chapter, but each director shall be reimbursed for his or her reasonable expenses incurred in
17 carrying out those duties. A director may engage in private employment, or in a profession or
18 business.

19 (3) Regular meetings of the directors shall be held at least once in each calendar quarter,
20 at the call of the chairperson or secretary, or in accordance with an annual schedule of meetings
21 adopted by the board. Special meetings may be called for any purposes by the chairperson or the
22 secretary and as provided for in the bylaws of the council.

23 (4) A majority of the directors then in office, but not less than three (3) directors, shall
24 constitute a quorum, and any action to be taken by the council under the provisions of this
25 chapter, may be authorized by resolution approved by a majority of the directors present and
26 entitled to a vote at any regular or special meeting at which a quorum is present. A vacancy in the
27 membership of the board of directors shall not impair the right of a quorum to exercise all of the
28 rights and perform all of the duties of the council. Any action taken by the council under the
29 provisions of this chapter may be authorized by a vote at any regular or special meeting, and each
30 vote shall take effect immediately, unless otherwise provided in the vote or approving resolution
31 of the board.

32 (b) Officers. The officers of the council shall include a chairperson, a secretary, and such
33 other officers as the board may from time to time establish.

34 (1) Chairperson. The governor shall appoint the chairperson of the board who shall, with

1 the concurrence of the board, appoint committee members, and preside at meetings of the board.

2 (2) Presiding Officer. The chairperson shall, from time to time, designate a presiding
3 officer from amongst the members of the board who shall preside at a given meeting in the
4 absence of the chairperson.

5 (3) Other officers. The board shall appoint a secretary, the duties of whom shall be
6 prescribed in the bylaws of the council.

7 (4) With the exception of the chairperson, any number of offices may be held by the same
8 person, unless the bylaws provide otherwise.

9 **42-64.33-11. Liability of the Council.**

10 The council is, subject to the period of limitations set forth in § 9-1-25, liable in actions
11 of tort only to the extent that those actions do not arise from the performance of any functions
12 found or deemed to be essential or discretionary governmental functions. Any recovery in an
13 action or any recovery by any person in one or more of any actions against the council, its
14 directors, employees, or agents, shall not exceed one hundred thousand dollars (\$100,000) per
15 plaintiff in the absence of fraud or willful misconduct. In the absence of fraud or willful
16 misconduct, the directors are not personally liable to any party on account of any action (whether
17 tort or otherwise) arising from or related to the manner or terms of the disposition of the council's
18 assets, nor shall the manner or terms of the disposition constitute a defense to any obligation
19 owed to the council.

20 **42-64.33-12. Compliance.**

21 The council shall comply with the following laws:

22 (a) Code of ethics, chapter 14 of title 36;

23 (b) Opening meetings, chapter 46 of this title;

24 (c) Access to public records, chapter 2 of title 38;

25 (d) Administrative procedures, chapter 35 of this title; and

26 (e) Governance and financial management of quasi-public corporations, as provided in
27 chapter 18 of title 35 with regard to obligations, financing leases, and guarantees and chapter 2 of
28 title 37 with regard to purchasing principles, policies, and practices, and by §§ 35-3-17.1, 35-6-
29 37, 35-7-13, 35-7-14, 35-20-6, 35-20-9, 42-11.3-2 and 42-11.3-4(A).

30 **42-64.33-13. Consistency with other statutes.**

31 (a) The Rhode Island Commerce Corporation Act. Except as otherwise expressly
32 provided by this chapter, the council shall have the powers necessary to accomplish the purposes
33 set forth in chapter 64 of this title. The council shall be, in the manner set forth in this chapter, a
34 subsidiary of the commerce corporation notwithstanding the requirements of § 42-64-7.1, and this

1 chapter shall be deemed fully satisfactory for purposes of § 42-64-7.1 as necessary to effectuate
2 the provisions of this chapter.

3 (b) Other state laws. Nothing contained in this chapter shall restrict or limit the powers of
4 the council arising under any laws of this state except where those powers are expressly contrary
5 to the provisions of this chapter; provided, however, that the council shall not have any power to
6 create, empower, or otherwise establish any corporation, subsidiary corporation, corporate body,
7 any form of partnership, or any other separate entity, without the express approval and
8 authorization of the general assembly. Except as otherwise provided, this chapter shall be
9 construed to provide a complete additional and alternative method for doing the things authorized
10 hereby and shall be regarded as supplemental and in addition to the powers conferred by other
11 laws.

12 **42-64.33-14. Inconsistent provisions.**

13 Insofar as the provisions of this chapter are inconsistent with the provisions of any other
14 law or ordinance, general, special or local, the provisions of this chapter shall be controlling.

15 **42-64.33-15. Construction – Liberal construction.**

16 This chapter, being necessary for the welfare of the state and its inhabitants, shall be
17 liberally construed so as to effectuate its purposes.

18 **42-64.33-16. Severability.**

19 If any clause, sentence, paragraph, section, or part of this chapter shall be adjudged by
20 any court of competent jurisdiction to be invalid, that judgment shall not affect, impair, or
21 invalidate the remainder of the chapter but shall be confined in its operation to the clause,
22 sentence, paragraph, section, or part directly involved in the controversy in which that judgment
23 shall have been rendered.

24 **42-64.33-17. Reporting requirements.**

25 The council shall publish a report summarizing municipality participation in the program
26 within sixty (60) days after the end of each fiscal year. The report shall contain information on the
27 commitment, disbursement, and use of funds expended by the council in relation to assistance to
28 municipalities.

29 SECTION 21. Section 44-11-11 of the General Laws in Chapter 44-11 entitled "Business
30 Corporation Tax" is hereby amended to read as follows:

31 **44-11-11. "Net income" defined.**

32 (a)(1) "Net income" means, for any taxable year and for any corporate taxpayer, the
33 taxable income of the taxpayer for that taxable year under the laws of the United States, plus:

34 (i) Any interest not included in the taxable income;

- 1 (ii) Any specific exemptions;
- 2 (iii) The tax imposed by this chapter; and minus
- 3 (iv) Interest on obligations of the United States or its possessions, and other interest
- 4 exempt from taxation by this state; and
- 5 (v) The federal net operating loss deduction.

6 (2) All binding federal elections made by or on behalf of the taxpayer applicable either

7 directly or indirectly to the determination of taxable income shall be binding on the taxpayer

8 except where this chapter or its attendant regulations specifically modify or provide otherwise.

9 Rhode Island taxable income shall not include the "gross-up of dividends" required by the federal

10 Internal Revenue Code to be taken into taxable income in connection with the taxpayer's election

11 of the foreign tax credit.

12 (b) A net operating loss deduction shall be allowed which shall be the same as the net

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

14 (1) Any net operating loss included in determining the deduction shall be adjusted to

15 reflect the inclusions and exclusions from entire net income required by subsection (a) of this

16 section and § 44-11-11.1;

17 (2) The deduction shall not include any net operating loss sustained during any taxable

18 year in which the taxpayer was not subject to the tax imposed by this chapter; and

19 (3) The deduction shall not exceed the deduction for the taxable year allowable under 26

20 U.S.C. § 172; provided, that the deduction for a taxable year may not be carried back to any other

21 taxable year for Rhode Island purposes but shall only be allowable on a carry forward basis for

22 the five (5) succeeding taxable years.

23 (c) "Domestic international sales corporations" (referred to as DISCs), for the purposes of

24 this chapter, will be treated as they are under federal income tax law and shall not pay the amount

25 of the tax computed under § 44-11-2(a). Any income to shareholders of DISCs is to be treated in

26 the same manner as it is treated under federal income tax law as it exists on December 31, 1984.

27 (d) A corporation which qualifies as a "foreign sales corporation" (FSC) under the

28 provisions of subchapter N, 26 U.S.C. § 861 et seq., and which has in effect for the entire taxable

29 year a valid election under federal law to be treated as a FSC, shall not pay the amount of the tax

30 computed under § 44-11-2(a). Any income to shareholders of FSCs is to be treated in the same

31 manner as it is treated under federal income tax law as it exists on January 1, 1985.

32 SECTION 7. Section 42-64.21-5 of the General Laws in Chapter 42-64.21 entitled

33 "Rhode Island Tax Increment Financing" is hereby amended to read as follows:

34 **42-64.21-5. Financing.**

1 (a) Up to the limits established in subsection (b) of this section and in accordance with a
2 TIF agreement, the division of taxation shall pay to the developer incremental state revenues
3 directly realized from projects or businesses operating in the qualifying TIF area from the taxes
4 assessed and collected under chapters 11, 13, 14, 17, 18, 19, and 30 of Title 44 of the general
5 laws or realized from such venue ticket sales or parking taxes as may be established and levied
6 under state law.

7 (b) Up to 75 percent of the projected annual incremental revenues may be allocated under
8 a TIF agreement. The incremental revenue for the revenues listed in subsection (a) of this section
9 shall be calculated as the difference between the amount collected in any fiscal year from any
10 eligible revenue source included in the TIF agreement, less the revenue increment base for that
11 eligible revenue.

12 (c) The division of taxation is hereby authorized and empowered to segregate the annual
13 incremental revenues allocated under a TIF agreement and transfer such amounts to the general
14 treasurer for deposit in a restricted account known as the TIF fund. The TIF fund shall be used
15 solely to pay for the incentives granted under this chapter. The director of the department of
16 revenue shall annually determine if a surplus exists in the TIF fund over amounts necessary to
17 fund incentives under this chapter in a fiscal year and may authorize the general treasurer to
18 transfer any surplus to the general fund. The unexpended balance of such sum of money received
19 and appropriated for the TIF fund remaining in the treasury at the close of each fiscal year, shall
20 be continued to and is hereby annually appropriated for the same account for the ensuing year.

21 (d) Under conditions defined by the commerce corporation and in consultation with the
22 department of revenue, ~~those all~~ taxes ~~eligible for inclusion in this TIF program~~ identified in § 42-
23 64.21-5(a) that would otherwise comprise 75% of the incremental revenue available for allocation
24 under § 42-64.21-5(b), may instead be exempted by the commerce corporation up to the levels
25 permitted by this act in cases of significant taxpayers or for transactions occurring within a
26 qualifying TIF area. Any incremental tax revenue exempted by the commerce corporation
27 pursuant to this act shall not be assessed and/or collected as a tax from any person or entity. Such
28 significant taxpayers; and any other person or entity entering into a contract with the commerce
29 corporation consummating a transaction giving rise to the exemptions provided pursuant to this
30 subsection, may shall instead be required to contribute payments ~~in lieu of taxes (PILOTs)~~ into a
31 dedicated fund established by the commerce corporation. Such payments shall be ~~up to 75 percent~~
32 ~~of equal to~~ the amount that would otherwise be due to the state in the form of taxation in the
33 absence of such exemption ~~as per the provisions of this statute~~. Such dedicated funds must be
34 used for the purposes described in this act. The balance of said state revenue not subject to an

1 [exemption under this act shall be deposited in the general fund in the ordinary course by the](#)
2 [division of taxation. The commerce corporation and any other person or entity entering into](#)
3 [transactions pursuant to this act shall provide to the division of taxation in a format it may](#)
4 [reasonably require, such information that will allow it to confirm compliance with this act, the](#)
5 [terms of the documents related to the transactions giving rise to the exemptions, and all applicable](#)
6 [state law.](#) The commerce corporation may issue revenue bonds secured by this dedicated fund.
7 Such bonds shall not be a general obligation of the state. (e) The commerce corporation shall
8 promulgate an application form and procedure for the program.

9 SECTION 8. Section 42-64.21-9 of the General Laws in Chapter 42-64.21 entitled
10 "Rhode Island Tax Increment Financing" is hereby amended to read as follows:

11 **42-64.21-9. Sunset.**

12 The commerce corporation shall enter into no agreement under this chapter after June 30,
13 2020.

14 SECTION 9. Section 42-64.22-15 of the General Laws in Chapter 42-64.22 entitled "Tax
15 Stabilization Incentive" is hereby amended to read as follows:

16 **42-64.22-15. Sunset.**

17 The commerce corporation shall enter into no agreement under this chapter after
18 [December 31, 2023](#)~~June 30, 2020~~.

19 SECTION 1. Section 42-64.23-8 of the General Laws in Chapter 42-64.23 entitled "First
20 Wave Closing Fund" is hereby amended to read as follows:

21 **42-64.23-8. Sunset.**

22 No financing shall be authorized to be reserved pursuant to this chapter after [December](#)
23 [31, 2023](#)~~June 30, 2020~~.

24 SECTION 11. Section 42-64.24-8 of the General Laws in Chapter 42-64.24 entitled "I-
25 195 Redevelopment Project Fund" is hereby amended to read as follows:

26 **42-64.24-8. Sunset.**

27 No funding, credits, or incentives shall be authorized or authorized to be reserved
28 pursuant to this chapter after [December 31, 2023](#)~~June 30, 2020~~.

29 SECTION 12. Section 42-64.25-14 of the General Laws in Chapter 42-64.25 entitled
30 "Small Business Assistance Program" is hereby repealed.

31 **~~42-64.25-14. Sunset.~~**

32 ~~No grants, funding, or incentives shall be authorized pursuant to this chapter after June~~
33 ~~30, 2020.~~

34 SECTION 13. Section 42-64.26-3 of the General Laws in Chapter 42-64.26 entitled "Stay

1 Invested in RI Wavemaker Fellowship" is hereby amended to read as follows:

2 **42-64.26-3. Definitions.**

3 As used in this chapter:

4 (1) "Eligible graduate" means an individual who meets the eligibility requirements under
5 this chapter.

6 (2) "Applicant" means an eligible graduate who applies for a tax credit for education loan
7 repayment expenses under this chapter.

8 (3) "Award" means a tax credit awarded by the commerce corporation to an applicant as
9 provided under this chapter.

10 (4) "Business" means any applicant that is a corporation, state bank, federal savings bank,
11 trust company, national banking association, bank holding company, loan and investment
12 company, mutual savings bank, credit union, building and loan association, insurance company,
13 investment company, broker-dealer company or surety company, limited liability company,
14 partnership, sole proprietorship, or federal agency or subsidiaries thereof.

15 ~~(54)~~ "Taxpayer" means an applicant who receives a tax credit under this chapter.

16 ~~(65)~~ "Commerce corporation" means the Rhode Island commerce corporation established
17 pursuant to chapter 64 of title 42.

18 ~~(76)~~ "Eligible expenses" or "education loan repayment expenses" means annual higher
19 education loan repayment expenses, including, without limitation, principal, interest and fees, as
20 may be applicable, incurred by an eligible graduate and which the eligible graduate is obligated to
21 repay for attendance at a post-secondary institution of higher learning.

22 ~~(87)~~ "Eligibility period" means a term of up to four (4) consecutive service periods
23 beginning with the date that an eligible graduate receives initial notice of award under this
24 chapter and expiring at the conclusion of the fourth service period after such date specified.

25 ~~(98)~~ "Eligibility requirements" means the following qualifications or criteria required for
26 an applicant to claim an award under this chapter:

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

30 (ii) That the applicant shall be a full-time employee with a Rhode Island-based employer
31 located in this state throughout the eligibility period, whose employment is for work in one or
32 more of the following covered fields: life, natural or environmental sciences; computer,
33 information or software technology; advanced mathematics or finance; engineering; industrial
34 design or other commercially related design field; or medicine or medical device technology.

1 (109) "Full-time employee" means a person who is employed in Rhode Island by a
2 business for consideration for a minimum of at least thirty-five (35) hours per week, or who
3 renders any other standard of service generally accepted by custom or practice as full-time
4 employment, or who is employed by a professional employer organization pursuant to an
5 employee leasing agreement between the business and the professional employer organization for
6 a minimum of thirty-five (35) hours per week, or who renders any other standard of service
7 generally accepted by custom or practice as full-time employment and whose earnings are subject
8 to Rhode Island income tax, ~~and whose wages are subject to withholding.~~

9 (110) "Service period" means a twelve (12) month period beginning on the date that an
10 eligible graduate receives initial notice of award under this chapter.

11 (121) "Student loan" means a loan to an individual by a public authority or private lender
12 to assist the individual to pay for tuition, books, and living expenses in order to attend a post-
13 secondary institution of higher learning.

14 (132) "Rhode Island-based employer" means (i) an employer having a principal place of
15 business or at least fifty-one percent (51%) of its employees located in this state; or (ii) an
16 employer registered to conduct business in this state that reported Rhode Island tax liability in the
17 previous tax year.

18 (143) "Fund" refers to the "Stay Invested in RI Wavemaker Fellowship Fund" established
19 pursuant to § 42-64.26-4.

20 SECTION 14. Section 42-64.26-12 of the General Laws in Chapter 42-64.26 entitled
21 "Stay Invested in RI Wavemaker Fellowship" is hereby amended to read as follows:

22 **42-64.26-12. Sunset.**

23 No incentives or credits shall be authorized pursuant to this chapter after [December 31,](#)
24 ~~2023~~~~June 30, 2020.~~

25 SECTION 15. Section 42-64.27-6 of the General Laws in Chapter 42-64.27 entitled
26 "Main Street Rhode Island Streetscape Improvement Fund" is hereby amended to read as follows:

27 **42-64.27-6. Sunset.**

28 No incentives shall be authorized pursuant to this chapter after [December 31, 2023](#)~~June~~
29 ~~30, 2020.~~

30 ***

31 SECTION 21. Section 44-11-11 of the General Laws in Chapter 44-11 entitled "Business
32 Corporation Tax" is hereby amended to read as follows:

33 **44-11-11. "Net income" defined.**

34 (a)(1) "Net income" means, for any taxable year and for any corporate taxpayer, the

1 taxable income of the taxpayer for that taxable year under the laws of the United States, plus:

2 (i) Any interest not included in the taxable income;

3 (ii) Any specific exemptions;

4 (iii) The tax imposed by this chapter; and minus

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

7 (v) The federal net operating loss deduction.

8 (2) All binding federal elections made by or on behalf of the taxpayer applicable either
9 directly or indirectly to the determination of taxable income shall be binding on the taxpayer
10 except where this chapter or its attendant regulations specifically modify or provide otherwise.
11 Rhode Island taxable income shall not include the "gross-up of dividends" required by the federal
12 Internal Revenue Code to be taken into taxable income in connection with the taxpayer's election
13 of the foreign tax credit.

14 (b) A net operating loss deduction shall be allowed which shall be the same as the net
15 operating loss deduction allowed under 26 U.S.C. § 172, except that:

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

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

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

25 (c) "Domestic international sales corporations" (referred to as DISCs), for the purposes of
26 this chapter, will be treated as they are under federal income tax law and shall not pay the amount
27 of the tax computed under § 44-11-2(a). Any income to shareholders of DISCs is to be treated in
28 the same manner as it is treated under federal income tax law as it exists on December 31, 1984.

29 (d) A corporation which qualifies as a "foreign sales corporation" (FSC) under the
30 provisions of subchapter N, 26 U.S.C. § 861 et seq., and which has in effect for the entire taxable
31 year a valid election under federal law to be treated as a FSC, shall not pay the amount of the tax
32 computed under § 44-11-2(a). Any income to shareholders of FSCs is to be treated in the same
33 manner as it is treated under federal income tax law as it exists on January 1, 1985.

34 [\(e\) For purposes of a corporation's state tax liability, any deduction to income allowable](#)

1 [under 26 U.S.C. 1400Z-2\(c\) may be claimed in the case of any investment held by the taxpayer](#)
2 [for at least seven years. The division of taxation shall promulgate, in its discretion, rules and](#)
3 [regulations relative to the accelerated application of deductions under 12 U.S.C. 1400Z-2\(c\).](#)

4 SECTION 22. Section 44-30-2.6 of the General Laws in Chapter 44-30 entitled "Personal
5 Income Tax" is hereby amended to read as follows:

6 **44-30-2.6. Rhode Island taxable income -- Rate of tax.**

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

12 (b) Notwithstanding the provisions of §§ 44-30-1 and 44-30-2, for tax years beginning on
13 or after January 1, 2001, a Rhode Island personal income tax is imposed upon the Rhode Island
14 taxable income of residents and nonresidents, including estates and trusts, at the rate of twenty-
15 five and one-half percent (25.5%) for tax year 2001, and twenty-five percent (25%) for tax year
16 2002 and thereafter of the federal income tax rates, including capital gains rates and any other
17 special rates for other types of income, except as provided in § 44-30-2.7, which were in effect
18 immediately prior to enactment of the Economic Growth and Tax Relief Reconciliation Act of
19 2001 (EGTRRA); provided, rate schedules shall be adjusted for inflation by the tax administrator
20 beginning in taxable year 2002 and thereafter in the manner prescribed for adjustment by the
21 commissioner of Internal Revenue in 26 U.S.C. § 1(f). However, for tax years beginning on or
22 after January 1, 2006, a taxpayer may elect to use the alternative flat tax rate provided in § 44-30-
23 2.10 to calculate his or her personal income tax liability.

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

33 (1) For tax years beginning on or after January 1, 2005, and thereafter, the exemption
34 amount for alternative minimum tax, for Rhode Island purposes, shall be adjusted for inflation by

1 the tax administrator in the manner prescribed for adjustment by the commissioner of Internal
2 Revenue in 26 U.S.C. § 1(f).

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

8 (A) Tax imposed.

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

11 If taxable income is:	The tax is:
12 Not over \$53,150	3.75% of taxable income
13 Over \$53,150 but not over \$128,500	\$1,993.13 plus 7.00% of the excess over \$53,150
14 Over \$128,500 but not over \$195,850	\$7,267.63 plus 7.75% of the excess over \$128,500
15 Over \$195,850 but not over \$349,700	\$12,487.25 plus 9.00% of the excess over \$195,850
16 Over \$349,700	\$26,333.75 plus 9.90% of the excess over \$349,700

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

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

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

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

34 (4) There is hereby imposed on the taxable income of married individuals filing separate

1 returns and bankruptcy estates a tax determined in accordance with the following table:

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

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

10 If taxable income is:	The tax is:
11 Not over \$2,150	3.75% of taxable income
12 Over \$2,150 but not over \$5,000	\$80.63 plus 7.00% of the excess over \$2,150
13 Over \$5,000 but not over \$7,650	\$280.13 plus 7.75% of the excess over \$5,000
14 Over \$7,650 but not over \$10,450	\$485.50 plus 9.00% of the excess over \$7,650
15 Over \$10,450	\$737.50 plus 9.90% of the excess over \$10,450

16 (6) Adjustments for inflation.

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

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

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

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

23 (B) Maximum capital gains rates.

24 (1) In general.

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

27 (a) 2.5 % of the net capital gain as reported for federal income tax purposes under section
28 26 U.S.C. § 1(h)(1)(a) and 26 U.S.C. § 1(h)(1)(b).

29 (b) 5% of the net capital gain as reported for federal income tax purposes under 26 U.S.C.
30 § 1(h)(1)(c).

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

33 (d) 7% of the net capital gain as reported for federal income tax purposes under 26 U.S.C.
34 § 1(h)(1)(e).

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

3 (C) Itemized deductions.

4 (1) In general.

5 For the purposes of section (2), "itemized deductions" means the amount of federal
6 itemized deductions as modified by the modifications in § 44-30-12.

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

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

10 (3) Basic standard deduction.

11 The Rhode Island standard deduction shall be allowed in accordance with the following
12 table:

13 Filing status	Amount
14 Single	\$5,350
15 Married filing jointly or qualifying widow(er)	\$8,900
16 Married filing separately	\$4,450
17 Head of Household	\$7,850

18 (4) Additional standard deduction for the aged and blind. An additional standard
19 deduction shall be allowed for individuals age sixty-five (65) or older or blind in the amount of
20 \$1,300 for individuals who are not married and \$1,050 for individuals who are married.

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

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

25 (a) \$850;

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

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

28 In the case of:

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

30 (b) Nonresident alien individual;

31 (c) An estate or trust;

32 The standard deduction shall be zero.

33 (7) Adjustments for inflation.

34 Each dollar amount contained in paragraphs (3), (4) and (5) shall be increased by an

1 amount equal to:

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

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

5 (D) Overall limitation on itemized deductions.

6 (1) General rule.

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

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

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

14 (2) Applicable amount.

15 (a) In general.

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

18 (b) Adjustments for inflation.

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

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

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

22 (3) Phase-out of Limitation.

23 (a) In general.

24 In the case of taxable year beginning after December 31, 2005, and before January 1,
25 2010, the reduction under section (1) shall be equal to the applicable fraction of the amount which
26 would be the amount of such reduction.

27 (b) Applicable fraction.

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

30 For taxable years beginning in calendar year	The applicable fraction is
31 2006 and 2007	2/3
32 2008 and 2009	1/3

33 (E) Exemption amount.

34 (1) In general.

1 Except as otherwise provided in this subsection, the term "exemption amount" means
2 \$3,400.

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

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

7 (3) Adjustments for inflation.

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

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

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

11 (4) Limitation.

12 (a) In general.

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

15 (b) Applicable percentage.

16 In the case of any taxpayer whose adjusted gross income for the taxable year exceeds the
17 threshold amount, the exemption amount shall be reduced by two (2) percentage points for each
18 \$2,500 (or fraction thereof) by which the taxpayer's adjusted gross income for the taxable year
19 exceeds the threshold amount. In the case of a married individual filing a separate return, the
20 preceding sentence shall be applied by substituting "\$1,250" for "\$2,500." In no event shall the
21 applicable percentage exceed one hundred percent (100%).

22 (c) Threshold Amount.

23 For the purposes of this paragraph, the term "threshold amount" shall be determined with
24 the following table:

25 Filing status	Amount
26 Single	\$156,400
27 Married filing jointly of qualifying widow(er)	\$234,600
28 Married filing separately	\$117,300
29 Head of Household	\$195,500

30 (d) Adjustments for inflation.

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

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

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

34 (5) Phase-out of limitation.

1 (a) In general.

2 In the case of taxable years beginning after December 31, 2005, and before January 1,
3 2010, the reduction under section 4 shall be equal to the applicable fraction of the amount which
4 would be the amount of such reduction.

5 (b) Applicable fraction.

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

8 For taxable years beginning in calendar year	The applicable fraction is
9 2006 and 2007	2/3
10 2008 and 2009	1/3

11 (F) Alternative minimum tax.

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

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

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

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

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

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

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

21 (4) Taxable excess. For the purposes of this subsection the term "taxable excess" means
22 so much of the federal alternative minimum taxable income as modified by the modifications in §
23 44-30-12 as exceeds the exemption amount.

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

26 (6) Exemption amount.

27 For purposes of this section "exemption amount" means:

28 Filing status	Amount
29 Single	\$39,150
30 Married filing jointly or qualifying widow(er)	\$53,700
31 Married filing separately	\$26,850
32 Head of Household	\$39,150
33 Estate or trust	\$24,650

34 (7) Treatment of unearned income of minor children

1 (a) In general.

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

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

5 (ii) \$6,000.

6 (8) Adjustments for inflation.

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

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

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

12 (9) Phase-out.

13 (a) In general.

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

17 (b) Threshold amount.

18 For purposes of this paragraph, the term "threshold amount" shall be determined with the
19 following table:

20 Filing status	Amount
21 Single	\$123,250
22 Married filing jointly or qualifying widow(er)	\$164,350
23 Married filing separately	\$82,175
24 Head of Household	\$123,250
25 Estate or Trust	\$82,150

26 (c) Adjustments for inflation

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

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

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

30 (G) Other Rhode Island taxes.

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

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

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

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

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

4 (1) General rule. There is hereby imposed a tax equal to twenty-five percent
5 (25%) of:

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

7 (I) Averaging of farm income.

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

10 (a) The Federal averaging of farm income as determined in IRC section 1301 [26 U.S.C.
11 § 1301].

12 (J) Cost-of-living adjustment.

13 (1) In general.

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

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

16 (b) The CPI for the base year.

17 (2) CPI for any calendar year.

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

21 (3) Consumer price index.

22 For purposes of paragraph (2), the term "consumer price index" means the last consumer
23 price index for all urban consumers published by the department of labor. For purposes of the
24 preceding sentence, the revision of the consumer price index that is most consistent with the
25 consumer price index for calendar year 1986 shall be used.

26 (4) Rounding.

27 (a) In general.

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

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

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

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

2 (2) Child and dependent care credit;

3 (3) General business credits;

4 (4) Credit for elderly or the disabled;

5 (5) Credit for prior year minimum tax;

6 (6) Mortgage interest credit;

7 (7) Empowerment zone employment credit;

8 (8) Qualified electric vehicle credit.

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

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

20 (N) Rhode Island earned-income credit .

21 (1) In general.

22 For tax years beginning before January 1, 2015, a taxpayer entitled to a federal earned-
23 income credit shall be allowed a Rhode Island earned-income credit equal to twenty-five percent
24 (25%) of the federal earned-income credit. Such credit shall not exceed the amount of the Rhode
25 Island income tax.

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

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

34 For tax years beginning on or after January 1, 2017, a taxpayer entitled to a federal

1 earned-income credit shall be allowed a Rhode Island earned-income credit equal to fifteen
2 percent (15%) of the federal earned-income credit. Such credit shall not exceed the amount of the
3 Rhode Island income tax.

4 (2) Refundable portion.

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

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

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

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

17 (3) For the period January 1, 2011, through December 31, 2011, and thereafter, "Rhode
18 Island taxable income" means federal adjusted gross income as determined under the Internal
19 Revenue Code, 26 U.S.C. § 1 et seq., and as modified for Rhode Island purposes pursuant to §
20 44-30-12 less the amount of Rhode Island Basic Standard Deduction allowed pursuant to
21 subparagraph 44-30-2.6(c)(3)(B), and less the amount of personal exemption allowed pursuant to
22 subparagraph 44-30-2.6(c)(3)(C).

23 (A) Tax imposed.

24 (I) There is hereby imposed on the taxable income of married individuals filing joint
25 returns, qualifying widow(er), every head of household, unmarried individuals, married
26 individuals filing separate returns and bankruptcy estates, a tax determined in accordance with the
27 following table:

RI Taxable Income			RI Income Tax
Over	But not over	Pay +% on Excess	on the amount over
30 \$0 -	\$ 55,000	\$ 0 + 3.75%	\$0
31 55,000 -	125,000	2,063 + 4.75%	55,000
32 125,000 -		5,388 + 5.99%	125,000

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

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

6 (B) Deductions:

7 (I) Rhode Island Basic Standard Deduction. Only the Rhode Island standard deduction
8 shall be allowed in accordance with the following table:

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

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

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

22 (C) Exemption Amount:

23 (I) The term "exemption amount" means three thousand five hundred dollars (\$3,500)
24 multiplied by the number of exemptions allowed for the taxable year for federal income tax
25 purposes. For tax years beginning on or after 2018, the term "exemption amount" means the same
26 as it does in 26 U.S.C. § 151 and 26 U.S.C. § 152 just prior to the enactment of the Tax Cuts and
27 Jobs Act (Pub. L. 115-97) on December 22, 2017.

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

32 (III) Identifying information required.

33 (1) Except as provided in § 44-30-2.6(c)(3)(C)(II) of this section, no exemption shall be
34 allowed under this section with respect to any individual unless the Taxpayer Identification

1 Number of such individual is included on the federal return claiming the exemption for the same
2 tax filing period.

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

8 (D) In the case of any taxpayer whose adjusted gross income, as modified for Rhode
9 Island purposes pursuant to § 44-30-12, for the taxable year exceeds one hundred seventy-five
10 thousand dollars (\$175,000), the exemption amount shall be reduced by the applicable
11 percentage. The term "applicable percentage" means twenty (20) percentage points for each five
12 thousand dollars (\$5,000) (or fraction thereof) by which the taxpayer's adjusted gross income for
13 the taxable year exceeds one hundred seventy-five thousand dollars (\$175,000).

14 (E) Adjustment for inflation. The dollar amount contained in subparagraphs 44-30-
15 2.6(c)(3)(A), 44-30-2.6(c)(3)(B) and 44-30-2.6(c)(3)(C) shall be increased annually by an amount
16 equal to:

17 (I) Such dollar amount contained in subparagraphs 44-30-2.6(c)(3)(A), 44-30-
18 2.6(c)(3)(B) and 44-30-2.6(c)(3)(C) adjusted for inflation using a base tax year of 2000,
19 multiplied by;

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

21 (III) For the purposes of this section, the cost-of-living adjustment for any calendar year
22 is the percentage

23 (if any) by which the consumer price index for the preceding calendar year exceeds the
24 consumer price index for the base year. The consumer price index for any calendar year is the
25 average of the consumer price index as of the close of the twelve-month (12) period ending on
26 August 31, of such calendar year.

27 (IV) For the purpose of this section the term "consumer price index" means the last
28 consumer price index for all urban consumers published by the department of labor. For the
29 purpose of this section the revision of the consumer price index that is most consistent with the
30 consumer price index for calendar year 1986 shall be used.

31 (V) If any increase determined under this section is not a multiple of fifty dollars
32 (\$50.00), such increase shall be rounded to the next lower multiple of fifty dollars (\$50.00). In the
33 case of a married individual filing separate return, if any increase determined under this section is
34 not a multiple of twenty-five dollars (\$25.00), such increase shall be rounded to the next lower

1 multiple of twenty-five dollars (\$25.00).

2 (F) Credits against tax.

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

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

8 (b) Property Tax Relief Credit: Credit shall be allowed for property tax relief as provided
9 in § 44-33-1 et seq.

10 (c) Lead Paint Credit: Credit shall be allowed for residential lead abatement income tax
11 credit as provided in § 44-30.3-1 et seq.

12 (d) Credit for income taxes of other states. Credit shall be allowed for income tax paid to
13 other states pursuant to § 44-30-74.

14 (e) Historic Structures Tax Credit: Credit shall be allowed for historic structures tax
15 credit as provided in § 44-33.2-1 et seq.

16 (f) Motion Picture Productions Tax Credit: Credit shall be allowed for motion picture
17 production tax credit as provided in § 44-31.2-1 et seq.

18 (g) Child and Dependent Care: Credit shall be allowed for twenty-five percent (25%) of
19 the federal child and dependent care credit allowable for the taxable year for federal purposes;
20 provided, however, such credit shall not exceed the Rhode Island tax liability.

21 (h) Tax credits for contributions to Scholarship Organizations: Credit shall be allowed for
22 contributions to scholarship organizations as provided in chapter 62 of title 44.

23 (i) Credit for tax withheld. Wages upon which tax is required to be withheld shall be
24 taxable as if no withholding were required, but any amount of Rhode Island personal income tax
25 actually deducted and withheld in any calendar year shall be deemed to have been paid to the tax
26 administrator on behalf of the person from whom withheld, and the person shall be credited with
27 having paid that amount of tax for the taxable year beginning in that calendar year. For a taxable
28 year of less than twelve (12) months, the credit shall be made under regulations of the tax
29 administrator.

30 (j) Stay Invested in RI Wavemaker Fellowship: Credit shall be allowed for stay invested
31 in RI wavemaker fellowship program as provided in § 42-64.26-1 et seq.

32 (k) Rebuild Rhode Island: Credit shall be allowed for rebuild RI tax credit as provided in
33 § 42-64.20-1 et seq.

34 (l) Rhode Island Qualified Jobs Incentive Program: Credit shall be allowed for Rhode

1 Island new qualified jobs incentive program credit as provided in § 44-48.3-1 et seq.

2 (m) Historic homeownership assistance act: Effective for tax year 2017 and thereafter,
3 unused carryforward for such credit previously issued shall be allowed for the historic
4 homeownership assistance act as provided in § 44-33.1-4. This allowance is for credits already
5 issued pursuant to § 44-33.1-4 and shall not be construed to authorize the issuance of new credits
6 under the historic homeownership assistance act.

7 [\(n\) Credit for Qualified Research Expenses: Effective for tax year 2019 and thereafter](#)
8 [credit for qualified research expenses generated or awarded under § 44-32-3.1 shall be allowed.](#)

9 (2) Except as provided in section 1 above, no other state and federal tax credit shall be
10 available to the taxpayers in computing tax liability under this chapter.

11 SECTION 23. Section 44-30-12 of the General Laws in Chapter 44-30 entitled "Personal
12 Income Tax" is hereby amended to read as follows:

13 **44-30-12. Rhode Island income of a resident individual.**

14 (a) General. The Rhode Island income of a resident individual means his or her adjusted
15 gross income for federal income tax purposes, with the modifications specified in this section.

16 (b) Modifications increasing federal adjusted gross income. There shall be added to
17 federal adjusted gross income:

18 (1) Interest income on obligations of any state, or its political subdivisions, other than
19 Rhode Island or its political subdivisions;

20 (2) Interest or dividend income on obligations or securities of any authority, commission,
21 or instrumentality of the United States, but not of Rhode Island or its political subdivisions, to the
22 extent exempted by the laws of the United States from federal income tax but not from state
23 income taxes;

24 (3) The modification described in § 44-30-25(g);

25 (4)(i) The amount defined below of a nonqualified withdrawal made from an account in
26 the tuition savings program pursuant to § 16-57-6.1. For purposes of this section, a nonqualified
27 withdrawal is:

28 (A) A transfer or rollover to a qualified tuition program under Section 529 of the Internal
29 Revenue Code, 26 U.S.C. § 529, other than to the tuition savings program referred to in § 16-57-
30 6.1; and

31 (B) A withdrawal or distribution which is:

32 (I) Not applied on a timely basis to pay "qualified higher education expenses" as defined
33 in § 16-57-3(12) of the beneficiary of the account from which the withdrawal is made;

34 (II) Not made for a reason referred to in § 16-57-6.1(e); or

1 (III) Not made in other circumstances for which an exclusion from tax made applicable
2 by Section 529 of the Internal Revenue Code, 26 U.S.C. § 529, pertains if the transfer, rollover,
3 withdrawal or distribution is made within two (2) taxable years following the taxable year for
4 which a contributions modification pursuant to subdivision (c)(4) of this section is taken based on
5 contributions to any tuition savings program account by the person who is the participant of the
6 account at the time of the contribution, whether or not the person is the participant of the account
7 at the time of the transfer, rollover, withdrawal or distribution;

8 (ii) In the event of a nonqualified withdrawal under subparagraphs (i)(A) or (i)(B) of this
9 subdivision, there shall be added to the federal adjusted gross income of that person for the
10 taxable year of the withdrawal an amount equal to the lesser of:

11 (A) The amount equal to the nonqualified withdrawal reduced by the sum of any
12 administrative fee or penalty imposed under the tuition savings program in connection with the
13 nonqualified withdrawal plus the earnings portion thereof, if any, includible in computing the
14 person's federal adjusted gross income for the taxable year; and

15 (B) The amount of the person's contribution modification pursuant to subdivision (c)(4)
16 of this section for the person's taxable year of the withdrawal and the two (2) prior taxable years
17 less the amount of any nonqualified withdrawal for the two (2) prior taxable years included in
18 computing the person's Rhode Island income by application of this subsection for those years.
19 Any amount added to federal adjusted gross income pursuant to this subdivision shall constitute
20 Rhode Island income for residents, nonresidents and part-year residents; and

21 (5) The modification described in § 44-30-25.1(d)(3)(i).

22 (6) The amount equal to any unemployment compensation received but not included in
23 federal adjusted gross income.

24 (7) The amount equal to the deduction allowed for sales tax paid for a purchase of a
25 qualified motor vehicle as defined by the Internal Revenue Code § 164(a)(6).

26 (c) Modifications reducing federal adjusted gross income. There shall be subtracted from
27 federal adjusted gross income:

28 (1) Any interest income on obligations of the United States and its possessions to the
29 extent includible in gross income for federal income tax purposes, and any interest or dividend
30 income on obligations, or securities of any authority, commission, or instrumentality of the
31 United States to the extent includible in gross income for federal income tax purposes but exempt
32 from state income taxes under the laws of the United States; provided, that the amount to be
33 subtracted shall in any case be reduced by any interest on indebtedness incurred or continued to
34 purchase or carry obligations or securities the income of which is exempt from Rhode Island

1 personal income tax, to the extent the interest has been deducted in determining federal adjusted
2 gross income or taxable income;

3 (2) A modification described in § 44-30-25(f) or § 44-30-1.1(c)(1);

4 (3) The amount of any withdrawal or distribution from the "tuition savings program"
5 referred to in § 16-57-6.1 which is included in federal adjusted gross income, other than a
6 withdrawal or distribution or portion of a withdrawal or distribution that is a nonqualified
7 withdrawal;

8 (4) Contributions made to an account under the tuition savings program, including the
9 "contributions carryover" pursuant to paragraph (iv) of this subdivision, if any, subject to the
10 following limitations, restrictions and qualifications:

11 (i) The aggregate subtraction pursuant to this subdivision for any taxable year of the
12 taxpayer shall not exceed five hundred dollars (\$500) or one thousand dollars (\$1,000) if a joint
13 return;

14 (ii) The following shall not be considered contributions:

15 (A) Contributions made by any person to an account who is not a participant of the
16 account at the time the contribution is made;

17 (B) Transfers or rollovers to an account from any other tuition savings program account
18 or from any other "qualified tuition program" under section 529 of the Internal Revenue Code, 26
19 U.S.C. § 529; or

20 (C) A change of the beneficiary of the account;

21 (iii) The subtraction pursuant to this subdivision shall not reduce the taxpayer's federal
22 adjusted gross income to less than zero (0);

23 (iv) The contributions carryover to a taxable year for purpose of this subdivision is the
24 excess, if any, of the total amount of contributions actually made by the taxpayer to the tuition
25 savings program for all preceding taxable years for which this subsection is effective over the
26 sum of:

27 (A) The total of the subtractions under this subdivision allowable to the taxpayer for all
28 such preceding taxable years; and

29 (B) That part of any remaining contribution carryover at the end of the taxable year
30 which exceeds the amount of any nonqualified withdrawals during the year and the prior two (2)
31 taxable years not included in the addition provided for in this subdivision for those years. Any
32 such part shall be disregarded in computing the contributions carryover for any subsequent
33 taxable year;

34 (v) For any taxable year for which a contributions carryover is applicable, the taxpayer

1 shall include a computation of the carryover with the taxpayer's Rhode Island personal income
2 tax return for that year, and if for any taxable year on which the carryover is based the taxpayer
3 filed a joint Rhode Island personal income tax return but filed a return on a basis other than
4 jointly for a subsequent taxable year, the computation shall reflect how the carryover is being
5 allocated between the prior joint filers; and

6 (5) The modification described in § 44-30-25.1(d)(1).

7 (6) Amounts deemed taxable income to the taxpayer due to payment or provision of
8 insurance benefits to a dependent, including a domestic partner pursuant to chapter 12 of title 36
9 or other coverage plan.

10 (7) Modification for organ transplantation.

11 (i) An individual may subtract up to ten thousand dollars (\$10,000) from federal adjusted
12 gross income if he or she, while living, donates one or more of his or her human organs to another
13 human being for human organ transplantation, except that for purposes of this subsection, "human
14 organ" means all or part of a liver, pancreas, kidney, intestine, lung, or bone marrow. A subtract
15 modification that is claimed hereunder may be claimed in the taxable year in which the human
16 organ transplantation occurs.

17 (ii) An individual may claim that subtract modification hereunder only once, and the
18 subtract modification may be claimed for only the following unreimbursed expenses that are
19 incurred by the claimant and related to the claimant's organ donation:

20 (A) Travel expenses.

21 (B) Lodging expenses.

22 (C) Lost wages.

23 (iii) The subtract modification hereunder may not be claimed by a part-time resident or a
24 nonresident of this state.

25 (8) Modification for taxable Social Security income.

26 (i) For tax years beginning on or after January 1, 2016:

27 (A) For a person who has attained the age used for calculating full or unreduced social
28 security retirement benefits who files a return as an unmarried individual, head of household or
29 married filing separate whose federal adjusted gross income for such taxable year is less than
30 eighty thousand dollars (\$80,000); or

31 (B) A married individual filing jointly or individual filing qualifying widow(er) who has
32 attained the age used for calculating full or unreduced social security retirement benefits whose
33 joint federal adjusted gross income for such taxable year is less than one hundred thousand
34 dollars (\$100,000), an amount equal to the social security benefits includable in federal adjusted

1 gross income.

2 (ii) Adjustment for inflation. The dollar amount contained in subparagraphs 44-30-
3 12(c)(8)(i)(A) and 44-30-12(c)(8)(i)(B) shall be increased annually by an amount equal to:

4 (A) Such dollar amount contained in subparagraphs 44-30-12(c)(8)(i)(A) and 44-30-
5 12(c)(8)(i)(B) adjusted for inflation using a base tax year of 2000, multiplied by;

6 (B) The cost-of-living adjustment with a base year of 2000.

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

12 (iv) For the purpose of this section the term "consumer price index" means the last
13 consumer price index for all urban consumers published by the department of labor. For the
14 purpose of this section the revision of the consumer price index which is most consistent with the
15 consumer price index for calendar year 1986 shall be used.

16 (v) If any increase determined under this section is not a multiple of fifty dollars
17 (\$50.00), such increase shall be rounded to the next lower multiple of fifty dollars (\$50.00). In the
18 case of a married individual filing separate return, if any increase determined under this section is
19 not a multiple of twenty-five dollars (\$25.00), such increase shall be rounded to the next lower
20 multiple of twenty-five dollars (\$25.00).

21 (9) Modification for up to fifteen thousand dollars (\$15,000) of taxable retirement
22 income from certain pension plans or annuities.

23 (i) For tax years beginning on or after January 1, 2017, a modification shall be allowed
24 for up to fifteen thousand dollars (\$15,000) of taxable pension and/or annuity income that is
25 included in federal adjusted gross income for the taxable year:

26 (A) For a person who has attained the age used for calculating full or unreduced social
27 security retirement benefits who files a return as an unmarried individual, head of household, or
28 married filing separate whose federal adjusted gross income for such taxable year is less than the
29 amount used for the modification contained in § 44-30-12(c)(8)(i)(A) an amount not to exceed
30 \$15,000 of taxable pension and/or annuity income includable in federal adjusted gross income; or

31 (B) For a married individual filing jointly or individual filing qualifying widow(er) who
32 has attained the age used for calculating full or unreduced social security retirement benefits
33 whose joint federal adjusted gross income for such taxable year is less than the amount used for
34 the modification contained in § 44-30-12(c)(8)(i)(B) an amount not to exceed \$15,000 of taxable

1 pension and/or annuity income includable in federal adjusted gross income.

2 (ii) Adjustment for inflation. The dollar amount contained by reference in §§ 44-30-
3 12(c)(9)(i)(A) and 44-30-12(c)(9)(i)(B) shall be increased annually for tax years beginning on or
4 after January 1, 2018 by an amount equal to:

5 (A) Such dollar amount contained by reference in §§ 44-30-12(c)(9)(i)(A) and 44-30-
6 12(c)(9)(i)(B) adjusted for inflation using a base tax year of 2000, multiplied by;

7 (B) The cost-of-living adjustment with a base year of 2000.

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

13 (iv) For the purpose of this section, the term "consumer price index" means the last
14 consumer price index for all urban consumers published by the department of labor. For the
15 purpose of this section, the revision of the consumer price index which is most consistent with the
16 consumer price index for calendar year 1986 shall be used.

17 (v) If any increase determined under this section is not a multiple of fifty dollars
18 (\$50.00), such increase shall be rounded to the next lower multiple of fifty dollars (\$50.00). In the
19 case of a married individual filing a separate return, if any increase determined under this section
20 is not a multiple of twenty-five dollars (\$25.00), such increase shall be rounded to the next lower
21 multiple of twenty-five dollars (\$25.00).

22 [\(10\) Modification for Rhode Island investment in opportunity zones. For purposes of a](#)
23 [taxpayer's state tax liability, in the case of any investment in a Rhode Island opportunity zone by](#)
24 [the taxpayer for at least seven \(7\) years, a modification to income shall be allowed for the](#)
25 [incremental difference between the benefit allowed under 26 U.S.C. 1400Z-2\(b\)\(2\)\(B\)\(iv\) and the](#)
26 [federal benefit allowed under 12 U.S.C. 1400Z-2\(c\).](#)

27 (d) Modification for Rhode Island fiduciary adjustment. There shall be added to, or
28 subtracted from, federal adjusted gross income (as the case may be) the taxpayer's share, as
29 beneficiary of an estate or trust, of the Rhode Island fiduciary adjustment determined under § 44-
30 30-17.

31 (e) Partners. The amounts of modifications required to be made under this section by a
32 partner, which relate to items of income or deduction of a partnership, shall be determined under
33 § 44-30-15.

34 SECTION 24. Section 44-32-3 of the General Laws in Chapter 44-32 entitled "Elective

1 Deduction for Research and Development Facilities" is hereby amended to read as follows:

2 **44-32-3. Credit for qualified research expenses.**

3 (a) A taxpayer shall be allowed a credit against the tax imposed by chapters 11, 17 or 30
4 of this title. The amount of the credit shall be five percent (5%)(and in the case of amounts paid
5 or accrued after January 1, 1998, twenty-two and one-half percent (22.5%) for the first twenty-
6 five thousand dollars (\$25,000) worth of credit and sixteen and nine-tenths percent (16.9%) for
7 the amount of credit above twenty-five thousand dollars (\$25,000)) of the excess, if any, of:

8 (1) The qualified research expenses for the taxable year, over

9 (2) The base period research expenses.

10 (b)(1) "Qualified research expenses" and "base period research expenses" have the same
11 meaning as defined in 26 U.S.C. § 41; provided, that the expenses have been incurred in this state
12 after July 1, 1994.

13 (2) Notwithstanding the provisions of subdivision (1) of this subsection, "qualified
14 research expenses" also includes amounts expended for research by property and casualty
15 insurance companies into methods and ways of preventing or reducing losses from fire and other
16 perils.

17 (c) The credit allowed under this section for any taxable year shall not reduce the tax due
18 for that year by more than fifty percent (50%) of the tax liability that would be payable, and in the
19 case of corporations, to less than the minimum fixed by § 44-11-2(e). If the amount of credit
20 allowable under this section for any taxable year is less than the amount of credit available to the
21 taxpayer any amount of credit not credited in that taxable year may be carried over to the
22 following year or years, and may be credited against the taxpayer's tax liability for that year or
23 years up to a maximum of seven (7) years; ~~and may be credited against the taxpayer's tax for that~~
24 ~~year or years~~ provided, however, that tax credits generated pursuant to this section on or after July
25 1, 2019 may be carried over to the following year or years, and may be credited against the
26 taxpayer's tax liability for that year or years up to a maximum of fifteen (15) years. For purposes
27 of chapter 30 of this title, if the credit allowed under this section for any taxable year exceeds the
28 taxpayer's tax for that year, the amount of credit not credited in that taxable year may be carried
29 over to the following year or years, up to a maximum of seven (7) years, ~~and may be credited~~
30 ~~against the taxpayer's tax for that year or years.~~ For purposes of determining the order in which
31 carry-overs are taken into consideration, the credit allowed by § 44-32-2 is taken into account
32 before the credit allowed under this section.

33 (d) The investment tax credit allowed by § 44-31-1 shall be taken into account before the
34 credit allowed under this section.

1 (e) The credit allowed under this section shall only be allowed against the tax of that
2 corporation included in a consolidated return that qualifies for the credit and not against the tax of
3 other corporations that may join in the filing of a consolidated return.

4 (f) In the event the taxpayer is a partnership, joint venture or small business corporation,
5 the credit is divided in the same manner as income.

6 SECTION 25. Chapter 44-32 of the General Laws entitled "Elective Deduction for
7 Research and Development Facilities" is hereby amended by adding thereto the following
8 section:

9 **44-32-3.1. Transferable credit for qualified research expenses.**

10 (a) On or after July 1, 2019, a taxpayer that is an early stage company or a company
11 substantially increasing its investment in research and development in this state may apply to the
12 commerce corporation for a tax credit of up to twenty-two and one-half percent (22.5%) of
13 qualified research expenses.

14 (b) The tax credits awarded under this section shall not exceed one million three hundred
15 thousand dollars annually.

16 (c) For purposes of this section the following definitions apply:

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

19 (2) "Company substantially increasing its investment in research and development in the
20 state" has the meaning prescribed to it in the regulations promulgated pursuant to subsection (e).

21 (3) "Early stage company" has the meaning prescribed to it in the regulations
22 promulgated pursuant to subsection (e).

23 (4) "Qualified research expenses" has the same meaning prescribed to it in § 44-32-
24 3(b)(1).

25 (5) "Substantially increase" or "substantially increasing" means (i) an increase in
26 qualifying expenditures in the state in an amount that the commerce corporation prescribes
27 pursuant to the regulations promulgated pursuant to subsection (e); and (ii) those additional
28 qualifications that the commerce corporation prescribes pursuant to the regulations promulgated
29 pursuant to subsection (e).

30 (d) If a taxpayer is awarded a tax credit pursuant to this section, the taxpayer may either
31 (1) apply the tax credit, in whole or in part, to the taxpayer's tax liability; or (2) if the taxpayer
32 has not claimed in whole or in part, the taxpayer awarded the tax credit may sell, assign, transfer,
33 or convey the tax credit consistent with the regulations promulgated pursuant to subsection (e). If
34 the taxpayer applies the tax credit to the taxpayer's tax liability and the amount of credit applied

1 for any taxable year is less than the amount of credit available to the taxpayer, any amount of
2 credit not credited in that taxable year may be carried over to the following year or years, up to a
3 maximum of fifteen (15) years, and may be credited against the taxpayer's tax for that year or
4 years.

5 (e) The commerce corporation shall promulgate rules and regulations necessary for the
6 award of tax credits pursuant to this section. Further, the commerce corporation, in consultation
7 with the division of taxation, shall establish, by regulation, the process for the assignment,
8 transfer, or conveyance of tax credits. The commerce corporation shall consider applications for
9 tax credits under this section on a competitive basis, which the commerce corporation shall
10 determine in its sole discretion. Any assignment or sales proceeds received by the taxpayer for its
11 assignment or sale of the tax credits allowed pursuant to subsection (d) shall be exempt from
12 taxation under title 44.

13 (f) Taxpayers who are awarded and claim tax credits under this section are ineligible for
14 any tax credits that may also be available to the taxpayer under 44-32-3 for qualified research
15 expenses incurred on or after July 1, 2019.

16 (g) Any tax credit approved by the commerce corporation pursuant to this section and
17 used by the taxpayer pursuant to subsection (d) shall be taken into account after the credit allowed
18 under § 44-32-3 if such credit is claimed by the taxpayer.

19 (h) The commerce corporation shall annually submit a report regarding the awards made
20 and accepted pursuant to section to the governor, the speaker of the house of representatives, the
21 president of the senate, the chairpersons of the house and senate finance committees, the house
22 and senate fiscal advisors, the division of taxation and the department of revenue.

23 (i) Any taxpayer receiving tax credits pursuant to section shall make annual reports to the
24 commerce corporation as the commerce corporation prescribes in the regulations promulgated
25 pursuant to subsection (e).

26 (j) No tax credits shall be authorized under section after December 31, 2023.

27 SECTION 26. 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
31 words 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
6 business may contribute to meeting full-time employee requirements of a business that applies for
7 a credit 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
22 has been filled with a full-time employee who earns no less than the median hourly wage as
23 reported by the United States Bureau of Labor Statistics for the state of Rhode Island, provided,
24 that for economically fragile industries such as manufacturing, the commerce corporation may
25 reduce the 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
27 consideration for at least thirty-five (35) 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) hours a week, and whose wages
30 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
3 to 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
6 to § 44-48.3-7.

7 (11) "Major economic development opportunity" means the expansion or relocation of a
8 business in a targeted industry where at least fifty-one percent of new full-time jobs are classified
9 as high wage as defined by the commerce corporation and where the expansion or relocation
10 meets additional criteria established by the commerce corporation which shall include but not be
11 limited to: (i) the creation of a minimum of 100 new full-time jobs in the state; or (ii) the
12 relocation or establishment of a regional or national headquarters or other major corporate hub in
13 the state.

14 (1~~2~~4) "New full-time job" means an eligible position created by the business that did not
15 previously exist in this state and which is created after approval of an application to the
16 commerce corporation under the program. Such job position cannot be the result of an acquisition
17 of an existing company located in Rhode Island by purchase, merger, or otherwise. For the
18 purposes of determining the number of new full-time jobs, the eligible positions of an affiliate
19 shall be considered eligible positions of the business so long as such eligible position(s) otherwise
20 meets the requirements of this section.

21 (1~~3~~2) "Partnership" means an entity classified as a partnership for federal income tax
22 purposes.

23 (1~~4~~3) "Program" means the incentive program established pursuant to this chapter.

24 (1~~5~~) "Targeted industry" means any industry identified in the economic development
25 vision and policy promulgated under § 42-64.17-1 or, until such time as any economic
26 development vision and policy is promulgated, as identified by the commerce corporation.

27 (1~~6~~5) "Taxpayer" means a business granted a tax credit under this chapter or such person
28 entitled to the tax credit because the business is a pass through entity such as a partnership, S
29 corporation, sole proprietorship or limited liability company taxed as a partnership.

30 (1~~7~~6) "Transit oriented development area" means an area in proximity to mass-transit
31 infrastructure including, but not limited to, an airport, rail or intermodal facility that will be
32 further defined by regulation of the commerce corporation in consultation with the Rhode Island
33 department of transportation.

34 SECTION 27. Section 44-48.3-6 of the General Laws in Chapter 44-48.3 entitled "Rhode

1 Island New Qualified Jobs Incentive Act 2015" is hereby amended to read as follows:

2 **44-48.3-6. Total amount of tax credit for eligible business.**

3 (a) The base amount of the tax credit for an eligible business for each new full-time job
4 shall be up to two thousand five hundred dollars (\$2,500) annually.

5 (b) The total tax credit amount shall be calculated and credited to the business annually
6 for each year of the eligibility period after the commerce corporation, in consultation with the
7 division of taxation, has verified that the jobs covered by the tax credit have generated sufficient
8 personal income taxes to comply with subsection (e) of this section.

9 (c) In addition to the base amount of the tax credit, the amount of the tax credit to be
10 awarded for each new full-time job may be increased, pursuant to the provisions of subsection (d)
11 of this section, if the business meets any of the following criteria or such other additional criteria
12 determined by the commerce corporation from time to time in response to evolving economic or
13 market conditions:

14 (1) For a business located within a hope community;

15 (2) For a targeted industry;

16 (3) For a business located within a transit oriented development area; and

17 (4) For an out-of-state business that relocates a business unit or units or creates a
18 significant number of new full-time jobs during the commitment period.

19 (d) For any application made to the commerce corporation from 2015 through June 30,
20 2018~~9~~, the tax credit for an eligible business for each new full-time job shall not exceed seven
21 thousand five hundred dollars (\$7,500) annually. For any application made to the commerce
22 corporation on or after July 1, 2019, the tax credit for an eligible business for each new full-time
23 job shall not exceed six thousand five hundred dollars (\$6,500) annually; provided, however, that
24 a tax credit awarded to an eligible business for each full-time job may exceed such maximum up
25 to \$7,500 annually so long as the commerce corporation, in its discretion, considers the eligible
26 business a major economic development opportunity.

27 (e) Notwithstanding the provisions of subsections (a) through (d) of this section, for each
28 application approved by the commerce corporation, the amount of tax credits available to be
29 obtained by the business annually shall not exceed the reasonable W-2 withholding received by
30 the state for each new full-time job created by a business for applications received by the
31 commerce corporation in 2015 through 2018.

32 (f) The commerce corporation shall establish regulations regarding the conditions under
33 which a business may submit more than one application for tax credits over time. The commerce
34 corporation may place limits on repeat applications.

1 SECTION 28. Section 44-48.3-14 of the General Laws in Chapter 44-48.3 entitled
2 "Rhode Island New Qualified Jobs Incentive Act 2015" is hereby amended to read as follows:

3 **44-48.3-14. Sunset.**

4 No credits shall be authorized to be reserved pursuant to this chapter after [December 31,](#)
5 [2023](#) ~~June 30, 2020~~.

6 **ARTICLE 13**

7 **RELATING TO MINIMUM WAGES**

8 SECTION 1. Section 28-12-3 of the General Laws in Chapter 28-12 entitled "Minimum
9 Wages" is hereby amended to read as follows:

10 **28-12-3. Minimum wages.**

11 (a) Every employer shall pay to each of his or her employees: commencing July 1, 1999,
12 at least the minimum wage of five dollars and sixty-five cents (\$5.65) per hour. Commencing
13 September 1, 2000, the minimum wage is six dollars and fifteen cents (\$6.15) per hour.

14 (b) Commencing January 1, 2004, the minimum wage is six dollars and seventy-five
15 cents (\$6.75) per hour.

16 (c) Commencing March 1, 2006, the minimum wage is seven dollars and ten cents
17 (\$7.10) per hour.

18 (d) Commencing January 1, 2007, the minimum wage is seven dollars and forty cents
19 (\$7.40) per hour.

20 (e) Commencing January 1, 2013, the minimum wage is seven dollars and seventy-five
21 cents (\$7.75) per hour.

22 (f) Commencing January 1, 2014, the minimum wage is eight dollars (\$8.00) per hour.

23 (g) Commencing January 1, 2015, the minimum wage is nine dollars (\$9.00) per hour.

24 (h) Commencing January 1, 2016, the minimum wage is nine dollars and sixty cents
25 (\$9.60) per hour.

26 (i) Commencing January 1, 2018, the minimum wage is ten dollars and ten cents (\$10.10)
27 per hour.

28 (j) Commencing January 1, 2019, the minimum wage is ten dollars and fifty cents
29 (\$10.50) per hour.

30 [\(k\) Commencing January 1, 2020, the minimum wage is eleven dollars and ten cents](#)
31 [\(\\$11.10\) per hour.](#)

32 SECTION 2. This article shall take effect upon passage.

33 **ARTICLE 14**

34 **RELATING TO HEALTHCARE MARKET STABILITY**

1 SECTION 1. Section 27-18.5-2 of the General Laws in Chapter 27-18.5 entitled
2 "Individual Health Insurance Coverage" is hereby amended to read as follows:

3 **27-18.5-2. Definitions.**

4 The following words and phrases as used in this chapter have the following meanings
5 unless a different meaning is required by the context:

6 (1) "Bona fide association" means, with respect to health insurance coverage offered in
7 this state, an association which:

8 (i) Has been actively in existence for at least five (5) years;

9 (ii) Has been formed and maintained in good faith for purposes other than obtaining
10 insurance;

11 (iii) Does not condition membership in the association on any health status-related factor
12 relating to an individual (including an employee of an employer or a dependent of an employee);

13 (iv) Makes health insurance coverage offered through the association available to all
14 members regardless of any health status-related factor relating to the members (or individuals
15 eligible for coverage through a member);

16 (v) Does not make health insurance coverage offered through the association available
17 other than in connection with a member of the association;

18 (vi) Is composed of persons having a common interest or calling;

19 (vii) Has a constitution and bylaws; and

20 (viii) Meets any additional requirements that the director may prescribe by regulation;

21 (2) "COBRA continuation provision" means any of the following:

22 (i) Section 4980(B) of the Internal Revenue Code of 1986, 26 U.S.C. § 4980B, other than
23 subsection (f)(1) of that section insofar as it relates to pediatric vaccines;

24 (ii) Part 6 of subtitle B of Title I of the Employee Retirement Income Security Act of
25 1974, 29 U.S.C. § 1161 et seq., other than Section 609 of that act, 29 U.S.C. § 1169; or

26 (iii) Title XXII of the United States Public Health Service Act, 42 U.S.C. § 300bb-1 et
27 seq.;

28 (3) "Creditable coverage" has the same meaning as defined in the United States Public
29 Health Service Act, Section 2701(c), 42 U.S.C. § 300gg(c), as added by P.L. 104-191;

30 (4) "Director" means the director of the department of business regulation;

31 (5) "Eligible individual" means an individual:

32 (i) For whom, as of the date on which the individual seeks coverage under this chapter,
33 the aggregate of the periods of creditable coverage is eighteen (18) or more months and whose
34 most recent prior creditable coverage was under a group health plan, a governmental plan

1 established or maintained for its employees by the government of the United States or by any of
2 its agencies or instrumentalities, or church plan (as defined by the Employee Retirement Income
3 Security Act of 1974, 29 U.S.C. § 1001 et seq.);

4 (ii) Who is not eligible for coverage under a group health plan, part A or part B of title
5 XVIII of the Social Security Act, 42 U.S.C. § 1395c et seq. or 42 U.S.C. § 1395j et seq., or any
6 state plan under title XIX of the Social Security Act, 42 U.S.C. § 1396 et seq. (or any successor
7 program), and does not have other health insurance coverage;

8 (iii) With respect to whom the most recent coverage within the coverage period was not
9 terminated based on a factor described in § 27-18.5-4(b)(relating to nonpayment of premiums or
10 fraud);

11 (iv) If the individual had been offered the option of continuation coverage under a
12 COBRA continuation provision, or under chapter 19.1 of this title or under a similar state
13 program of this state or any other state, who elected the coverage; and

14 (v) Who, if the individual elected COBRA continuation coverage, has exhausted the
15 continuation coverage under the provision or program;

16 (6) "Group health plan" means an employee welfare benefit plan as defined in section
17 3(1) of the Employee Retirement Income Security Act of 1974, 29 U.S.C. § 1002(1), to the extent
18 that the plan provides medical care and including items and services paid for as medical care to
19 employees or their dependents as defined under the terms of the plan directly or through
20 insurance, reimbursement or otherwise;

21 (7) "Health insurance carrier" or "carrier" means any entity subject to the insurance laws
22 and regulations of this state, or subject to the jurisdiction of the director, that contracts or offers to
23 contract to provide, deliver, arrange for, pay for, or reimburse any of the costs of health care
24 services, including, without limitation, an insurance company offering accident and sickness
25 insurance, a health maintenance organization, a nonprofit hospital, medical or dental service
26 corporation, or any other entity providing a plan of health insurance or health benefits by which
27 health care services are paid or financed for an eligible individual or his or her dependents by
28 such entity on the basis of a periodic premium, paid directly or through an association, trust, or
29 other intermediary, and issued, renewed, or delivered within or without Rhode Island to cover a
30 natural person who is a resident of this state, including a certificate issued to a natural person
31 which evidences coverage under a policy or contract issued to a trust or association;

32 (8)(i) "Health insurance coverage" means a policy, contract, certificate, or agreement
33 offered by a health insurance carrier to provide, deliver, arrange for, pay for or reimburse any of
34 the costs of health care services. [Health insurance coverage include short-term limited duration](#)

1 [policies and any policy that pays on a cost-incurred basis, except as otherwise specifically](#)
2 [exempted by subsections \(ii\), \(iii\), \(iv\), or \(v\) of this section.](#)

3 (ii) "Health insurance coverage" does not include one or more, or any combination of, the
4 following:

5 (A) Coverage only for accident, or disability income insurance, or any combination of
6 those;

7 (B) Coverage issued as a supplement to liability insurance;

8 (C) Liability insurance, including general liability insurance and automobile liability
9 insurance;

10 (D) Workers' compensation or similar insurance;

11 (E) Automobile medical payment insurance;

12 (F) Credit-only insurance;

13 (G) Coverage for on-site medical clinics; [AND](#)

14 (H) Other similar insurance coverage, specified in federal regulations issued pursuant to
15 P.L. 104-191, under which benefits for medical care are secondary or incidental to other
16 insurance benefits;~~and~~

17 ~~(I) Short term limited duration insurance;~~

18 (iii) "Health insurance coverage" does not include the following benefits if they are
19 provided under a separate policy, certificate, or contract of insurance or are not an integral part of
20 the coverage:

21 (A) Limited scope dental or vision benefits;

22 (B) Benefits for long-term care, nursing home care, home health care, community-based
23 care, or any combination of these;

24 (C) Any other similar, limited benefits that are specified in federal regulation issued
25 pursuant to P.L. 104-191;

26 (iv) "Health insurance coverage" does not include the following benefits if the benefits
27 are provided under a separate policy, certificate, or contract of insurance, there is no coordination
28 between the provision of the benefits and any exclusion of benefits under any group health plan
29 maintained by the same plan sponsor, and the benefits are paid with respect to an event without
30 regard to whether benefits are provided with respect to the event under any group health plan
31 maintained by the same plan sponsor:

32 (A) Coverage only for a specified disease or illness; or

33 (B) Hospital indemnity or other fixed indemnity insurance; and

34 (v) "Health insurance coverage" does not include the following if it is offered as a

1 separate policy, certificate, or contract of insurance:

2 (A) Medicare supplemental health insurance as defined under section 1882(g)(1) of the
3 Social Security Act, 42 U.S.C. § 1395ss(g)(1);

4 (B) Coverage supplemental to the coverage provided under 10 U.S.C. § 1071 et seq.; and

5 (C) Similar supplemental coverage provided to coverage under a group health plan;

6 (9) "Health status-related factor" means any of the following factors:

7 (i) Health status;

8 (ii) Medical condition, including both physical and mental illnesses;

9 (iii) Claims experience;

10 (iv) Receipt of health care;

11 (v) Medical history;

12 (vi) Genetic information;

13 (vii) Evidence of insurability, including conditions arising out of acts of domestic
14 violence; and

15 (viii) Disability;

16 (10) "Individual market" means the market for health insurance coverage offered to
17 individuals other than in connection with a group health plan;

18 (11) "Network plan" means health insurance coverage offered by a health insurance
19 carrier under which the financing and delivery of medical care including items and services paid
20 for as medical care are provided, in whole or in part, through a defined set of providers under
21 contract with the carrier;

22 (12) "Preexisting condition" means, with respect to health insurance coverage, a
23 condition (whether physical or mental), regardless of the cause of the condition, that was present
24 before the date of enrollment for the coverage, for which medical advice, diagnosis, care, or
25 treatment was recommended or received within the six (6) month period ending on the enrollment
26 date. Genetic information shall not be treated as a preexisting condition in the absence of a
27 diagnosis of the condition related to that information; and

28 (13) "High-risk individuals" means those individuals who do not pass medical
29 underwriting standards, due to high health care needs or risks;

30 (14) "Wellness health benefit plan" means that health benefit plan offered in the
31 individual market pursuant to § 27-18.5-8; and

32 (15) "Commissioner" means the health insurance commissioner.

33 SECTION 2. Section 35-4-27 of the General Laws in Chapter 35-4 entitled "State Funds"
34 is hereby amended to read as follows:

1 **35-4-27. Indirect cost recoveries on restricted receipt accounts.**

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

- 11 Executive Office of Health and Human Services
- 12 Organ Transplant Fund
- 13 HIV Care Grant Drug Rebates
- 14 Department of Human Services
- 15 Veterans' home -- Restricted account
- 16 Veterans' home -- Resident benefits
- 17 Pharmaceutical Rebates Account
- 18 Demand Side Management Grants
- 19 Veteran's Cemetery Memorial Fund
- 20 Donations -- New Veterans' Home Construction
- 21 Department of Health
- 22 Pandemic medications and equipment account
- 23 Miscellaneous Donations/Grants from Non-Profits
- 24 State Loan Repayment Match
- 25 Department of Behavioral Healthcare, Developmental Disabilities and Hospitals
- 26 Eleanor Slater non-Medicaid third-party payor account
- 27 Hospital Medicare Part D Receipts
- 28 RICLAS Group Home Operations
- 29 Commission on the Deaf and Hard of Hearing
- 30 Emergency and public communication access account
- 31 Department of Environmental Management
- 32 National heritage revolving fund
- 33 Environmental response fund II
- 34 Underground storage tanks registration fees

1 Rhode Island Historical Preservation and Heritage Commission
2 Historic preservation revolving loan fund
3 Historic Preservation loan fund -- Interest revenue
4 Department of Public Safety
5 Forfeited property -- Retained
6 Forfeitures -- Federal
7 Forfeited property -- Gambling
8 Donation -- Polygraph and Law Enforcement Training
9 Rhode Island State Firefighter's League Training Account
10 Fire Academy Training Fees Account
11 Attorney General
12 Forfeiture of property
13 Federal forfeitures
14 Attorney General multi-state account
15 Forfeited property -- Gambling
16 Department of Administration
17 OER Reconciliation Funding
18 [Health Insurance Market Integrity Fund](#)
19 RI Health Benefits Exchange
20 Information Technology Investment Fund
21 Restore and replacement -- Insurance coverage
22 Convention Center Authority rental payments
23 Investment Receipts -- TANS
24 OPEB System Restricted Receipt Account
25 Car Rental Tax/Surcharge-Warwick Share
26 Executive Office of Commerce
27 Housing Resources Commission Restricted Account
28 Department of Revenue
29 DMV Modernization Project
30 Jobs Tax Credit Redemption Fund
31 Legislature
32 Audit of federal assisted programs
33 Department of Children, Youth and Families
34 Children's Trust Accounts -- SSI

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

32 SECTION 3. Chapter 44-30 of the General Laws entitled "Personal Income Tax" is
33 hereby amended by adding thereto the following sections:

34 **44-30-101. Requirements concerning qualifying health insurance coverage.**

1 (a) Definitions. For purposes of this section:

2 (1) “Applicable individual” has the same meaning as set forth in 26 U.S.C. § 5000A(d).

3 (2) “Minimum essential coverage” has the same meaning as set forth in 26 U.S. C. §
4 5000A(f).

5 (3) “Shared Responsibility Payment Penalty” means the penalty imposed pursuant to
6 subsection (c) of this section.

7 (4) “Taxpayer” means any resident individual, as defined in section 44-30-5 of the
8 general laws.

9 (b) Requirement to maintain minimum essential coverage. Every applicable individual
10 must maintain minimum essential coverage for each month beginning after December 31, 2019.

11 (c) Shared Responsibility Payment Penalty imposed for failing to maintain minimum
12 essential coverage. As of January 1, 2020, every applicable individual required to file a personal
13 income tax return pursuant to section 44-30-51 of the general laws, shall indicate on the return, in
14 a manner to be prescribed by the tax administrator, whether and for what period of time during
15 the relevant tax year the individual and his or her spouse and dependents who are applicable
16 individuals were covered by minimum essential coverage. If a return submitted pursuant to this
17 subsection fails to indicate that such coverage was in force or indicates that any applicable
18 individuals did not have such coverage in force, a Shared Responsibility Payment Penalty shall
19 hereby be assessed as a tax on the return.

20 (d) Shared Responsibility Payment Penalty calculation. Except as provided in subsection
21 (e), the Shared Responsibility Payment Penalty imposed shall be equal to a taxpayer’s federal
22 shared responsibility payment for the taxable year under section 5000A of the Internal Revenue
23 Code of 1986, as amended, and as in effect on the 15th day of December 2017.

24 (e) Exceptions.

25 (1) Penalty cap. The amount of the Shared Responsibility Payment Penalty imposed
26 under this section shall be determined, if applicable, using the statewide average premium for
27 bronze-level plans offered through the Rhode Island health benefits exchange rather than the
28 national average premium for bronze-level plans.

29 (2) Hardship exemption determinations. Determinations as to hardship exemptions shall
30 be made by the exchange under section 42-157-11 of the general laws.

31 (3) Religious conscience exemption determinations. Determinations as to religious
32 conscience exemptions shall be made by the exchange under section 42-157-11 of the general
33 laws.

34 (4) Taxpayers with gross income below state filing threshold. No penalty shall be

1 imposed under this section with respect to any applicable individual for any month during a
2 calendar year if the taxpayer's household income for the taxable year as described in section
3 1412(b)(1)(B) of the Patient Protection and Affordable Care Act is less than the amount of gross
4 income requiring the taxpayer to file a return as set forth in section 44-30-51 of the general laws.

5 (5) Out of State Residents. No penalty shall be imposed by this section with respect to
6 any applicable individual for any month during which the individual is a bona fide resident of
7 another state.

8 (f) Health Insurance Market Integrity Fund. The tax administrator is authorized to
9 withhold from any state tax refund due to the taxpayer an amount equal to the calculated Shared
10 Responsibility Payment Penalty and shall place such amounts in the Health Insurance Market
11 Integrity Fund created pursuant to section 42-157.1-5 of the general laws.

12 (g) Deficiency. If, upon examination of a taxpayer's return, the tax administrator
13 determines there is a deficiency because any refund due to the taxpayer is insufficient to satisfy
14 the Shared Responsibility Penalty or because there was no refund due, the tax administrator may
15 notify the taxpayer of such deficiency in accordance with section 44-30-81 and interest shall
16 accrue on such deficiency as set forth in section 44-30-84. All monies collected on said
17 deficiency shall be placed in the Health Insurance Market Integrity Fund created pursuant to
18 section 42-157.1-5 of the general laws.

19 (h) Data Sharing.

20 (1) The tax administrator, upon written request from the exchange pursuant to section 42-
21 157-13 of the general laws, shall disclose to officers, employees, and contractors of the exchange,
22 the name, age, mailing address, income and penalty amount of any such applicable individual
23 who, for the applicable year, did not have the minimum essential coverage required by subsection
24 44-30-101(b).

25 (2) Definition of applicable year. For purposes of this subsection, the term "applicable
26 year" means the most recent taxable year for which information is available in the Rhode Island
27 Department of Revenue's taxpayer data information systems, or, if there is no return filed for
28 such taxpayer for such year, the prior taxable year.

29 (3) Restriction on use of disclosed information. Taxpayer information disclosed under
30 this subsection may be used only for the purposes authorized by section 42-157-13 of the general
31 laws.

32 (4) Privacy and Security. The exchange and the tax administrator shall develop a detailed
33 set of data privacy and data security safeguards to govern the conveyance of data between their
34 agencies under this section. With respect to information disclosed by the tax administrator to the

1 exchange pursuant to this subsection, the exchange its officers, employees and contractors shall
2 be subject to R.I. Gen. Laws subsection 44-30-95(c).

3 (i) Application of Federal law. The Shared Responsibility Payment Penalty shall be
4 assessed and collected as set forth in this chapter and, where applicable, consistent with
5 regulations promulgated by the federal government, the exchange and/or the tax administrator.
6 Any federal regulation implementing section 5000A of the Internal Revenue Code of 1986, as
7 amended, and in effect on the 15th day of December 2017, shall apply as though incorporated
8 into the Rhode Island Code of Regulations. Federal guidance interpreting these federal
9 regulations shall similarly apply. Except as provided in subsections (j) and (k), all references to
10 federal law shall be construed as references to federal law as in effect on December 15, 2017,
11 including applicable regulations and administrative guidance that were in effect as of that date.

12 (j) Unavailability of Federal premium tax credits. For any taxable year in which federal
13 premium tax credits available pursuant to 26 U.S.C. section 36B become unavailable due to the
14 federal government repealing that section or failing to fund the premium tax credits, the Shared
15 Responsibility Payment Penalty under this section shall not be enforced.

16 (k) Imposition of Federal shared responsibility payment. For any taxable year in which a
17 federal penalty under section 5000A of the Internal Revenue Code of 1986 is imposed on a
18 taxpayer in an amount comparable to the Shared Responsibility Payment Penalty assessed under
19 this section, the state penalty shall not be enforced.

20 (m) Agency Coordination. Where applicable, the tax administrator shall implement this
21 section in consultation with the office of the health insurance commissioner, the office of
22 management and budget, the executive office of health and human services, and the Rhode Island
23 health benefits exchange.

24 **44-30-102. Reporting Requirement for Applicable Entities providing Minimum**
25 **Essential Coverage.**

26 (a) Findings.

27 (1) Ensuring the health of insurance markets is a responsibility reserved for states under
28 the McCarran-Ferguson Act and other federal law.

29 (2) There is substantial evidence that being uninsured causes health problems and
30 unnecessary deaths.

31 (3) The Shared Responsibility Payment Penalty imposed by subsection 44-30-101(c) of
32 the general laws is necessary to protect the health and welfare of the state's residents.

33 (4) The reporting requirement provided for in this section is necessary for the successful
34 implementation of the Shared Responsibility Payment Penalty imposed by subsection 44-30-

1 101(c) of the general laws. This requirement provides the only widespread source of third-party
2 reporting to help taxpayers and the tax administrator verify whether an applicable individual
3 maintains minimum essential coverage. There is compelling evidence that third-party reporting is
4 crucial for ensuring compliance with tax provisions.

5 (5) The Shared Responsibility Payment Penalty imposed by subsection 44-30-101(c) of
6 the general laws, and therefore the reporting requirement in this section, is necessary to ensure a
7 stable and well-functioning health insurance market. There is compelling evidence that, without
8 an effective Shared Responsibility Payment Penalty in place for those who go without coverage,
9 there would be substantial instability in health insurance markets, including higher prices and the
10 possibility of areas without any insurance available.

11 (6) The Shared Responsibility Payment Penalty imposed by subsection 44-30-101(c) of
12 the general laws, and therefore the reporting requirement in this section, is also necessary to
13 foster economic stability and growth in the state.

14 (7) The reporting requirement in this section has been narrowly tailored to support
15 compliance with the Shared Responsibility Payment Penalty imposed by subsection 44-30-101(c)
16 of the general laws, while imposing only an incidental burden on reporting entities. In particular,
17 the information that must be reported is limited to the information that must already be reported
18 under a similar federal reporting requirement under section 6055 of the Internal Revenue Code of
19 1986. In addition, this section provides that its reporting requirement may be satisfied by
20 providing the same information that is currently reported under such federal requirement.

21 (b) Definitions. For purposes of this section:

22 (1) “Applicable entity” means:

23 (i) An employer or other sponsor of an employment-based health plan that offers
24 employment-based minimum essential coverage to any resident of Rhode Island.

25 (ii) The Rhode Island Medicaid single state agency providing Medicaid or Children’s
26 Health Insurance Program (CHIP) coverage.

27 (iii) Carriers licensed or otherwise authorized by the Rhode Island office of the health
28 insurance commissioner to offer health coverage providing coverage that is not described in
29 subparagraphs (i) or (ii).

30 (2) “Minimum essential coverage” has the meaning given such term by section 44-30-
31 101(a)(2) of the general laws.

32 (c) For purposes of administering the Shared Responsibility Payment Penalty to
33 individuals who do not maintain minimum essential coverage under subsection 44-30-101(b) of
34 the general laws, every applicable entity that provides minimum essential coverage to an

1 individual during a calendar year shall, at such time as the tax administrator may prescribe, file a
2 form in a manner prescribed by the tax administrator.

3 (d) Form and manner of return.

4 (1) A return, in such form as the tax administrator may prescribe, contains the following
5 information:

6 (i) the name, address and TIN of the primary insured and the name and TIN of each other
7 individual obtaining coverage under the policy;

8 (ii) the dates during which such individual was covered under minimum essential
9 coverage during the calendar year, and

10 (iii) such other information as the tax administrator may require.

11 (2) Sufficiency of information submitted for federal reporting. Notwithstanding the
12 requirements of paragraph (1), a return shall not fail to be a return described in this section if it
13 includes the information contained in a return described in section 6055 of the Internal Revenue
14 Code of 1986, as that section is in effect and interpreted on the 15th day of December 2017.

15 (e) Statements to be furnished to individuals with respect to whom information is
16 reported.

17 (1) Any applicable entity providing a return under the requirements of this section shall
18 also provide to each individual whose name is included in such return a written statement
19 containing the name, address and contact information of the person required to provide the return
20 to the tax administrator and the information included in the return with respect to the individuals
21 listed thereupon. Such written statement must be provided on or before January 31 of the year
22 following the calendar year for which the return was required to be made or by such date as may
23 be determined by the tax administrator.

24 (2) Sufficiency of federal statement. Notwithstanding the requirements of paragraph (1),
25 the requirements of this subsection (e) may be satisfied by a written statement provided to an
26 individual under section 6055 of the Internal Revenue Code of 1986, as that section is in effect
27 and interpreted on the 15th day of December 2017.

28 (f) Reporting responsibility.

29 (1) Coverage provided by governmental units. In the case of coverage provided by an
30 applicable entity that is any governmental unit or any agency or instrumentality thereof, the
31 officer or employee who enters into the agreement to provide such coverage (or the person
32 appropriately designated for purposes of this section) shall be responsible for the returns and
33 statements required by this section.

34 (2) Delegation. An applicable entity may contract with third-party service providers,

1 [including insurance carriers, to provide the returns and statements required by this section.](#)

2 SECTION 4. Chapter 42-157 of the General Laws entitled "Rhode Island Health Benefit
3 Exchange" is hereby amended by adding thereto the following section:

4 **42-157-11. Exemptions from the shared responsibility payment penalty.**

5 [\(a\) Establishment of program. The exchange shall establish a program for determining](#)
6 [whether to grant a certification that an individual is entitled to an exemption from the Shared](#)
7 [Responsibility Payment Penalty set forth in section 44-30-101\(c\) of the general laws by reason of](#)
8 [religious conscience or hardship.](#)

9 [\(b\) Eligibility determinations. The exchange shall make determinations as to whether to](#)
10 [grant a certification described in subsection \(a\). The exchange shall notify the individual and the](#)
11 [tax administrator for the Rhode Island Department of Revenue of any such determination in such](#)
12 [a time and manner as the exchange, in consultation with the tax administrator, shall prescribe. In](#)
13 [notifying the tax administrator, the exchange shall adhere to the data privacy and data security](#)
14 [standards adopted in accordance with section 44-30-101\(i\)\(4\) of the general laws and 45 C.F.R.](#)
15 [155.260. The exchange shall only be required to notify the tax administrator to the extent that the](#)
16 [exchange determines such disclosure is permitted under 45 C.F.R. 155.260.](#)

17 [\(c\) Appeals. Any person aggrieved by the exchange's determination of eligibility for an](#)
18 [exemption under this section has the right to an appeal in accordance with the procedures](#)
19 [contained within chapter 35 of title 42.](#)

20 **42-157-12. Special enrollment period for qualified individuals assessed a shared**
21 **responsibility payment penalty.**

22 [\(a\) Definitions. The following definition shall apply for purposes of this section:](#)

23 [\(1\) "Special enrollment period" means a period during which a qualified individual who](#)
24 [is assessed a penalty in accordance with section 44-30-101 may enroll in a qualified health plan](#)
25 [through the exchange outside of the annual open enrollment period.](#)

26 [\(b\) In the case of a qualified individual who is assessed a shared responsibility payment](#)
27 [in accordance with section 44-30-101 of the general laws and who is not enrolled in a qualified](#)
28 [health plan, the exchange must provide a special enrollment period consistent with this section](#)
29 [and the Federal Patient Protection and Affordable Care Act \(Public Law 111-148\), as amended by](#)
30 [the Federal Care and Reconciliation Act of 2010 \(Public Law 111-152\), and any amendments to,](#)
31 [or regulations or guidance issued under, those acts.](#)

32 [\(c\) Effective Date. The exchange must ensure that coverage is effective for a qualified](#)
33 [individual who is eligible for a special enrollment period under this section on the first day of the](#)
34 [month after the qualified individual completes enrollment in a qualified health plan through the](#)

1 [exchange.](#)

2 [\(d\) Availability and length of special enrollment period. A qualified individual has sixty](#)
3 [\(60\) days from the date he or she is assessed a penalty in accordance with section 44-30-101 of](#)
4 [the general laws to complete enrollment in a qualified health plan through the exchange. The date](#)
5 [of assessment shall be determined in accordance with section 44-30-82 of the general laws.](#)

6 **42-157-13. Outreach to Rhode Island residents and individuals assessed a shared**
7 **responsibility payment penalty.**

8 [Outreach. The exchange, in consultation with the Office of the Health Insurance](#)
9 [Commissioner and the Division of Taxation, is authorized to engage in coordinated outreach](#)
10 [efforts to educate Rhode Island residents about the importance of health insurance coverage, their](#)
11 [responsibilities to maintain minimum essential coverage as defined in section 44-30-101 of the](#)
12 [general laws, the penalties for failure to maintain such coverage, and information on the services](#)
13 [available through the exchange.](#)

14 **42-157-14. Regulatory authority.**

15 [\(a\) Regulatory Authority. The exchange may promulgate regulations as necessary to](#)
16 [carry out the purposes of this chapter.](#)

17 SECTION 5. Sections 42-157.1-1 and 42-157.1-5 of the General Laws in Chapter 42-
18 157.1 entitled "Rhode Island Market Stability and Reinsurance Act" are hereby amended to read
19 as follows:

20 **42-157.1-1. Short title and purpose.**

21 (a) This chapter shall be known and may be cited as the "Rhode Island Market Stability
22 and Reinsurance Act."

23 (b) The purpose of this chapter is to authorize the director to create the Rhode Island
24 reinsurance program to stabilize health insurance rates and premiums in the individual market and
25 provide greater financial certainty to consumers of health insurance in this state.

26 ~~(c) Nothing in this chapter shall be construed as obligating the state to appropriate funds~~
27 ~~or make payments to carriers.~~

28 **42-157.1-5. Establishment of program fund.**

29 (a) ~~A fund shall be~~ [The Health Insurance Market Integrity Fund is hereby](#) established to
30 provide funding for the operation and administration of the program in carrying out the purposes
31 of the program under this chapter.

32 (b) The director is authorized to administer the fund.

33 (c) The fund shall consist of:

34 (1) Any pass-through funds received from the federal government under a waiver

1 approved under 42 U.S.C. § 18052;

2 (2) Any funds designated by the federal government to provide reinsurance to carriers
3 that offer individual health benefit plans in the state;

4 (3) Any funds designated by the state to provide reinsurance to carriers that offer
5 individual health benefit plans in the state; and

6 (4) Any other money from any other source accepted for the benefit of the fund.

7 ~~(d) Nothing in this chapter shall be construed as obligating the state to appropriate funds
8 or make payments to carriers.~~

9 (d) A restricted receipt account shall be established for the fund which may be used for
10 the purposes set forth in this section and shall be exempt from the indirect cost recovery
11 provisions of section 35-4-27 of the general laws.

12 (e) Monies in the fund shall be used to provide reinsurance to health insurance carriers as
13 set forth in this chapter and its implementing regulations, and to support the personnel costs,
14 operating costs and capital expenditures of the exchange and the division of taxation that are
15 necessary to carry out the provisions of this chapter, sections 44-30-101 through 44-30-102 and
16 sections 42-157-11 through 42-157-14 of the general laws.

17 (f) Any excess monies remaining in the fund, not including any monies received from the
18 federal government pursuant to paragraphs (1) or (2) and after making the payments required by
19 subsection (f), may be used for preventative health care programs for vulnerable populations in
20 consultation with the executive office of health and human services.

21 **42-157.1-7. Program contingent on federal waiver ~~and appropriation of state~~**
22 **funding.**

23 If the state innovation waiver request in § 42-157.1-6 is not approved, the director shall
24 not implement the program or provide reinsurance payments to eligible carriers.

25 SECTION 6. This article shall take effect upon passage.

26 **ARTICLE 15**

27 **RELATING TO CHILDREN AND FAMILIES**

28 SECTION 1. Sections 16-8-10 and 16-8-10.1 of the General Laws in Chapter 16-8
29 entitled "Federal Aid [See Title 16 Chapter 97 - The Rhode Island Board of Education Act]" are
30 hereby amended to read as follows:

31 **16-8-10. Mandatory school lunch programs.**

32 (a) All public elementary and secondary schools shall be required to make type A lunches
33 available to students attending those schools in accordance with rules and regulations adopted
34 from time to time by the department of elementary and secondary education. To the extent that

1 federal, state, and other funds are available, free and reduced price type A lunches shall be
2 provided to all students from families that meet the current specific criteria established by federal
3 and state regulations. The requirement that type A lunches be provided shall apply to locally
4 managed school lunch programs, and school lunch programs administered directly by the
5 department of elementary and secondary education or by any other public agency whether using
6 school facilities or a commercial catering service. The department of elementary and secondary
7 education is further authorized to expand the school lunch program to the extent that federal,
8 state, and/or local funds are available by the utilization of one or more food preparation centers
9 for delivery to participating schools for the purpose of providing meals to students on a more
10 economical basis than could be provided by a community acting individually.

11 (b) Beginning in the 2020-2021 school year, and each year thereafter, all public schools
12 that have been eligible for the community eligibility provision under section 104(a) of the federal
13 Healthy, Hunger-Free Kids Act of 2010 for two consecutive years or longer shall be required to
14 implement the provision. Any school subject to the requirement in the preceding sentence may
15 apply to the department of elementary and secondary education (“the department”) for a waiver
16 from the requirement. Such waiver may be granted by the department upon the demonstration
17 that adoption of the program would cause economic hardship for the school. All public schools
18 eligible for the community eligibility provision in any year are encouraged to participate even if
19 not required to do so under this paragraph. To facilitate implementation of this program, the
20 department shall:

21 (1) Notify schools on or before March 1 each year if they are required to adopt the
22 community eligibility provision for the school year that begins after September 1 of that year.

23 (2) Develop and distribute procedures and guidelines for the implementation of the
24 program.

25 **16-8-10.1. Mandatory school breakfast programs.**

26 (a) All public schools shall make a breakfast program available to students attending the
27 school. The breakfast meal shall meet any rules and regulations that are adopted by the
28 commissioner.

29 (b) The state of Rhode Island shall provide school districts a per breakfast subsidy for
30 each breakfast served to students. The general assembly shall annually appropriate some sum and
31 distribute it based on each district's proportion of the number of breakfasts served in the prior
32 school year relative to the statewide total in the same year. This subsidy shall augment the
33 nonprofit school food service account and be used for expenses incurred in providing nutritious
34 breakfast meals to students.

1 (c) Beginning in the 2020-2021 school year, and each year thereafter, all public schools
2 that have an enrollment of seventy percent (70%) or more of students eligible for free or reduced-
3 price meals in the prior school year according to the federal school meals program shall offer a
4 school breakfast program to each student in the school after the instructional day has officially
5 begun. The department of elementary and secondary education (“the department”) shall
6 determine eligible service models, which shall include, but are not limited to, breakfast in the
7 classroom, grab and go breakfast, and second chance breakfast. The breakfast shall be served at a
8 time to be determined by the school so long as it occurs after the beginning of the instructional
9 day. If a public school falls below the seventy percent threshold established in this section, it has
10 the option to continue offering the school breakfast program after the instructional day has
11 officially begun but is not required to do so. Any school subject to the requirement in the first
12 sentence of this paragraph may apply to the department for a waiver from the requirement. Such
13 waiver may be granted upon the demonstration that providing a school breakfast program after
14 the instructional day has begun would cause financial hardship for the school. To facilitate
15 implementation of this program, the department shall:

16 (1) Notify schools on or before March 1 each year if they are required to implement a
17 school breakfast program after the instructional day has begun beginning that fall.

18 (2) Develop and distribute procedures and guidelines for the implementation of the
19 program, which must be in compliance with federal regulations governing the School Breakfast
20 Program.

21 (3) Annually collect information on eligible delivery models implemented at each school
22 and make the information publicly available.

23 SECTION 2. Section 16-64-1.1 of the General Laws in Chapter 16-64 entitled
24 "Residence of Children for School Purposes" is hereby amended to read as follows:

25 **16-64-1.1. Payment and reimbursement for educational costs of children placed in**
26 **foster care, group homes, or other residential facility by a Rhode Island state agency.**

27 (a) Children placed in foster care by a Rhode Island-licensed child-placing agency or a
28 Rhode Island governmental agency shall be entitled to the same free, appropriate public education
29 provided to all other residents of the city or town where the child is placed. The city or town shall
30 pay the cost of the education of the child during the time the child is in foster care in the city or
31 town.

32 (b) Children placed by the department of children, youth and families (DCYF) in a group
33 home or other residential facility that does not include the delivery of educational services are to
34 be educated by the community in which the group home or other residential facility is located,

1 and those children shall be entitled to the same free, appropriate public education provided to all
2 other residents of the city or town where the child is placed. For purposes of payment and
3 reimbursement for educational costs under this chapter, the term "group home or other residential
4 facility" shall not include independent-living programs. Each city and town that contains one or
5 more group homes or other residential facilities that do not include delivery of educational
6 services will receive funds as part of state aid to education in accordance with the following
7 provisions:

8 (1) On December 31 of each year, the DCYF shall provide the department of elementary
9 and secondary education with a precise count of how many group home or other residential
10 facility "beds" exist in each Rhode Island city or town, counting only those "beds" in facilities
11 that do not include the delivery of educational services. The number of "beds" in each group
12 home or other residential facility shall be equal to the maximum number of children who may be
13 placed in that group home or other residential facility on any given night according to the
14 applicable licensure standards of the DCYF.

15 (2) For the fiscal year beginning July 1, 2007, if the number of beds certified by DCYF
16 for a school district by December 31, 2007, is greater than the number certified March 14, 2007,
17 upon which the education aid for FY 2008 was appropriated, the education aid for that district
18 will be increased by the number of increased beds multiplied by fifteen thousand dollars
19 (\$15,000). Notwithstanding the provisions of this section or any law to the contrary, the education
20 aid for all group home or other residential facility "beds" located or associated with the Children's
21 Residential and Family Treatment (CRAFT) program located on the East Providence campus of
22 Bradley Hospital shall be twenty-two thousand dollars (\$22,000) per bed. The Department of
23 Elementary and Secondary Education shall include the additional aid in equal payments in March,
24 April, May, and June, and the Governor's budget recommendations pursuant to § 35-3-8 shall
25 include the amounts required to provide the increased aid.

26 For all fiscal years beginning after June 30, 2016, education aid for each school district
27 shall include seventeen thousand dollars (\$17,000) for each bed certified by DCYF by the
28 preceding December 31. Notwithstanding the provisions of this section or any law to the contrary,
29 the education aid for all group home or other residential facility "beds" located or associated with
30 the Children's Residential and Family Treatment (CRAFT) program located on the East
31 Providence campus of Bradley Hospital shall be twenty-six thousand dollars (\$26,000) per bed.
32 For all fiscal years beginning after June 30, 2008, whenever the number of beds certified by
33 DCYF for a school district by December 31 is greater than the number certified the prior
34 December 31 upon which the education aid for that fiscal year was appropriated, the education

1 aid for that district as enacted by the assembly during the prior legislative session for that fiscal
2 year will be increased by the number of increased beds multiplied by the amount per bed
3 authorized for that fiscal year. The Department of Elementary and Secondary Education shall
4 include the additional aid in equal payments in March, April, May, and June, and the Governor's
5 budget recommendations pursuant to § 35-3-8 shall include the amounts required to provide the
6 increased aid.

7 (c) Children placed by DCYF in a residential-treatment program, group home, or other
8 residential facility, except for those listed in subsection (d) of this section, whether or not located
9 in the state of Rhode Island, which includes the delivery of educational services provided by that
10 facility (excluding facilities where students are taught on grounds for periods of time by teaching
11 staff provided by the school district in which the facility is located), shall have the cost of their
12 education paid for as provided for in ~~subsection (d) and~~ § 16-64-1.2. The city or town determined
13 to be responsible to DYCF for a per-pupil special-education cost pursuant to § 16-64-1.2 shall
14 pay its share of the cost of educational services to DCYF or to the facility providing educational
15 services.

16 (d) ~~Children placed by DCYF in group homes, child caring facilities, community~~
17 ~~residences, or other residential facilities shall have the entire cost of their education paid for by~~
18 ~~DCYF if:~~

19 ~~(1) The facility is operated by the state of Rhode Island or the facility has a contract with~~
20 ~~DCYF to fund a pre-determined number of placements or part of the facility's program;~~

21 ~~(2) The facility is state licensed; and~~

22 ~~(3) The facility operates an approved, on-grounds educational program, whether or not~~
23 ~~the child attends the on-grounds program.~~

24 For each child ordered by the family court to be detained or sentenced to the Thomas C.
25 Slater Training School, the city or town determined to be the child's residence under §16-64-1.2
26 shall be responsible for payment of a city's or town's per pupil special education cost to DCYF
27 for the delivery of education services during the youth's incarceration at the Training School.

28 SECTION 3. Section 16-64-1.1 of the General Laws in Chapter 16-64 entitled
29 "Residence of Children for School Purposes" is hereby amended to read as follows:

30 **16-64-1.3. Educational responsibility for children in group homes and other**
31 **residential placements.**

32 (a) The city or town in which a foster home, group home, or other residential facility that
33 does not include the delivery of educational services is located shall be responsible for the free
34 appropriate public education of any child residing in those placements, including all procedural

1 safeguards, evaluation, and instruction in accordance with regulations under chapter 24 of this
2 title, for any period during which a child is residing in the city or town. The city or town shall
3 coordinate its efforts with any other city or town to which a child moves when exiting the city or
4 town responsible under this subsection.

5 (b) The city or town responsible for payment under § 16-64-1.1(c) ~~and (d) for payment~~ of
6 a city's or town's per pupil special education cost to DCYF for a child placed in a residential
7 facility, group home, or other residential facility that includes the delivery of educational services
8 shall be responsible for the free, appropriate public education, including all procedural
9 safeguards, evaluation and instruction in accordance with regulations under chapter 24 of this
10 title.

11 SECTION 4. Sections 23-24.6-14 and 23-24.6-14.1 of the General Laws in Chapter 23-
12 24.6 entitled "Lead Poisoning Prevention Act" is hereby amended to read as follows:

13 **23-24.6-14. Inspection of child care facilities.**

14 (a) The director shall promulgate regulations requiring that as a condition of licensure all
15 ~~preschools, day care facilities, nursery schools,~~ group family child care homes, family child care
16 homes, child care centers, residential facilities, and public and private elementary schools ~~and~~
17 ~~schoolyards, and public playgrounds, and shelters and foster homes~~ serving children under the
18 age of six (6) years in Rhode Island:

19 (1) Receive comprehensive environmental lead inspections at specified intervals; and

20 (2) Demonstrate that they are either lead free or lead safe.

21 ~~(b) The director, shall, using state inspectors, conduct comprehensive environmental lead~~
22 ~~inspections for all these facilities at the specified intervals.~~

23 (a) The director shall promulgate regulations requiring that as a condition of licensure
24 foster homes be subject to, at a minimum, a visual lead inspection to assess whether there are any
25 potential lead hazards in the home. The department of health shall review the results of all lead
26 inspections of foster homes and shall ensure that owners receive all information needed to
27 remediate the lead hazards identified in the inspection.

28 SECTION 5. Sections 40-5.2-8, 40-5.2-10 and 40-5.2-20 of the General Laws in Chapter
29 40-5.2 entitled "The Rhode Island Works Program" are hereby amended to read as follows:

30 **40-5.2-8. Definitions.**

31 (a) As used in this chapter, the following terms having the meanings set forth herein,
32 unless the context in which such terms are used clearly indicates to the contrary:

33 (1) "Applicant" means a person who has filed a written application for assistance for
34 herself/himself and her/his dependent child(ren). An applicant may be a parent or non parent

1 caretaker relative.

2 (2) "Assistance" means cash and any other benefits provided pursuant to this chapter.

3 (3) "Assistance unit" means the assistance filing unit consisting of the group of persons,
4 including the dependent child(ren), living together in a single household who must be included in
5 the application for assistance and in the assistance payment if eligibility is established. An
6 assistance unit may be the same as a family.

7 (4) "Benefits" ~~shall~~ means assistance received pursuant to this chapter.

8 (5) "Community service programs" means structured programs and activities in which
9 ~~cash-assistance-recipients~~ RI Works participants perform work for the direct benefit of the
10 community under the auspices of public or nonprofit organizations. Community service programs
11 are designed to improve the employability of recipients not otherwise able to obtain paid
12 employment. (6) "Department" means the department of human services.

13 (7) "Dependent child" means an individual, other than an individual with respect to
14 whom foster care maintenance payments are made, who is: (A) under the age of eighteen (18); or
15 (B) under the age of nineteen (19) and a full-time student in a secondary school (or in the
16 equivalent level of vocational or educational training), if before he or she attains age nineteen
17 (19), he or she may reasonably be expected to complete the program of such secondary school (or
18 such training).

19 (8) "Director" means the director of the department of human services.

20 (9) "Earned income" means income in cash or the equivalent received by a person
21 through the receipt of wages, salary, commissions, or profit from activities in which the person is
22 self-employed or as an employee and before any deductions for taxes.

23 (10) "Earned income tax credit" means the credit against federal personal income tax
24 liability under § 32 of the Internal Revenue Code of 1986, 26 U.S.C. § 32, or any successor
25 section, the advanced payment of the earned income tax credit to an employee under § 3507 of
26 the code, 26 U.S.C. § 3507, or any successor section and any refund received as a result of the
27 earned income tax credit, as well as any refundable state earned income tax credit.

28 (11) "Education directly related to employment" means education, in the case of a
29 participant who has not received a high school diploma or a certificate of high school
30 equivalency, related to a specific occupation, job, or job offer.

31 (12) "Family" means: (A) a pregnant woman from and including the seventh month of
32 her pregnancy; or (B) a child and the following eligible persons living in the same household as
33 the child: (C) each biological, adoptive or stepparent of the child, or in the absence of a parent,
34 any adult relative who is responsible, in fact, for the care of such child; and (D) the child's minor

1 siblings (whether of the whole or half blood); provided, however, that the term "family" shall not
2 include any person receiving benefits under title XVI of the Social Security Act, 42 U.S.C. §
3 1381 et seq. A family may be the same as the assistance unit.

4 (13) "Gross earnings" means earnings from employment and self-employment further
5 described in the department of human services rules and regulations.

6 (14) "Individual employment plan" means a written, individualized plan for employment
7 developed jointly by the applicant and the department of human services that specifies the steps
8 the participant shall take toward long-term economic independence developed in accordance with
9 subsection 40-5.2-10(e). ~~A participant must comply with the terms of the individual employment
10 plan as a condition of eligibility in accordance with subsection 40-5.2-10(e) of this chapter.~~

11 (15) "Job search and job readiness" means the mandatory act of seeking or obtaining
12 employment by the participant, or the preparation to seek or obtain employment.

13 ~~In accord with federal requirements, job search activities must be supervised by the
14 department of labor and training and must be reported to the department of human services~~ in
15 accordance with TANF work verification requirements.

16 Except in the context of rehabilitation employment plans, and special services provided
17 by the department of children, youth and families, job search and job readiness activities are
18 limited to four (4) consecutive weeks, or for a total of six (6) weeks in a twelve (12) month
19 period, with limited exceptions as defined by the department. The department of human services
20 in consultation with the department of labor and training shall extend job search, and job
21 readiness assistance for up to twelve (12) weeks in a fiscal year if a state has an unemployment
22 rate at least fifty percent (50%) greater than the United States unemployment rate if the state
23 meets the definition of a "needy state" under the contingency fund provisions of federal law.

24 ~~Preparation to seek employment, or job readiness, may include, but may not be limited to,
25 the participant obtaining life skills training, homelessness services, domestic violence services,
26 special services for families provided by the department of children youth and families, substance
27 abuse treatment, mental health treatment, or rehabilitation activities as appropriate for those who
28 are otherwise employable. Such services, treatment or therapy must be determined to be
29 necessary and certified by a qualified medical or mental health professional. Intensive work
30 readiness services may include work based literacy, numeracy, hands on training, work
31 experience and case management services. Nothing in this section shall be interpreted to mean
32 that the department of labor and training shall be the sole provider of job readiness activities
33 described herein.~~

34 (16) "Job skills training directly related to employment" means training or education for

1 job skills required by an employer to provide an individual with the ability to obtain employment
2 or to advance or adapt to the changing demands of the workplace. Job skills training directly
3 related to employment must be supervised on an ongoing basis.

4 (17) "Net income" means the total gross income of the assistance unit less allowable
5 disregards and deductions as described in subsection 40-5.2-10(g).

6 (18) "Minor parent" means a parent under the age of eighteen (18). A minor parent may,
7 at the discretion of the department, ~~be an applicant or recipient with his or her dependent~~
8 ~~child(ren) in his/her own case or a member of an assistance unit with his or her dependent~~
9 ~~child(ren) in a case established by the minor parent's parent~~ apply as a separate assistance unit in
10 certain circumstances if he or she is otherwise unable to be included, along with his or her child,
11 as part of the assistance unit of a parent or caretaker relative in accordance with § 40-5.2-10(k).

12 (19) "On-the-job-training" means training in the public or private sector that is given to a
13 paid employee ~~while he or she is~~ engaged in productive work ~~and~~ That provides knowledge and
14 skills essential to the full and adequate performance of the job. ~~On the job training must be~~
15 ~~supervised by~~ under the supervision of an employer, work site sponsor, or other designee of the
16 department of human services on an ongoing basis.

17 (20) "Participant" means a person who has been found eligible for assistance in
18 accordance with this chapter ~~and who must comply with all requirements of this chapter, and has~~
19 ~~entered into an individual employment plan.~~ A participant may be a parent or non-parent
20 caretaker relative included in the ~~cash assistance payment~~ assistance unit.

21 (21) "Personal Responsibility and Work Opportunity Reconciliation Act of 1996" or
22 "PRWORA," means the federal law enacted in 1996, as amended, that established TANF and sets
23 forth the eligibility requirements governing access to federal means-tested benefits applicable to
24 non-citizens residing in the United States.

25 (22) "Recipient" means a "participant" ~~person who has been found~~ eligible ~~and receives~~
26 ~~cash assistance~~ for assistance through RI Works in accordance with this chapter.

27 ~~(22)~~(23) "Relative" means a parent, stepparent, grandparent, great grandparent, great-
28 great grandparent, aunt, great aunt, great-great aunt, uncle, great-uncle, great-great uncle, sister,
29 brother, stepbrother, stepsister, half-brother, half-sister, first cousin, first cousin once removed,
30 niece, great niece, great-great niece, nephew, great nephew, or great-great nephew.

31 ~~(23)~~(24) "Resident" means a person who maintains residence by his or her continuous
32 physical presence in the state.

33 (25) "RI Works lifetime limit" means the total number of months an adult applicant or
34 beneficiary is eligible to receive cash assistance provided through RI Works and/or any other

1 state or territorial program operating under the auspices of the TANF block grant. The RI Works
2 lifetime limit is forty-eight (48) months and is calculated in accordance with §40-5.2-10(h).
3 Children in a family or assistance unit are not subject to the RI Works life-time limit.

4 (26) "Self-employment income" means the total profit from a business enterprise,
5 farming, etc., resulting from a comparison of the gross receipts with the business expenses, i.e.,
6 expenses directly related to producing the goods or services and without which the goods or
7 services could not be produced. However, items such as depreciation, personal business and
8 entertainment expenses, and personal transportation are not considered business expenses for the
9 purposes of determining eligibility for cash assistance in accordance with this chapter.

10 ~~(25)~~(27) "State" means the State of Rhode Island and Providence Plantations.

11 ~~(26)~~ (28) "Subsidized employment" means public or private employment ~~in the private or~~
12 ~~public sectors~~ for which the employer receives a government subsidy from TANF or ~~other public~~
13 ~~funds~~ another public program to offset some or all of the wages and costs of employing an
14 ~~recipient RI Works participant. It includes work in which all or a portion of the wages paid to the~~
15 ~~recipient are provided to~~ The subsidy is paid to the employer either as a reimbursement for the
16 extra costs of training or as an incentive to hire the recipient, including, but not limited to, grant
17 diversion

18 ~~(27)~~ (29) "Subsidized housing" means housing for a family whose rent is restricted to a
19 percentage of its income.

20 (30) "Supplemental Nutrition Assistance Program or "SNAP" means the federally funded
21 program, formerly known as Food Stamps, authorized under the "Food and Nutrition Act of
22 2008", 7 U.S.C. § 2011 et. seq., and administered by the State, that provides food-purchasing
23 assistance to low and no-income individuals and families who meet certain eligibility
24 requirements.

25 (31) Temporary Assistance of Needy Families or "TANF" is the federal block grant
26 program [Title IV-A of the U.S. Social Security Act 42 U.S.C. § 601 et seq.] authorized by the
27 Personal Responsibility and Work Opportunity Reconciliation Act (PRWORA) of 1996. States
28 receive TANF block grant funds to operate their own cash assistance programs for low-income
29 families within the parameters established in federal law and regulations. RI Works is Rhode
30 Island's TANF program.

31 ~~(28)~~ (32) "Unsubsidized employment" means full or part-time employment in the public
32 or private sector that is not subsidized by TANF or any other public program.

33 ~~(29)~~ (33) "Vocational educational training" means organized educational programs, not to
34 exceed twelve (12) months with respect to any participant, that are directly related to the

1 preparation of participants for employment in current or emerging occupations. Vocational
2 educational training must be supervised.

3 ~~(30)~~ (34) "Work experience" means a work activity that provides a participant with an
4 opportunity to acquire the general skills, training, knowledge, and work habits necessary to obtain
5 employment. The purpose of work experience is to improve the employability of those who
6 cannot find unsubsidized employment. An employer, work site sponsor, and/or other appropriate
7 designee of the department must supervise this activity.

8 ~~(31)~~ (35) "Work supplementation" also known as "grant diversion" means the use of all
9 or a portion of a participant's cash assistance grant and ~~food-stamp-grant~~ SNAP as a wage
10 supplement to an employer. Such a supplement shall be limited to a maximum period of twelve
11 (12) months. An employer must agree to continue the employment of the participant as part of the
12 regular work force, beyond the supplement period, if the participant demonstrates satisfactory
13 performance.

14 ~~(32)~~ (36) "Work activities" mean the specific work requirements which must be defined in
15 the individual employment plan and must be complied with by the participant as a condition of
16 eligibility for the receipt of cash assistance for single and two (2) family households outlined in §
17 40-5.2-12 of this chapter.

18 **40-5.2-10. Necessary requirements and conditions.**

19 An applicant for RI Works must meet ~~The the~~ following requirements and conditions
20 ~~shall be necessary to establish~~ to be eligible for the RI Works ~~eligibility for the~~ program.

21 (a) Citizenship, alienage and residency requirements.

22 (1) A person shall be a resident of the State of Rhode Island.

23 (2) Effective ~~[July 1, 2019, October 1, 2008]~~, a person seeking eligibility for assistance
24 under this section ~~to~~ must be a United States citizens, ~~or shall~~ or a qualified non-citizen who
25 meets the applicable requirements established in § 402(b) ~~of the Personal Responsibility and~~
26 ~~Work Opportunity Reconciliation Act of 1996, PRWORA, Public Laws No. 104-193 and as that~~
27 ~~section~~ may be hereafter be amended from time to time, ~~[8 U.S.C. § 1612]~~ pertaining to non-
28 citizen and alien eligibility for federal benefits provided through the TANF program; ~~a person~~
29 ~~who is not a United States citizen and does not meet the alienage requirements established in~~
30 ~~PRWORA, as amended, is not eligible for cash assistance in accordance with this chapter.~~

31 (b) The family/assistance unit must meet any other requirements established by the
32 department of human services by rules and regulations adopted pursuant to the Administrative
33 Procedures Act, ~~as~~ necessary to promote the purpose and goals of this chapter.

34 (c) Receipt of cash assistance is conditional upon compliance with all program

1 requirements.

2 (d) All individuals domiciled in this state shall be exempt from the application of
3 subdivision 115(d)(1)(A) of ~~Public Law 104-193, the Personal Responsibility and Work~~
4 ~~Opportunity Reconciliation Act of 1996~~, PRWORA [~~21 U.S.C. § 862a~~], which makes any
5 individual ineligible for certain state and federal assistance if that individual has been convicted
6 under federal or state law of any offense which is classified as a felony by the law of the
7 jurisdiction and which has as an element the possession, use, or distribution of a controlled
8 substance as defined in § 102(6) of the Controlled Substances Act (21 U.S.C. § 802(6)).

9 (e) Individual employment plan as a condition of eligibility.

10 (1) Following receipt of an application, the department of human services shall assess the
11 financial conditions of the family, including the non-parent caretaker relative who is applying for
12 cash assistance for himself or herself as well as for the minor child(ren), in the context of an
13 eligibility determination. If a parent or non parent caretaker relative is unemployed or under-
14 employed, the department shall conduct an initial assessment, taking into account: (A) the
15 physical capacity, skills, education, work experience, health, safety, family responsibilities and
16 place of residence of the individual; ~~and~~ (B) the child care and supportive services required by the
17 applicant to avail himself or herself of employment opportunities and/or work readiness
18 programs; and (C) preparation to seek employment, or job readiness, including but not limited to,
19 the need for obtaining life skills training, homelessness services, domestic violence services,
20 special services for families provided by the department of children youth and families, substance
21 abuse treatment, mental health treatment, or rehabilitation activities as appropriate for those who
22 are otherwise employable. Such services, treatment or therapy must be determined to be
23 necessary and certified by a qualified medical or mental health professional. Intensive work
24 readiness services may include work-based literacy, numeracy, hands-on training, work
25 experience and case management services.

26 (2) On the basis of such assessment, the department of human services and the
27 department of labor and training, as appropriate, in consultation with the applicant, shall develop
28 an individual employment plan for the family which requires the individual to participate in the
29 intensive employment services. Intensive employment services shall be defined as the work
30 requirement activities in subsections 40-5.2-12(g) and (i).

31 (3) The director, or his/her designee, may assign a case manager to an
32 applicant/participant, as appropriate.

33 (4) The department of labor and training and the department of human services in
34 conjunction with the participant shall develop a revised individual employment plan which shall

1 identify employment objectives, taking into consideration factors above, and shall include a
2 strategy for immediate employment and for preparing for, finding, and retaining employment
3 consistent, to the extent practicable, with the individual's career objectives. ~~Preparation to seek~~
4 ~~employment, or job readiness, may include, but may not be limited to, the participant obtaining~~
5 ~~life skills training, homelessness services, domestic violence services, special services for~~
6 ~~families provided by the department of children youth and families, substance abuse treatment,~~
7 ~~mental health treatment, or rehabilitation activities as appropriate for those who are otherwise~~
8 ~~employable. Such services, treatment or therapy must be determined to be necessary and certified~~
9 ~~by a qualified medical or mental health professional. Intensive work readiness services may~~
10 ~~include work based literacy, numeracy, hands on training, work experience and case management~~
11 ~~services. Nothing in this section shall be interpreted to mean that the department of labor and~~
12 ~~training shall be the sole provider of job readiness activities described herein~~

13 (5) The individual employment plan must include the provision for the participant to
14 engage in work requirements as outlined in § 40-5.2-12 of this chapter.

15 (6)(A) The participant shall attend and participate immediately in intensive assessment
16 and employment services as the first step in the individual employment plan, unless temporarily
17 exempt from this requirement in accordance with this chapter. Intensive assessment and
18 employment services shall be defined as the work requirement activities in subsections 40-5.2-
19 12(g) and (i).

20 (B) Parents under age twenty (20) without a high school diploma or General Equivalency
21 Diploma (GED) shall be referred to special teen parent programs which will provide intensive
22 services designed to assist teen parent to complete high school education or GED, and to continue
23 approved work plan activities in accord with Works program requirements.

24 (7) ~~The applicant shall become a participant in accordance with this chapter at the time~~
25 ~~the individual employment plan is signed and entered into. An applicant is not considered an RI~~
26 ~~Works participant until the individual employment plan is completed and signed. Such a signature~~
27 ~~indicates that the applicant agrees~~ (8) ~~Applicants and participants of the Rhode Island Work~~
28 ~~Program shall agree~~ to comply with the terms of the individual employment plan and shall
29 cooperate fully with the steps established in the individual employment plan, including the work
30 requirements. (8) Applicants and participants of the Rhode Island Work Program shall agree to
31 comply with the terms of the individual employment plan, and shall cooperate fully with the steps
32 established in the individual employment plan, including the work requirements.

33 (9) (8) The department of human services ~~has the authority under the chapter to~~ requires,
34 as a condition of eligibility, that ~~attendance by the applicant/participant, either at the department~~

1 ~~of human services or at the department of labor and training,~~ applicants and participants attend
2 appointments deemed necessary for the purpose of ~~having the applicant enter into and become~~
3 ~~eligible for~~ obtaining or retaining assistance through the ~~Rhode Island RI Works P~~program. Said
4 appointments include, but are not limited to, the initial interview, orientation and assessment; job
5 readiness and job search. Attendance is required as a condition of eligibility for cash assistance in
6 accordance with rules and regulations established by the department.

7 ~~(10) As a condition of eligibility for assistance pursuant to this chapter, the~~
8 ~~applicant/participant shall be obligated to keep appointments, attend orientation meetings at the~~
9 ~~department of human services and/or the Rhode Island department of labor and training,~~
10 ~~participate in any initial assessments or appraisals and comply with all the terms of the individual~~
11 ~~employment plan in accordance with department of human service rules and regulations.~~

12 ~~(11)~~ (10) A participant, including a parent or non-parent caretaker relative included in the
13 cash assistance payment, shall not voluntarily quit a job or refuse a job unless there is good cause
14 as defined in this chapter or the department's rules and regulations.

15 (12) A participant who voluntarily quits or refuses a job without good cause, as defined in
16 subsection 40-5.2-12(1), while receiving cash assistance ~~in accordance with this chapter,~~ shall be
17 sanctioned in accordance with rules and regulations promulgated by the department.

18 (f) Resources.

19 (1) The combined value of the family or assistance unit's available countable resources,
20 ~~shall be less than the allowable resource limit established by the department in accordance with~~
21 ~~this chapter.~~

22 ~~(2) No family or assistance unit shall be eligible for assistance payments if the combined~~
23 ~~value of its available resources~~ once reduced by any obligations or debts, ~~shall not with respect to~~
24 ~~such resources)~~ must not exceed one thousand dollars (\$1,000).

25 ~~(3)~~ (2) For purposes of this subsection, the following shall not be counted as resources of
26 the family/assistance unit in the determination of eligibility for the ~~works~~ RI Works program:

27 (A) The home owned and occupied by a child, parent, relative or other individual;

28 (B) Real property owned by a husband and wife as tenants by the entirety, if the property
29 is not the home of the family and if the spouse of the applicant refuses to sell his or her interest in
30 the property;

31 (C) Real property other than any as identified in § 40-5.2-10(f)(2)(A) and (B) of which
32 the family is making a good faith effort through a sale or other means to dispose ~~of, however, any~~
33 ~~cash assistance payable to the family for any such period shall be conditioned upon such disposal~~
34 ~~of the real property within~~ for the period of up to six (6) months ~~s-of~~ from the date of application.

1 ~~and any~~ Eligibility during this period is contingent upon the disposal of the property. Any
2 payments of assistance for that period shall (at the time of disposal) be considered overpayments
3 once the family no longer owns the real property unless ~~to the extent that they would not have~~
4 ~~occurred at the beginning of the period for which the payments were made~~ the family would
5 have been eligible for assistance at the start of the payment period even if the property had not
6 been disposed. All overpayments are debts subject to recovery in accordance with the provisions
7 of the chapter;

8 (D) Income producing property other than real estate including, but not limited to,
9 equipment such as farm tools, carpenter's tools and vehicles used in the production of goods or
10 services which the department determines are necessary for the family to earn a living;

11 (E) One vehicle for each adult household member, but not to exceed two (2) vehicles per
12 household, and in addition, a vehicle used primarily for income producing purposes such as, but
13 not limited to, a taxi, truck or fishing boat; a vehicle used as a family's home; a vehicle which
14 annually produces income consistent with its fair market value, even if only used on a seasonal
15 basis; a vehicle necessary to transport a family member with a disability where the vehicle is
16 specially equipped to meet the specific needs of the person with a disability or if the vehicle is a
17 special type of vehicle that makes it possible to transport the person with a disability;

18 (F) Household furnishings and appliances, clothing, personal effects and keepsakes of
19 limited value;

20 (G) Burial plots (one for each child, relative, and other individual in the assistance unit),
21 and funeral arrangements;

22 (H) For the month of receipt and the following month, any refund of federal income taxes
23 made to the family by reason of § 32 of the Internal Revenue Code of 1986, 26 U.S.C. § 32
24 (relating to earned income tax credit), and any payment made to the family by an employer under
25 § 3507 of the Internal Revenue Code of 1986, 26 U.S.C. § 3507 (relating to advance payment of
26 such earned income credit);

27 (I) The resources of any family member receiving supplementary security income (SSI)
28 assistance under Title XVI of the Social Security Act, 42 U.S.C. § 1381.

29 (g) Income.

30 (1) Except as otherwise provided for herein, ~~in determining eligibility for and the amount~~
31 ~~of cash assistance to which a family is entitled under this chapter,~~ the income of a family includes
32 all of the money, goods, and services received or actually available to any member of the family.

33 (2) In determining the eligibility for and the amount of cash assistance to which a
34 family/assistance unit is entitled under this chapter, income in any month shall not include the

1 first one hundred seventy dollars (\$170) of gross earnings plus fifty percent (50%) of the gross
2 earnings of the family in excess of one hundred seventy dollars (\$170) earned during the month.

3 (3) The income of a family shall not include:

4 (A) The first fifty dollars (\$50.00) in child support received in any month from each non-
5 custodial parent of a child plus any arrearages in child support (to the extent of the first fifty
6 dollars (\$50.00) per month multiplied by the number of months in which the support has been in
7 arrears) which are paid in any month by a non-custodial parent of a child;

8 (B) Earned income of any child;

9 (C) ~~Income SSI~~ received by a family member ~~who is receiving supplemental security~~
10 ~~income (SSI) assistance under Title XVI of the Social Security Act, 42 U.S.C. § 1381 et seq;~~

11 (D) The value of assistance provided by state or federal government or private agencies
12 to meet nutritional needs, including the value of: USDA donated foods; ~~value of~~ supplemental
13 food assistance received under the Child Nutrition Act of 1966, as amended and the special food
14 service program for children under Title VII; ~~;~~ nutrition program for the elderly, of the Older
15 Americans Act of 1965 as amended, and ~~the value of food stamps~~ SNAP benefits;

16 (E) Value of certain assistance provided to undergraduate students, including any grant or
17 loan for an undergraduate student for educational purposes made or insured under any loan
18 program administered by the U.S. ~~Commissioner~~ Department of Education (or the Rhode Island
19 council on postsecondary education or the Rhode Island division of higher education assistance);
20 and the value of any withdrawals from a 529 or similar educational savings account recognized
21 by federal and state law when the withdrawals are used for qualified education expenses of a
22 family member;

23 (F) Foster Care Payments;

24 (G) Home energy assistance funded by state or federal government or by a nonprofit
25 organization;

26 (H) Payments for supportive services or reimbursement of out-of-pocket expenses made
27 to foster grandparents, senior health aides or senior companions and to persons serving in SCORE
28 and ACE and any other program under Title II and Title III of the Domestic Volunteer Service
29 Act of 1973, 42 U.S.C. § 5000 et seq.;

30 (I) Payments to volunteers under AmeriCorps VISTA as defined in the department's rules
31 and regulations;

32 (J) Certain payments to native Americans; payments distributed per capita to, or held in
33 trust for, members of any Indian Tribe under P.L. 92-254, 25 U.S.C. § 1261 et seq., P.L. 93-134,
34 25 U.S.C. § 1401 et seq., or P.L. 94-540; receipts distributed to members of certain Indian tribes

1 which are referred to in § 5 of P.L. 94-114, 25 U.S.C. § 459d, that became effective October 17,
2 1975;

3 (K) Refund from the federal and state earned income tax credit;

4 (L) The value of any state, local, or federal government rent or housing subsidy, provided
5 that this exclusion shall not limit the reduction in benefits provided for in the payment standard
6 section of this chapter.

7 (4) The receipt of a lump sum of income shall affect participants for cash assistance in
8 accordance with rules and regulations promulgated by the department.

9 (h) Time limit on the receipt of cash assistance.

10 (1) On and after January 1, 2020, the RI Works lifetime limit for adults is forty-eight (48)
11 months. No cash assistance shall be provided, pursuant to this chapter, to a family or assistance
12 unit which includes an adult member who has received cash assistance in excess of this time limit
13 without regard to whether cash assistance was received by the adult member, ~~either for~~
14 ~~him/herself or on behalf of his/her children, for a total of twenty four (24) months, (whether or~~
15 ~~not consecutive) within any sixty (60) continuous months after July 1, 2008 to include any time~~
16 ~~receiving any type of cash assistance~~ in this State or any other state or territory of the United
17 States of America ~~as defined herein. Provided further, in no circumstances other than provided for~~
18 ~~in section (3) below with respect to certain minor children, shall cash assistance be provided~~
19 ~~pursuant to this chapter to a family or assistance unit which includes an adult member who has~~
20 ~~received cash assistance for a total of a lifetime limit of forty eight (48) months.~~

21 (2) ~~Cash benefits~~ RI Works cash assistance received by a minor dependent child shall not
22 be counted toward ~~their~~ his or her lifetime time limit for receiving benefits under ~~this chapter~~
23 ~~should that minor child apply~~ this chapter or a successor TANF-cash assistance program
24 administered by the State when applying for eligibility ~~for cash benefits~~ as an adult. (3) ~~Certain~~
25 ~~minor children not subject to time limit. This section regarding the lifetime time limit for the~~
26 ~~receipt of cash assistance, shall not apply only in the instances of a minor child(ren) living with a~~
27 ~~parent who receives SSI benefits and a minor child(ren) living with a responsible adult non-parent~~
28 ~~caretaker relative who is not in the case assistance payment.~~ The lifetime time limit under this
29 section does not apply to minor dependent children who are living with either a parent who is
30 receiving SSI or a responsible adult non-parent caretaker relative who is not receiving RI Works
31 cash assistance.

32 (4) ~~Receipt of family cash assistance in any other state or territory of the United States of~~
33 ~~America shall be determined by the~~ The department of human services ~~and~~ shall determine
34 whether any months of receiving ~~include~~ family cash assistance funded in whole or in part by

1 ~~Temporary Assistance for Needy Families (TANF) funds [Title IV A of the Federal Social~~
2 ~~Security Act 42 U.S.C. § 601 et seq.] TANF and/or family cash assistance provided under a~~
3 program similar to the ~~Rhode Island Families Work and Opportunity Program or the federal~~
4 ~~TANF program~~ RI Works program administered in another state or territory shall count toward
5 the lifetime time limit of an adult applying for or receiving cash assistance under this chapter.

6 (5)(A) The department of human service shall mail a notice to each assistance unit ~~when~~
7 ~~the assistance unit has~~ every month beginning when there are six (6) months of cash assistance
8 remaining in the lifetime time limit. ~~and each month thereafter until the time limit has expired.~~
9 The notice must ~~be developed by the department of human services and must~~ contain information
10 about the lifetime time limit, ~~the~~ the number of months the participant has remaining, the hardship
11 extension policy, the availability of a post-employment-and-closure bonus, and any other
12 information pertinent to a family or an assistance unit nearing ~~either the twenty four (24) month~~
13 ~~or the end of the~~ forty-eight (48) month lifetime time limit.

14 (B) For applicants who have less than six (6) months remaining in ~~either the twenty four~~
15 ~~(24) month or the~~ forty-eight (48) month lifetime time limit because the family or assistance unit
16 previously received cash assistance in Rhode Island or in another state, the department shall
17 notify the applicant of the number of months remaining when the application is approved and
18 begin the notice process required in paragraph (A) above.

19 (6) ~~If a cash assistance recipient family closed pursuant to Rhode Island's Temporary~~
20 ~~Assistance for Needy Families Program, (federal TANF described in Title IV A of the Federal~~
21 ~~Social Security Act, 42 U.S.C. § 601 et seq.) formerly entitled the Rhode Island Family~~
22 ~~Independence Program, more specifically under subdivision 40-5.1-9(2)(c), due to sanction~~
23 ~~because of failure to comply with the cash assistance program requirements; and that recipients~~
24 ~~family received forty eight (48) months of cash benefits in accordance with the Family~~
25 ~~Independence Program, than that recipient family is not able to receive further cash assistance for~~
26 ~~his/her family, under this chapter, except under hardship exceptions.~~

27 (7) ~~The months of state~~ All months of State or federally funded cash assistance received
28 ~~by a recipient family~~ since May 1, 1997 ~~under Rhode Island's Temporary Assistance for Needy~~
29 ~~Families Program, (federal TANF described in Title IV A of the Federal Social Security Act, 42~~
30 ~~U.S.C. § 601 et seq.) formerly entitled the Rhode Island Family Independence Program,~~ through
31 RI Works and any of its predecessors, such as the Rhode Island Family Independence Program,
32 shall be countable toward the time limited cash assistance ~~described in this chapter~~ unless exempt
33 due to hardship exceptions.

34 (i) Time limit on the receipt of cash assistance.

1 (1)(A) No cash assistance shall be provided, pursuant to this chapter, to a family
2 assistance unit in which an adult member has received cash assistance for a total of ~~sixty (60)~~
3 ~~months~~ forty-eight (48) months (whether or not consecutive) to include any time receiving any
4 type of cash assistance in any other state or territory of the United States since ~~as defined herein~~
5 ~~effective August 1, 2008~~ May 1, 1997. ~~Provided further, that no cash assistance shall be provided~~
6 ~~to a family in which an adult member has received assistance for twenty-four (24) consecutive~~
7 ~~months unless the adult member has a rehabilitation employment plan as provided in subsection~~
8 ~~40-5.2-12(g)(5).~~

9 (B) ~~Effective August 1, 2008~~ Furthermore, no cash assistance shall be provided pursuant
10 to this chapter to a family in which a child has received cash assistance for a total of ~~sixty (60)~~
11 ~~months~~ forty-eight (48) months (whether or not consecutive) if the parent is a non-citizen
12 ineligible for assistance under this chapter pursuant to ~~subdivision~~ §40-5.2-10 (a) (2) to include
13 any time for which the parent receives ~~and~~ any type of cash assistance in any other state or territory
14 of the United States as defined herein.

15 (j) Hardship Exceptions.

16 (1) The department may extend an assistance unit's or family's cash assistance beyond the
17 lifetime time limit, by reason of hardship; ~~provided, however, that the~~ The number of ~~such~~
18 families ~~to be exempted by the department with respect to their time limit under this subsection~~
19 granted hardship exemptions under this subsection shall not exceed twenty percent (20%) of the
20 average monthly number of families ~~to which assistance is provided for~~ receiving cash assistance
21 under this chapter in a fiscal year; ~~provided, however, that to the extent now or hereafter~~
22 ~~permitted by federal law, excluding any families any waiver~~ granted a waiver from the time limits
23 established under herein under the authority of § 40-5.2-35, for domestic violence reason; ~~shall~~
24 ~~not be counted in determining the twenty percent (20%) maximum under this section.~~

25 (2) Parents who receive extensions to the time limit due to hardship must have and
26 comply with employment plans designed to remove or ameliorate the conditions that warranted
27 the extension.

28 (k) Parents under eighteen (18) years of age.

29 (1) A family consisting of a parent who is under the age of eighteen (18), and who has
30 never been married, and who has a child; or a family which consists of a woman under the age of
31 eighteen (18) who is at least six (6) months pregnant, shall be eligible for cash assistance only if
32 such family resides in the home of an adult parent, legal guardian or other adult relative. Such
33 assistance shall be provided to the adult parent, legal guardian, or other adult relative on behalf of
34 the individual and child unless otherwise authorized by the department.

1 (2) This subsection shall not apply if the minor parent or pregnant minor has no parent,
2 legal guardian or other adult relative who is living and/or ~~whose~~ if the whereabouts of such an
3 adult ~~are~~ is unknown; or the department determines that the physical or emotional health or safety
4 of the minor parent, or his or her child, or the pregnant minor, would be jeopardized if he or she
5 was required to live in the same residence as his or her parent, legal guardian or other adult
6 relative (refusal of a parent, legal guardian or other adult relative to allow the minor parent or his
7 or her child, or a pregnant minor, to live in his or her home shall constitute a presumption that the
8 health or safety would be so jeopardized); or the minor parent or pregnant minor has lived apart
9 from his or her own parent or legal guardian for a period of at least one year before either the
10 birth of any child to a minor parent or the onset of the pregnant minor's pregnancy; or there is
11 good cause, under departmental regulations, for waiving the subsection; and the individual resides
12 in supervised supportive living arrangement to the extent available.

13 (3) For purposes of this section "supervised supportive living arrangement" means an
14 arrangement which requires minor parents to enroll and make satisfactory progress in a program
15 leading to a high school diploma or a general education development certificate, and requires
16 minor parents to participate in the adolescent parenting program designated by the department, to
17 the extent the program is available; and provides rules and regulations which ensure regular adult
18 supervision.

19 (1) Assignment and Cooperation. As a condition of eligibility for cash ~~and medical~~
20 assistance under this chapter, each adult member, parent or caretaker relative of the
21 family/assistance unit must:

22 (1) Assign to the state any rights to support for children within the family from any
23 person which the family member has at the time the assignment is executed or may have while
24 receiving assistance under this chapter;

25 (2) Consent to and cooperate with the state in establishing the paternity and in
26 establishing and/or enforcing child support and medical support orders for all children in the
27 family or assistance unit in accordance with Title 15 of the general laws, as amended, unless the
28 parent or caretaker relative is found to have good cause for refusing to comply with the
29 requirements of this subsection.

30 (3) Absent good cause, as defined by the department of human services through the rule
31 making process, for refusing to comply with the requirements of (1) and (2) above, cash
32 assistance to the family shall be reduced by twenty-five percent (25%) until the adult member of
33 the family who has refused to comply with the requirements of this subsection consents to and
34 cooperates with the state in accordance with the requirements of this subsection.

1 (4) As a condition of eligibility for cash ~~and medical~~ assistance under this chapter, each
2 adult member, parent or caretaker relative of the family/assistance unit must consent to and
3 cooperate with the state in identifying and providing information to assist the state in pursuing
4 any third-party who may be liable to pay for care and services under Title XIX of the Social
5 Security Act, 42 U.S.C. § 1396 et seq.

6 **40-5.2-20. Child-care assistance.**

7 Families or assistance units eligible for child-care assistance.

8 (a) The department shall provide appropriate child care ~~to~~ for every ~~participant~~ child who
9 is eligible for cash assistance ~~and who requires child care in order~~ to assure the parents, relative
10 caretakers, or other legally responsible adults whom they are living with are able to either obtain
11 or maintain employment or, if participating in RI Works, meet the work requirements of their
12 individual employment plans in accordance with this chapter

13 (b) Low-income child care. The department shall provide child care to all other working
14 families with incomes at or below one hundred eighty percent (180%) of the federal poverty level
15 if, and to the extent, such other families require child care in order to work at paid employment as
16 defined in the department's rules and regulations. Beginning ~~October 1, 2013~~ July 1, 2019, the
17 department shall also provide child care to families with incomes below one hundred eighty
18 percent (180%) of the federal poverty level if, and to the extent, such families require child care
19 to pursue an educational degree or vocational, technical, or professional certification directly
20 related to employment in an appropriately accredited post-secondary educational institution
21 either on a full-time basis, or in combination with employment activities approved by the
22 department, or participate on a short-term basis, as defined in the department's rules and
23 regulations, in training, apprenticeship, internship, on-the-job training, work experience, work
24 immersion, or other job-readiness/job-attachment program sponsored or funded by the human
25 resource investment council (governor's workforce board), or state agencies that are part of the
26 coordinated program system pursuant to § 42-102-11~~→~~.

27 (c) No family/assistance unit shall be eligible for child-care assistance under this chapter
28 if the combined value of its liquid resources exceeds ~~ten thousand dollars (\$10,000)~~ one million
29 dollars (\$1,000,000), which corresponds to the amount permitted by the federal government
30 under the state plan and set forth in the administrative rule-making process by the department.
31 Liquid resources are defined as any interest(s) in property in the form of cash or other financial
32 instruments or accounts that are readily convertible to cash or cash equivalents. These include,
33 but are not limited to: cash, bank, credit union, or other financial institution savings, checking,
34 and money market accounts; certificates of deposit or other time deposits; stocks; bonds; mutual

1 funds; and other similar financial instruments or accounts. These do not include educational
2 savings accounts, plans, or programs; retirement accounts, plans, or programs; or accounts held
3 jointly with another adult, not including a spouse. The department is authorized to promulgate
4 rules and regulations to determine the ownership and source of the funds in the joint account.

5 (d) As a condition of eligibility for child-care assistance under this chapter, the parent or
6 caretaker relative of the family must consent to, and must cooperate with, the department in
7 establishing paternity, and in establishing and/or enforcing child support and medical support
8 orders for ~~all~~ any children in the family receiving appropriate child care under this section ~~in the~~
9 ~~family~~ in accordance with the applicable sections of Title 15 of the State's general laws, as
10 amended, unless the parent or caretaker relative is found to have good cause for refusing to
11 comply with the requirements of this subsection.

12 (e) For purposes of this section, "appropriate child care" means child care, including
13 infant, toddler, pre-school, nursery school, school-age, that is provided by a person or
14 organization qualified, approved, and authorized to provide such care by ~~the department of~~
15 ~~children, youth and families, or by the department of elementary and secondary education, or~~
16 ~~such other lawful providers as determined by the department of human services, in cooperation~~
17 ~~with the department of children, youth and families and the department of elementary and~~
18 ~~secondary education~~ the State agency or agencies designated to make such determinations in
19 accordance with the provisions set forth herein.

20 (f)(1) Families with incomes below one hundred percent (100%) of the applicable federal
21 poverty level guidelines shall be provided with free child care. Families with incomes greater
22 than one hundred percent (100%) and less than one hundred eighty percent (180%) of the
23 applicable federal poverty guideline shall be required to pay for some portion of the child care
24 they receive, according to a sliding-fee scale adopted by the department in the department's rules.

25 (2) Families who are receiving child-care assistance and who become ineligible for child-
26 care assistance as a result of their incomes exceeding one hundred eighty percent (180%) of the
27 applicable federal poverty guidelines shall continue to be eligible for child-care assistance until
28 their incomes exceed two hundred twenty-five percent (225%) of the applicable federal poverty
29 guidelines. To be eligible, such families must continue to pay for some portion of the child care
30 they receive, as indicated in a sliding-fee scale adopted in the department's rules and in
31 accordance with all other eligibility standards.

32 (g) In determining the type of child care to be provided to a family, the department shall
33 take into account the cost of available child-care options; the suitability of the type of care
34 available for the child; and the parent's preference as to the type of child care.

1 (h) For purposes of this section, "income" for families receiving cash assistance under §
2 40-5.2-11 means gross, earned income and unearned income, subject to the income exclusions in
3 §§ 40-5.2-10(g)(2) and 40-5.2-10(g)(3), and income for other families shall mean gross, earned
4 and unearned income as determined by departmental regulations.

5 (i) The caseload estimating conference established by chapter 17 of title 35 shall forecast
6 the expenditures for child care in accordance with the provisions of § 35-17-1.

7 (j) In determining eligibility for child-care assistance for children of members of reserve
8 components called to active duty during a time of conflict, the department shall freeze the family
9 composition and the family income of the reserve component member as it was in the month prior
10 to the month of leaving for active duty. This shall continue until the individual is officially
11 discharged from active duty.

12 SECTION 6. Section 40-6.2-1.1 of the General Laws in Chapter 40-6.2 entitled "Child
13 Care - State Subsidies" is hereby amended to read as follows:

14 **40-6.2-1.1. Rates established.**

15 (a) Through June 30, 2015, subject to the payment limitations in subsection (c), the
16 maximum reimbursement rates to be paid by the departments of human services and children,
17 youth and families for licensed childcare centers and licensed family-childcare providers shall be
18 based on the following schedule of the 75th percentile of the 2002 weekly market rates adjusted
19 for the average of the 75th percentile of the 2002 and the 2004 weekly market rates:

20 LICENSED CHILDCARE CENTERS	75th PERCENTILE OF WEEKLY
21	MARKET RATE
22 INFANT	\$182.00
23 PRESCHOOL	\$150.00
24 SCHOOL-AGE	\$135.00
25 LICENSED FAMILY CHILDCARE	75th PERCENTILE OF WEEKLY
26 PROVIDERS	MARKET RATE
27 INFANT	\$150.00
28 PRESCHOOL	\$150.00
29 SCHOOL-AGE	\$135.00

30 Effective July 1, 2015, subject to the payment limitations in subsection (c), the maximum
31 reimbursement rates to be paid by the departments of human services and children, youth and
32 families for licensed childcare centers and licensed family-childcare providers shall be based on
33 the above schedule of the 75th percentile of the 2002 weekly market rates adjusted for the
34 average of the 75th percentile of the 2002 and the 2004 weekly market rates. These rates shall be

1 increased by ten dollars (\$10.00) per week for infant/toddler care provided by licensed family-
2 childcare providers and license-exempt providers and then the rates for all providers for all age
3 groups shall be increased by three percent (3%). For the fiscal year ending June 30, 2018,
4 licensed childcare centers shall be reimbursed a maximum weekly rate of one hundred ninety-
5 three dollars and sixty-four cents (\$193.64) for infant/toddler care and one hundred sixty-one
6 dollars and seventy-one cents (\$161.71) for preschool-age children.

7 (b) Effective July 1, 2018, subject to the payment limitations in subsection (c), the
8 maximum infant/toddler and preschool-age reimbursement rates to be paid by the departments of
9 human services and children, youth and families for licensed childcare centers shall be
10 implemented in a tiered manner, reflective of the quality rating the provider has achieved within
11 the state's quality rating system outlined in § 42-12-23.1.

12 (1) For infant/toddler childcare, tier one shall be reimbursed two and one-half percent
13 (2.5%) above the FY 2018 weekly amount, tier two shall be reimbursed five percent (5%) above
14 the FY 2018 weekly amount, tier three shall be reimbursed thirteen percent (13%) above the FY
15 2018 weekly amount, tier four shall be reimbursed twenty percent (20%) above the FY 2018
16 weekly amount, and tier five shall be reimbursed thirty-three percent (33%) above the FY 2018
17 weekly amount.

18 (2) For preschool reimbursement rates, tier one shall be reimbursed two and one-half
19 (2.5%) percent above the FY 2018 weekly amount, tier two shall be reimbursed five percent (5%)
20 above the FY 2018 weekly amount, tier three shall be reimbursed ten percent (10%) above the FY
21 2018 weekly amount, tier four shall be reimbursed thirteen percent (13%) above the FY 2018
22 weekly amount, and tier five shall be reimbursed twenty-one percent (21%) above the FY 2018
23 weekly amount.

24 ~~(c) The departments shall pay childcare providers based on the lesser of the applicable~~
25 ~~rate specified in subsection (a), or the lowest rate actually charged by the provider to any of its~~
26 ~~public or private childcare customers with respect to each of the rate categories, infant, preschool~~
27 ~~and school age.~~

28 (c) By June 30, 2004, and biennially through June 30, 2014, the department of labor and
29 training shall conduct an independent survey or certify an independent survey of the then current
30 weekly market rates for childcare in Rhode Island and shall forward such weekly market rate
31 survey to the department of human services. The next survey shall be conducted by June 30,
32 2016, and triennially thereafter. The departments of human services and labor and training will
33 jointly determine the survey criteria including, but not limited to, rate categories and sub-
34 categories.

1 (iv) Couple living with others: \$97.30

2 (v) Individual living in state licensed assisted living residence: \$332.00

3 (vi) Individual eligible to receive Medicaid-funded long-term services and supports and

4 living in a Medicaid certified state licensed assisted living residence or adult supportive care

5 residence, as defined in § 23-17.24-1, participating in the program authorized under § 40-8.13-12

6 [or an alternative, successor, or substitute program or delivery option designated for such purposes](#)

7 [by the Secretary of the Executive Office of Health and Human Services:](#)

8 (a) with countable income above one hundred and twenty (120) percent of poverty: up to

9 \$465.00;

10 (b) with countable income at or below one hundred and twenty (120) percent of poverty:

11 up to the total amount established in (v) and \$465: \$797

12 (vii) Individual living in state licensed supportive residential care settings that, depending

13 on the population served, meet the standards set by the department of human services in

14 conjunction with the department(s) of children, youth and families, elderly affairs and/or

15 behavioral healthcare, developmental disabilities and hospitals: \$300.00.

16 Provided, however, that the department of human services shall by regulation reduce,

17 effective January 1, 2009, the state's monthly share of supplementary assistance to the

18 supplementary security income program for each of the above listed payment levels, by the same

19 value as the annual federal cost of living adjustment to be published by the federal social security

20 administration in October 2008 and becoming effective on January 1, 2009, as determined under

21 the provisions of title XVI of the federal social security act [42 U.S.C. § 1381 et seq.]; and

22 provided further, that it is the intent of the general assembly that the January 1, 2009 reduction in

23 the state's monthly share shall not cause a reduction in the combined federal and state payment

24 level for each category of recipients in effect in the month of December 2008; provided further,

25 that the department of human services is authorized and directed to provide for payments to

26 recipients in accordance with the above directives.

27 (2) As of July 1, 2010, state supplement payments shall not be federally administered and

28 shall be paid directly by the department of human services to the recipient.

29 (3) Individuals living in institutions shall receive a twenty dollar (\$20.00) per month

30 personal needs allowance from the state which shall be in addition to the personal needs

31 allowance allowed by the Social Security Act, 42 U.S.C. § 301 et seq.

32 (4) Individuals living in state licensed supportive residential care settings and assisted

33 living residences who are receiving SSI supplemental payments under this section who are

34 participating in the program under § 40-8.13-12 [or an alternative, successor, or substitute program](#)

1 [or delivery option](#), or otherwise shall be allowed to retain a minimum personal needs allowance
2 of fifty-five dollars (\$55.00) per month from their SSI monthly benefit prior to payment of any
3 monthly fees in addition to any amounts established in an administrative rule promulgated by the
4 secretary of the executive office of health and human services for persons eligible to receive
5 Medicaid-funded long-term services and supports in the settings identified in subsection (a)(1)(v)
6 and (a)(1)(vi).

7 (5) Except as authorized for the program authorized under § 40-8.13-12 [or an alternative,](#)
8 [successor, or substitute program, or delivery option designated by the secretary](#) to ensure that
9 supportive residential care or an assisted living residence is a safe and appropriate service setting,
10 the department is authorized and directed to make a determination of the medical need and
11 whether a setting provides the appropriate services for those persons who: (i) Have applied for or
12 are receiving SSI, and who apply for admission to supportive residential care setting and assisted
13 living residences on or after October 1, 1998; or

14 (ii) Who are residing in supportive residential care settings and assisted living residences,
15 and who apply for or begin to receive SSI on or after October 1, 1998.

16 (6) The process for determining medical need required by subsection (5) of this section
17 shall be developed by the office of health and human services in collaboration with the
18 departments of that office and shall be implemented in a manner that furthers the goals of
19 establishing a statewide coordinated long-term care entry system as required pursuant to the
20 Medicaid section 1115 waiver demonstration.

21 (7) To assure access to high quality coordinated services, the executive office of health
22 and human services is further authorized and directed to establish certification or contract
23 standards that must be met by those state licensed supportive residential care settings, including
24 adult supportive care homes and assisted living residences admitting or serving any persons
25 eligible for state-funded supplementary assistance under this section or the program established
26 under § 40-8.13-12. Such certification or contract standards shall define:

27 (i) The scope and frequency of resident assessments, the development and
28 implementation of individualized service plans, staffing levels and qualifications, resident
29 monitoring, service coordination, safety risk management and disclosure, and any other related
30 areas;

31 (ii) The procedures for determining whether the certifications or contract standards have
32 been met; and

33 (iii) The criteria and process for granting a one time, short-term good cause exemption
34 from the certification or contract standards to a licensed supportive residential care setting or

1 assisted living residence that provides documented evidence indicating that meeting or failing to
2 meet said standards poses an undue hardship on any person eligible under this section who is a
3 prospective or current resident.

4 (8) The certification or contract standards required by this section or § 40-8.13-12 [or an](#)
5 [alternative, successor, or substitute program, or delivery option designated by the secretary](#) shall
6 be developed in collaboration by the departments, under the direction of the executive office of
7 health and human services, so as to ensure that they comply with applicable licensure regulations
8 either in effect or in development.

9 (b) The department is authorized and directed to provide additional assistance to
10 individuals eligible for SSI benefits for:

11 (1) Moving costs or other expenses as a result of an emergency of a catastrophic nature
12 which is defined as a fire or natural disaster; and

13 (2) Lost or stolen SSI benefit checks or proceeds of them; and

14 (3) Assistance payments to SSI eligible individuals in need because of the application of
15 federal SSI regulations regarding estranged spouses; and the department shall provide such
16 assistance in a form and amount, which the department shall by regulation determine.

17 **40-6-27.2. Supplementary cash assistance payment for certain supplemental security**
18 **income recipients.**

19 There is hereby established a \$206 monthly payment for disabled and elderly individuals
20 who, on or after July 1, 2012, receive the state supplementary assistance payment for an
21 individual in state licensed assisted living residence under § 40-6-27 and further reside in an
22 assisted living facility that is not eligible to receive funding under Title XIX of the Social
23 Security Act, 42 U.S.C. § 1381 et seq. or reside in any assisted living facility financed by the
24 Rhode Island housing and mortgage finance corporation prior to January 1, 2006, and receive a
25 payment under § 40-6-27. Such a monthly payment shall not be made on behalf of persons
26 participating in the program authorized under § 40-8.13-12 [or an alternative, successor, or](#)
27 [substitute program, or delivery option designated for such purposes by the Secretary of the](#)
28 [Executive Office of Health and Human Services.](#)

29 SECTION 2. Sections 40-8-13.4 and 40-8-19 of the General Laws in Chapter 40-8
30 entitled "Medical Assistance" are hereby amended to read as follows:

31 **40-8-13.4. Rate methodology for payment for in state and out of state hospital**
32 **services.**

33 (a) The executive office of health and human services ("executive office") shall
34 implement a new methodology for payment for in-state and out-of-state hospital services in order

1 to ensure access to, and the provision of, high-quality and cost-effective hospital care to its
2 eligible recipients.

3 (b) In order to improve efficiency and cost effectiveness, the executive office shall:

4 (1)(i) With respect to inpatient services for persons in fee-for-service Medicaid, which is
5 non-managed care, implement a new payment methodology for inpatient services utilizing the
6 Diagnosis Related Groups (DRG) method of payment, which is a patient-classification method
7 that provides a means of relating payment to the hospitals to the type of patients cared for by the
8 hospitals. It is understood that a payment method based on DRG may include cost outlier
9 payments and other specific exceptions. The executive office will review the DRG-payment
10 method and the DRG base price annually, making adjustments as appropriate in consideration of
11 such elements as trends in hospital input costs; patterns in hospital coding; beneficiary access to
12 care; and the Centers for Medicare and Medicaid Services national CMS Prospective Payment
13 System (IPPS) Hospital Input Price index. For the twelve-month (12) period beginning July 1,
14 2015, the DRG base rate for Medicaid fee-for-service inpatient hospital services shall not exceed
15 ninety-seven and one-half percent (97.5%) of the payment rates in effect as of July 1, 2014. [For](#)
16 [the twelve \(12\) month period beginning July 1, 2019, there shall be no increase in the DRG base](#)
17 [rate for Medicaid fee-for-service inpatient hospital services.](#)

18 (ii) With respect to inpatient services, (A) It is required as of January 1, 2011 until
19 December 31, 2011, that the Medicaid managed care payment rates between each hospital and
20 health plan shall not exceed ninety and one tenth percent (90.1%) of the rate in effect as of June
21 30, 2010. Increases in inpatient hospital payments for each annual twelve-month (12) period
22 beginning January 1, 2012 may not exceed the Centers for Medicare and Medicaid Services
23 national CMS Prospective Payment System (IPPS) Hospital Input Price index for the applicable
24 period; (B) Provided, however, for the twenty-four-month (24) period beginning July 1, 2013, the
25 Medicaid managed care payment rates between each hospital and health plan shall not exceed the
26 payment rates in effect as of January 1, 2013, and for the twelve-month (12) period beginning
27 July 1, 2015, the Medicaid managed-care payment inpatient rates between each hospital and
28 health plan shall not exceed ninety-seven and one-half percent (97.5%) of the payment rates in
29 effect as of January 1, 2013; (C) Increases in inpatient hospital payments for each annual twelve-
30 month (12) period beginning July 1, 2017, shall be the Centers for Medicare and Medicaid
31 Services national CMS Prospective Payment System (IPPS) Hospital Input Price Index, less
32 Productivity Adjustment, for the applicable period and shall be paid to each hospital retroactively
33 to July 1; (D) [Provided, however, for the twelve \(12\) month period beginning July 1, 2019, the](#)
34 [Medicaid managed care payment rates between each hospital and health plan shall not exceed the](#)

1 [payment rates in effect as of January 1, 2019.](#) The executive office will develop an audit
2 methodology and process to assure that savings associated with the payment reductions will
3 accrue directly to the Rhode Island Medicaid program through reduced managed-care-plan
4 payments and shall not be retained by the managed-care plans; (E) All hospitals licensed in
5 Rhode Island shall accept such payment rates as payment in full; and (F) For all such hospitals,
6 compliance with the provisions of this section shall be a condition of participation in the Rhode
7 Island Medicaid program.

8 (2) With respect to outpatient services and notwithstanding any provisions of the law to
9 the contrary, for persons enrolled in fee-for-service Medicaid, the executive office will reimburse
10 hospitals for outpatient services using a rate methodology determined by the executive office and
11 in accordance with federal regulations. Fee-for-service outpatient rates shall align with Medicare
12 payments for similar services. Notwithstanding the above, there shall be no increase in the
13 Medicaid fee-for-service outpatient rates effective on July 1, 2013, July 1, 2014, or July 1, 2015.
14 For the twelve-month (12) period beginning July 1, 2015, Medicaid fee-for-service outpatient
15 rates shall not exceed ninety-seven and one-half percent (97.5%) of the rates in effect as of July 1,
16 2014. Increases in the outpatient hospital payments for the twelve-month (12) period beginning
17 July 1, 2016, may not exceed the CMS national Outpatient Prospective Payment System (OPPS)
18 Hospital Input Price Index. [For the twelve-month \(12\) period beginning July 1, 2019, Medicaid](#)
19 [fee-for-service outpatient rates shall not exceed the rates in effect as of July 1, 2018.](#) With
20 respect to the outpatient rate, (i) It is required as of January 1, 2011, until December 31, 2011,
21 that the Medicaid managed-care payment rates between each hospital and health plan shall not
22 exceed one hundred percent (100%) of the rate in effect as of June 30, 2010; (ii) Increases in
23 hospital outpatient payments for each annual twelve-month (12) period beginning January 1,
24 2012 until July 1, 2017, may not exceed the Centers for Medicare and Medicaid Services national
25 CMS Outpatient Prospective Payment System OPSS hospital price index for the applicable
26 period; (iii) Provided, however, for the twenty-four-month (24) period beginning July 1, 2013, the
27 Medicaid managed-care outpatient payment rates between each hospital and health plan shall not
28 exceed the payment rates in effect as of January 1, 2013, and for the twelve-month (12) period
29 beginning July 1, 2015, the Medicaid managed-care outpatient payment rates between each
30 hospital and health plan shall not exceed ninety-seven and one-half percent (97.5%) of the
31 payment rates in effect as of January 1, 2013; (iv) Increases in outpatient hospital payments for
32 each annual twelve-month (12) period beginning July 1, 2017, shall be the Centers for Medicare
33 and Medicaid Services national CMS OPSS Hospital Input Price Index, less Productivity
34 Adjustment, for the applicable period and shall be paid to each hospital retroactively to July 1.

1 [For the twelve \(12\) month period beginning July 1, 2019, the Medicaid managed-care outpatient](#)
2 [payment rates between each hospital and health plan shall not exceed the payment rates in effect](#)
3 [as of January 1, 2019.](#)

4 (3) "Hospital", as used in this section, shall mean the actual facilities and buildings in
5 existence in Rhode Island, licensed pursuant to § 23-17-1 et seq. on June 30, 2010, and thereafter
6 any premises included on that license, regardless of changes in licensure status pursuant to
7 chapter 17.14 of title 23 (hospital conversions) and § 23-17-6(b) (change in effective control),
8 that provides short-term, acute inpatient and/or outpatient care to persons who require definitive
9 diagnosis and treatment for injury, illness, disabilities, or pregnancy. Notwithstanding the
10 preceding language, the Medicaid managed care payment rates for a court-approved purchaser
11 that acquires a hospital through receivership, special mastership or other similar state insolvency
12 proceedings (which court-approved purchaser is issued a hospital license after January 1, 2013)
13 shall be based upon the new rates between the court-approved purchaser and the health plan, and
14 such rates shall be effective as of the date that the court-approved purchaser and the health plan
15 execute the initial agreement containing the new rates. The rate-setting methodology for
16 inpatient-hospital payments and outpatient-hospital payments set forth in subdivisions
17 (b)(1)(ii)(C) and (b)(2), respectively, shall thereafter apply to increases for each annual twelve-
18 month (12) period as of July 1 following the completion of the first full year of the court-
19 approved purchaser's initial Medicaid managed care contract.

20 (c) It is intended that payment utilizing the DRG method shall reward hospitals for
21 providing the most efficient care, and provide the executive office the opportunity to conduct
22 value-based purchasing of inpatient care.

23 (d) The secretary of the executive office is hereby authorized to promulgate such rules
24 and regulations consistent with this chapter, and to establish fiscal procedures he or she deems
25 necessary, for the proper implementation and administration of this chapter in order to provide
26 payment to hospitals using the DRG-payment methodology. Furthermore, amendment of the
27 Rhode Island state plan for Medicaid, pursuant to Title XIX of the federal Social Security Act, is
28 hereby authorized to provide for payment to hospitals for services provided to eligible recipients
29 in accordance with this chapter.

30 (e) The executive office shall comply with all public notice requirements necessary to
31 implement these rate changes.

32 (f) As a condition of participation in the DRG methodology for payment of hospital
33 services, every hospital shall submit year-end settlement reports to the executive office within one
34 year from the close of a hospital's fiscal year. Should a participating hospital fail to timely submit

1 a year-end settlement report as required by this section, the executive office shall withhold
2 financial-cycle payments due by any state agency with respect to this hospital by not more than
3 ten percent (10%) until said report is submitted. For hospital fiscal year 2010 and all subsequent
4 fiscal years, hospitals will not be required to submit year-end settlement reports on payments for
5 outpatient services. For hospital fiscal year 2011 and all subsequent fiscal years, hospitals will not
6 be required to submit year-end settlement reports on claims for hospital inpatient services.
7 Further, for hospital fiscal year 2010, hospital inpatient claims subject to settlement shall include
8 only those claims received between October 1, 2009, and June 30, 2010.

9 (g) The provisions of this section shall be effective upon implementation of the new
10 payment methodology set forth in this section and § 40-8-13.3, which shall in any event be no
11 later than March 30, 2010, at which time the provisions of §§ 40-8-13.2, 27-19-14, 27-19-15, and
12 27-19-16 shall be repealed in their entirety.

13 **40-8-19. Rates of payment to nursing facilities.**

14 (a) Rate reform.

15 (1) The rates to be paid by the state to nursing facilities licensed pursuant to chapter 17 of
16 title 23, and certified to participate in Title XIX of the Social Security Act for services rendered to
17 Medicaid-eligible residents, shall be reasonable and adequate to meet the costs that must be
18 incurred by efficiently and economically operated facilities in accordance with 42 U.S.C. §
19 1396a(a)(13). The executive office of health and human services ("executive office") shall
20 promulgate or modify the principles of reimbursement for nursing facilities in effect as of July 1,
21 2011, to be consistent with the provisions of this section and Title XIX, 42 U.S.C. § 1396 et seq.,
22 of the Social Security Act.

23 (2) The executive office shall review the current methodology for providing Medicaid
24 payments to nursing facilities, including other long-term-care services providers, and is
25 authorized to modify the principles of reimbursement to replace the current cost-based
26 methodology rates with rates based on a price-based methodology to be paid to all facilities with
27 recognition of the acuity of patients and the relative Medicaid occupancy, and to include the
28 following elements to be developed by the executive office:

29 (i) A direct-care rate adjusted for resident acuity;

30 (ii) An indirect-care rate comprised of a base per diem for all facilities;

31 (iii) A rerearray of costs for all facilities every three (3) years beginning October, 2015, that
32 may or may not result in automatic per diem revisions;

33 (iv) Application of a fair-rental value system;

34 (v) Application of a pass-through system; and

1 (vi) Adjustment of rates by the change in a recognized national nursing home inflation
2 index to be applied on October 1 of each year, beginning October 1, 2012. This adjustment will
3 not occur on October 1, 2013, October 1, 2014 or October 1, 2015, but will occur on April 1,
4 2015. The adjustment of rates will also not occur on October 1, 2017, ~~or~~ October 1, 2018 and
5 October 1, 2019. Effective July 1, 2018, rates paid to nursing facilities from the rates approved
6 by the Centers for Medicare and Medicaid Services and in effect on October 1, 2017, both fee-
7 for-service and managed care, will be increased by one and one-half percent (1.5%) and further
8 increased by one percent (1%) on October 1, 2018, and further increased by one percent (1%) on
9 October 1, 2019. Said inflation index shall be applied without regard for the transition factors in
10 subsections (b)(1) and (b)(2). For purposes of October 1, 2016, adjustment only, any rate
11 increase that results from application of the inflation index to subsections (a)(2)(i) and (a)(2)(ii)
12 shall be dedicated to increase compensation for direct-care workers in the following manner: Not
13 less than 85% of this aggregate amount shall be expended to fund an increase in wages, benefits,
14 or related employer costs of direct-care staff of nursing homes. For purposes of this section,
15 direct-care staff shall include registered nurses (RNs), licensed practical nurses (LPNs), certified
16 nursing assistants (CNAs), certified medical technicians, housekeeping staff, laundry staff,
17 dietary staff, or other similar employees providing direct care services; provided, however, that
18 this definition of direct-care staff shall not include: (i) RNs and LPNs who are classified as
19 "exempt employees" under the Federal Fair Labor Standards Act (29 U.S.C. § 201 et seq.); or (ii)
20 CNAs, certified medical technicians, RNs, or LPNs who are contracted, or subcontracted, through
21 a third-party vendor or staffing agency. By July 31, 2017, nursing facilities shall submit to the
22 secretary, or designee, a certification that they have complied with the provisions of subsections
23 (a)(2)(vi) with respect to the inflation index applied on October 1, 2016. Any facility that does not
24 comply with terms of such certification shall be subjected to a clawback, paid by the nursing
25 facility to the state, in the amount of increased reimbursement subject to this provision that was
26 not expended in compliance with that certification.

27 (b) Transition to full implementation of rate reform. For no less than four (4) years after
28 the initial application of the price-based methodology described in subsection (a)(2) to payment
29 rates, the executive office of health and human services shall implement a transition plan to
30 moderate the impact of the rate reform on individual nursing facilities. Said transition shall
31 include the following components:

32 (1) No nursing facility shall receive reimbursement for direct-care costs that is less than
33 the rate of reimbursement for direct-care costs received under the methodology in effect at the
34 time of passage of this act; for the year beginning October 1, 2017, the reimbursement for direct-

1 care costs under this provision will be phased out in twenty-five-percent (25%) increments each
2 year until October 1, 2021, when the reimbursement will no longer be in effect; and

3 (2) No facility shall lose or gain more than five dollars (\$5.00) in its total, per diem rate
4 the first year of the transition. An adjustment to the per diem loss or gain may be phased out by
5 twenty-five percent (25%) each year; except, however, for the years beginning October 1, 2015,
6 there shall be no adjustment to the per diem gain or loss, but the phase out shall resume
7 thereafter; and

8 (3) The transition plan and/or period may be modified upon full implementation of
9 facility per diem rate increases for quality of care-related measures. Said modifications shall be
10 submitted in a report to the general assembly at least six (6) months prior to implementation.

11 (4) Notwithstanding any law to the contrary, for the twelve-month (12) period beginning
12 July 1, 2015, Medicaid payment rates for nursing facilities established pursuant to this section
13 shall not exceed ninety-eight percent (98%) of the rates in effect on April 1, 2015. Consistent
14 with the other provisions of this chapter, nothing in this provision shall require the executive
15 office to restore the rates to those in effect on April 1, 2015, at the end of this twelve-month (12)
16 period.

17 SECTION 3. Section 40-8.3-10 of the General Laws in Chapter 40-8.3 entitled
18 "Uncompensated Care" is hereby amended to read as follows:

19 **40-8.3-10. Hospital adjustment payments.**

20 Effective July 1, 2012 and for each subsequent year, the executive office of health and
21 human services is hereby authorized and directed to amend its regulations for reimbursement to
22 hospitals for ~~inpatient and~~ outpatient services as follows:

23 (a) Each hospital in the state of Rhode Island, as defined in subdivision 23-17-38.1(c)(1),
24 shall receive a quarterly outpatient adjustment payment each state fiscal year of an amount
25 determined as follows:

26 (1) Determine the percent of the state's total Medicaid outpatient and emergency
27 department services (exclusive of physician services) provided by each hospital during each
28 hospital's prior fiscal year;

29 (2) Determine the sum of all Medicaid payments to hospitals made for outpatient and
30 emergency department services (exclusive of physician services) provided during each hospital's
31 prior fiscal year;

32 (3) Multiply the sum of all Medicaid payments as determined in subdivision (2) by a
33 percentage defined as the total identified upper payment limit for all hospitals divided by the sum
34 of all Medicaid payments as determined in subdivision (2); and then multiply that result by each

1 hospital's percentage of the state's total Medicaid outpatient and emergency department services
2 as determined in subdivision (1) to obtain the total outpatient adjustment for each hospital to be
3 paid each year;

4 (4) Pay each hospital on or before July 20, October 20, January 20, and April 20 one
5 quarter (1/4) of its total outpatient adjustment as determined in subdivision (3) above.

6 ~~(b) Each hospital in the state of Rhode Island, as defined in subdivision 3-17-38.19(b)(1),
7 shall receive a quarterly inpatient adjustment payment each state fiscal year of an amount
8 determined as follows:~~

9 ~~(1) Determine the percent of the state's total Medicaid inpatient services (exclusive of
10 physician services) provided by each hospital during each hospital's prior fiscal year;~~

11 ~~(2) Determine the sum of all Medicaid payments to hospitals made for inpatient services
12 (exclusive of physician services) provided during each hospital's prior fiscal year;~~

13 ~~(3) Multiply the sum of all Medicaid payments as determined in subdivision (2) by a
14 percentage defined as the total identified upper payment limit for all hospitals divided by the sum
15 of all Medicaid payments as determined in subdivision (2); and then multiply that result by each
16 hospital's percentage of the state's total Medicaid inpatient services as determined in subdivision
17 (1) to obtain the total inpatient adjustment for each hospital to be paid each year;~~

18 ~~(4) Pay each hospital on or before July 20, October 20, January 20, and April 20 one
19 quarter (1/4) of its total inpatient adjustment as determined in subdivision (3) above.~~

20 ~~(e)(b)~~ The amounts determined in subsections (a) ~~and (b)~~ are in addition to Medicaid
21 ~~inpatient and~~ outpatient payments and emergency services payments (exclusive of physician
22 services) paid to hospitals in accordance with current state regulation and the Rhode Island Plan
23 for Medicaid Assistance pursuant to Title XIX of the Social Security Act and are not subject to
24 recoupment or settlement.

25 SECTION 4. Chapter 40-8.4 of the General Laws entitled "Health Care For Families" is
26 hereby amended by adding thereto the following section:

27 **40-8.4-21. Employer Public Assistance Assessment.**

28 (a) Employer Assessment. Each employer employing no less than three hundred (300)
29 employees within the state of Rhode Island, shall pay quarterly an assessment for each employee
30 who is a Medicaid beneficiary for every day of the quarter, whether full- or part-time; provided,
31 however, no nonprofit organization or governmental entity shall be considered an employer for
32 the purposes of this section. The assessment shall be computed by multiplying the wages the
33 employer paid any such employee by ten per cent (10%), up to an annual maximum assessment
34 of one thousand five hundred dollars (\$1,500) per Medicaid beneficiary employee. Working

1 adults with disabilities, as further defined by regulation authorized in subsection (g), are
2 exempted employees for whom the employer will not be charged an employer assessment under
3 this section.

4 (b) Wages. For the purposes of this section, "wages" means all compensation due to an
5 employee by reason of his or her employment.

6 (c) Appeal. An employer notified of a liability determination under this section may
7 request a hearing with the department of labor and training to appeal the liability determination.
8 The request for a hearing shall be filed not more than fifteen (15) days after the receipt of notice
9 of the determination. The decision rendered at the conclusion of the hearing shall be considered a
10 final agency order.

11 (d) Eligibility inquiries. Notwithstanding the appeal right in subsection (c), an employer
12 may issue to the department of human services a request for review of the Medicaid eligibility of
13 any employee for whom the employer is charged an assessment. Except where prohibited by
14 federal law, the State is authorized to make a limited disclosure to the inquiring employer
15 regarding the name of any Medicaid beneficiary employee for whom the employer is being
16 assessed under subsection (a).

17 (e) Discrimination prohibited. No employer may take any adverse action against any
18 employee or potential employee on the basis of the employee's status as a Medicaid beneficiary.
19 Any employer found to have discriminated on this basis shall be subject to a penalty prescribed in
20 regulations promulgated pursuant to this section.

21 (f) Data sharing. The departments of administration, revenue, human services, and labor
22 and training, and the executive office of health and human services are authorized to share data
23 and information to implement this section. Data collected by the departments of administration,
24 revenue, human services, labor and training, or the executive office of health and human services
25 for the implementation of this section shall not be a public record.

26 (g) Regulations. The departments of labor and training and human services are authorized
27 to promulgate regulations to implement the provisions of this section, including additional
28 parameters on which employees cause the assessment and the definition of working disabled
29 adults exempted from the employer assessment contained in subsection (a), in consultation with
30 the executive office of health and human services and department of revenue.

31 SECTION 5. Section 40-8.9-9 of the General Laws in Chapter 40-8.9 entitled "Medical
32 Assistance - Long-Term Care Service and Finance Reform" is hereby amended to read as
33 follows:

34 **40-8.9-9. Long-term-care rebalancing system reform goal.**

1 (a) Notwithstanding any other provision of state law, the executive office of health and
2 human services is authorized and directed to apply for, and obtain, any necessary waiver(s),
3 waiver amendment(s), and/or state-plan amendments from the secretary of the United States
4 Department of Health and Human Services, and to promulgate rules necessary to adopt an
5 affirmative plan of program design and implementation that addresses the goal of allocating a
6 minimum of fifty percent (50%) of Medicaid long-term-care funding for persons aged sixty-five
7 (65) and over and adults with disabilities, in addition to services for persons with developmental
8 disabilities, to home- and community-based care; provided, further, the executive office shall
9 report annually as part of its budget submission, the percentage distribution between institutional
10 care and home- and community-based care by population and shall report current and projected
11 waiting lists for long-term-care and home- and community-based care services. The executive
12 office is further authorized and directed to prioritize investments in home- and community-based
13 care and to maintain the integrity and financial viability of all current long-term-care services
14 while pursuing this goal.

15 (b) The reformed long-term-care system rebalancing goal is person centered and
16 encourages individual self-determination, family involvement, interagency collaboration, and
17 individual choice through the provision of highly specialized and individually tailored home-
18 based services. Additionally, individuals with severe behavioral, physical, or developmental
19 disabilities must have the opportunity to live safe and healthful lives through access to a wide
20 range of supportive services in an array of community-based settings, regardless of the
21 complexity of their medical condition, the severity of their disability, or the challenges of their
22 behavior. Delivery of services and supports in less costly and less restrictive community settings,
23 will enable children, adolescents, and adults to be able to curtail, delay, or avoid lengthy stays in
24 long-term care institutions, such as behavioral health residential-treatment facilities, long-term-
25 care hospitals, intermediate-care facilities, and/or skilled nursing facilities.

26 (c) Pursuant to federal authority procured under § 42-7.2-16, the executive office of
27 health and human services is directed and authorized to adopt a tiered set of criteria to be used to
28 determine eligibility for services. Such criteria shall be developed in collaboration with the state's
29 health and human services departments and, to the extent feasible, any consumer group, advisory
30 board, or other entity designated for such purposes, and shall encompass eligibility
31 determinations for long-term-care services in nursing facilities, hospitals, and intermediate-care
32 facilities for persons with intellectual disabilities, as well as home- and community-based
33 alternatives, and shall provide a common standard of income eligibility for both institutional and
34 home- and community-based care. The executive office is authorized to adopt clinical and/or

1 functional criteria for admission to a nursing facility, hospital, or intermediate-care facility for
2 persons with intellectual disabilities that are more stringent than those employed for access to
3 home- and community-based services. The executive office is also authorized to promulgate rules
4 that define the frequency of re-assessments for services provided for under this section. Levels of
5 care may be applied in accordance with the following:

6 (1) The executive office shall continue to apply the level of care criteria in effect on June
7 30, 2015, for any recipient determined eligible for and receiving Medicaid-funded, long-term
8 services in supports in a nursing facility, hospital, or intermediate-care facility for persons with
9 intellectual disabilities on or before that date, unless:

10 (a) The recipient transitions to home- and community-based services because he or she
11 would no longer meet the level of care criteria in effect on June 30, 2015; or

12 (b) The recipient chooses home- and community-based services over the nursing facility,
13 hospital, or intermediate-care facility for persons with intellectual disabilities. For the purposes of
14 this section, a failed community placement, as defined in regulations promulgated by the
15 executive office, shall be considered a condition of clinical eligibility for the highest level of care.
16 The executive office shall confer with the long-term-care ombudsperson with respect to the
17 determination of a failed placement under the ombudsperson's jurisdiction. Should any Medicaid
18 recipient eligible for a nursing facility, hospital, or intermediate-care facility for persons with
19 intellectual disabilities as of June 30, 2015, receive a determination of a failed community
20 placement, the recipient shall have access to the highest level of care; furthermore, a recipient
21 who has experienced a failed community placement shall be transitioned back into his or her
22 former nursing home, hospital, or intermediate-care facility for persons with intellectual
23 disabilities whenever possible. Additionally, residents shall only be moved from a nursing home,
24 hospital, or intermediate-care facility for persons with intellectual disabilities in a manner
25 consistent with applicable state and federal laws.

26 (2) Any Medicaid recipient eligible for the highest level of care who voluntarily leaves a
27 nursing home, hospital, or intermediate-care facility for persons with intellectual disabilities shall
28 not be subject to any wait list for home- and community-based services.

29 (3) No nursing home, hospital, or intermediate-care facility for persons with intellectual
30 disabilities shall be denied payment for services rendered to a Medicaid recipient on the grounds
31 that the recipient does not meet level of care criteria unless and until the executive office has:

32 (i) Performed an individual assessment of the recipient at issue and provided written
33 notice to the nursing home, hospital, or intermediate-care facility for persons with intellectual
34 disabilities that the recipient does not meet level of care criteria; and

1 (ii) The recipient has either appealed that level of care determination and been
2 unsuccessful, or any appeal period available to the recipient regarding that level of care
3 determination has expired.

4 (d) The executive office is further authorized to consolidate all home- and community-
5 based services currently provided pursuant to 42 U.S.C. § 1396n into a single system of home-
6 and community-based services that include options for consumer direction and shared living. The
7 resulting single home- and community-based services system shall replace and supersede all 42
8 U.S.C. § 1396n programs when fully implemented. Notwithstanding the foregoing, the resulting
9 single program home- and community-based services system shall include the continued funding
10 of assisted-living services at any assisted-living facility financed by the Rhode Island housing and
11 mortgage finance corporation prior to January 1, 2006, and shall be in accordance with chapter
12 66.8 of title 42 as long as assisted-living services are a covered Medicaid benefit.

13 (e) The executive office is authorized to promulgate rules that permit certain optional
14 services including, but not limited to, homemaker services, home modifications, respite, and
15 physical therapy evaluations to be offered to persons at risk for Medicaid-funded, long-term care
16 subject to availability of state-appropriated funding for these purposes.

17 (f) To promote the expansion of home- and community-based service capacity, the
18 executive office is authorized to pursue payment methodology reforms that increase access to
19 homemaker, personal care (home health aide), assisted living, adult supportive-care homes, and
20 adult day services, as follows:

21 (1) Development of revised or new Medicaid certification standards that increase access
22 to service specialization and scheduling accommodations by using payment strategies designed to
23 achieve specific quality and health outcomes.

24 (2) Development of Medicaid certification standards for state-authorized providers of
25 adult-day services, excluding such providers of services authorized under § 40.1-24-1(3), assisted
26 living, and adult supportive care (as defined under chapter 17.24 of title 23) that establish for
27 each, an acuity-based, tiered service and payment methodology tied to: licensure authority; level
28 of beneficiary needs; the scope of services and supports provided; and specific quality and
29 outcome measures.

30 The standards for adult-day services for persons eligible for Medicaid-funded, long-term
31 services may differ from those who do not meet the clinical/functional criteria set forth in § 40-
32 8.10-3.

33 (3) As the state's Medicaid program seeks to assist more beneficiaries requiring long-term
34 services and supports in home- and community-based settings, the demand for home care workers

1 has increased, and wages for these workers has not kept pace with neighboring states, leading to
2 high turnover and vacancy rates in the state's home-care industry, the executive office shall
3 institute a one-time increase in the base-payment rates for home-care service providers to
4 promote increased access to and an adequate supply of highly trained home health care
5 professionals, in amount to be determined by the appropriations process, for the purpose of
6 raising wages for personal care attendants and home health aides to be implemented by such
7 providers.

8 (4) A prospective base adjustment, effective not later than July 1, 2018, of ten percent
9 (10%) of the current base rate for home care providers, home nursing care providers, and hospice
10 providers contracted with the executive office of health and human services and its subordinate
11 agencies to deliver Medicaid fee-for-service personal care attendant services.

12 (5) A prospective base adjustment, effective not later than July 1, 2018, of twenty percent
13 (20%) of the current base rate for home care providers, home nursing care providers, and hospice
14 providers contracted with the executive office of health and human services and its subordinate
15 agencies to deliver Medicaid fee-for-service skilled nursing and therapeutic services and hospice
16 care.

17 (6) Effective July 1, 2019, the rate for hospice providers delivering hospice care in a
18 skilled nursing facility shall not exceed ninety-five percent (95%) of the rate paid for non-hospice
19 care in a skilled nursing facility.

20 ~~(6)~~ (7) On the first of July in each year, beginning on July 1, 2019, the executive office of
21 health and human services will initiate an annual inflation increase to the base rate for home care
22 providers, home nursing care providers, and hospice providers, except those providing hospice
23 care in skilled nursing facilities, contracted with the executive office and its subordinate agencies
24 to deliver Medicaid fee-for-service skilled nursing and therapeutic services and hospice care. The
25 base rate increase shall be ~~by~~ a percentage amount equal to the New England Consumer Price
26 Index card as determined by the United States Department of Labor for medical care and for
27 compliance with all federal and state laws, regulations, and rules, and all national accreditation
28 program requirements. (g) The executive office shall implement a long-term-care options
29 counseling program to provide individuals, or their representatives, or both, with long-term-care
30 consultations that shall include, at a minimum, information about: long-term-care options,
31 sources, and methods of both public and private payment for long-term-care services and an
32 assessment of an individual's functional capabilities and opportunities for maximizing
33 independence. Each individual admitted to, or seeking admission to, a long-term-care facility,
34 regardless of the payment source, shall be informed by the facility of the availability of the long-

1 term-care options counseling program and shall be provided with long-term-care options
2 consultation if they so request. Each individual who applies for Medicaid long-term-care services
3 shall be provided with a long-term-care consultation.

4 (h) The executive office is also authorized, subject to availability of appropriation of
5 funding, and federal, Medicaid-matching funds, to pay for certain services and supports necessary
6 to transition or divert beneficiaries from institutional or restrictive settings and optimize their
7 health and safety when receiving care in a home or the community. The secretary is authorized to
8 obtain any state plan or waiver authorities required to maximize the federal funds available to
9 support expanded access to such home- and community-transition and stabilization services;
10 provided, however, payments shall not exceed an annual or per-person amount.

11 (i) To ensure persons with long-term-care needs who remain living at home have
12 adequate resources to deal with housing maintenance and unanticipated housing-related costs, the
13 secretary is authorized to develop higher resource eligibility limits for persons or obtain any state
14 plan or waiver authorities necessary to change the financial eligibility criteria for long-term
15 services and supports to enable beneficiaries receiving home and community waiver services to
16 have the resources to continue living in their own homes or rental units or other home-based
17 settings.

18 (j) The executive office shall implement, no later than January 1, 2016, the following
19 home- and community-based service and payment reforms:

20 (1) Community-based, supportive-living program established in § 40-8.13-12 [or an](#)
21 [alternative, successor, or substitute program, or delivery option designated for such purposes by](#)
22 [the Secretary of the Executive Office of Health and Human Services](#);

23 (2) Adult day services level of need criteria and acuity-based, tiered-payment
24 methodology; and

25 (3) Payment reforms that encourage home- and community-based providers to provide
26 the specialized services and accommodations beneficiaries need to avoid or delay institutional
27 care.

28 (k) The secretary is authorized to seek any Medicaid section 1115 waiver or state-plan
29 amendments and take any administrative actions necessary to ensure timely adoption of any new
30 or amended rules, regulations, policies, or procedures and any system enhancements or changes,
31 for which appropriations have been authorized, that are necessary to facilitate implementation of
32 the requirements of this section by the dates established. The secretary shall reserve the discretion
33 to exercise the authority established under §§ 42-7.2-5(6)(v) and 42-7.2-6.1, in consultation with
34 the governor, to meet the legislative directives established herein.

1 SECTION 6. Section 40-8.13-12 of the General Laws in Chapter 40-8.13 entitled "Long-
2 Term Managed Care Arrangements" is hereby amended to read as follows:

3 **40-8.13-12. Community-based supportive living program.**

4 (a) To expand the number of community-based service options, the executive office of
5 health and human services shall establish a program for beneficiaries opting to participate in
6 managed care long-term care arrangements under this chapter who choose to receive Medicaid-
7 funded assisted living, adult supportive care home, or shared living long-term care services and
8 supports. As part of the program, the executive office shall implement Medicaid certification or,
9 as appropriate, managed care contract standards for state authorized providers of these services
10 that establish an acuity-based, tiered service and payment system that ties reimbursements to:
11 beneficiary's clinical/functional level of need; the scope of services and supports provided; and
12 specific quality and outcome measures. Such standards shall set the base level of Medicaid state
13 plan and waiver services that each type of provider must deliver, the range of acuity-based service
14 enhancements that must be made available to beneficiaries with more intensive care needs, and
15 the minimum state licensure and/or certification requirements a provider must meet to
16 participate in the pilot at each service/payment level. The standards shall also establish any
17 additional requirements, terms or conditions a provider must meet to ensure beneficiaries have
18 access to high quality, cost effective care.

19 (b) Room and board. The executive office shall raise the cap on the amount Medicaid
20 certified assisted living and adult supportive home care providers are permitted to charge
21 participating beneficiaries for room and board. In the first year of the program, the monthly
22 charges for a beneficiary living in a single room who has income at or below three hundred
23 percent (300%) of the Supplemental Security Income (SSI) level shall not exceed the total of both
24 the maximum monthly federal SSI payment and the monthly state supplement authorized for
25 persons requiring long-term services under § 40-6-27.2(a)(1)(vi), less the specified personal need
26 allowance. For a beneficiary living in a double room, the room and board cap shall be set at
27 eighty-five percent (85%) of the monthly charge allowed for a beneficiary living in a single room.

28 (c) Program cost-effectiveness. The total cost to the state for providing the state
29 supplement and Medicaid-funded services and supports to beneficiaries participating in the
30 program in the initial year of implementation shall not exceed the cost for providing Medicaid-
31 funded services to the same number of beneficiaries with similar acuity needs in an institutional
32 setting in the initial year of the operations. The program shall be terminated if the executive
33 office determines that the program has not met this target. [The State shall expand access to the](#)
34 [program to qualified beneficiaries who opt out of an LTSS arrangement, in accordance with §40-](#)

1 [8.13-2, or are required to enroll in an alternative, successor, or substitute program, or delivery](#)
2 [option designated for such purposes by the Secretary of the Executive Office of Health and](#)
3 [Human Services if the enrollment in an LTSS plan is no longer an option.](#)

4 SECTION 7. Section 40.1-22-13 of the General Laws in Chapter 40.1-22 entitled
5 "Developmental Disabilities" is hereby amended to read as follows:

6 **40.1-22-13. Visits.**

7 No public or private developmental disabilities facility shall restrict the visiting of a
8 client by anyone at any time of the day or night; however, in special circumstances when the
9 client is ill or incapacitated and a visit would not be in his or her best interest, visitation may be
10 restricted temporarily during the illness or incapacity [when documented in the client's](#)
11 [individualized program plan, as defined in §40.1-21-4.3\(7\) of the general laws.](#)

12 SECTION 8. Section 40.1-26-3 of the General Laws in Chapter 40.1-26 entitled "Rights
13 for Persons with Developmental Disabilities" is hereby amended to read as follows:

14 **40.1-26-3. Participants' rights.**

15 In addition to any other rights provided by state or federal laws, a participant as defined
16 in this chapter shall be entitled to the following rights:

17 (1) To be treated with dignity, respect for privacy and have the right to a safe and
18 supportive environment;

19 (2) To be free from verbal and physical abuse;

20 (3)(i) To engage in any activity including employment, appropriate to his or her age, and
21 interests in the most integrated community setting;

22 (ii) No participant shall be required to perform labor, which involves the essential
23 operation and maintenance of the agency or the regular supervision or care of other participants.
24 Participants may however, be requested to perform labor involving normal housekeeping and
25 home maintenance functions if such responsibilities are documented in the participant's
26 individualized plan;

27 (4) To participate in the development of his or her individualized plan and to provide
28 informed consent to its implementation or to have an advocate provide informed consent if the
29 participant is not competent to do so;

30 (5) To have access to his or her individualized plan and other medical, social, financial,
31 vocational, psychiatric, or other information included in the file maintained by the agency;

32 (6) To give written informed consent prior to the imposition of any plan designed to
33 modify behavior, including those which utilizes aversive techniques or impairs the participant's
34 liberty or to have an advocate provide written informed consent if the participant is not competent

1 to do so. Provided, however, that if the participant is competent to provide consent but cannot
2 provide written consent, the agency shall accept an alternate form of consent and document in the
3 participant's record how such consent was obtained;

4 (7) To register a complaint regarding an alleged violation of rights through the grievance
5 procedure delineated in § 40.1-26-5;

6 (8) To be free from unnecessary restraint. Restraints shall not be employed as
7 punishment, for the convenience of the staff, or as a substitute for an individualized plan.
8 Restraints shall impose the least possible restrictions consistent with their purpose and shall be
9 removed when the emergency ends. Restraints shall not cause physical injury to the participant
10 and shall be designed to allow the greatest possible comfort. Restraints shall be subject to the
11 following conditions:

12 (i) Physical restraint shall be employed only in emergencies to protect the participant or
13 others from imminent injury or when prescribed by a physician, when necessary, during the
14 conduct of a specific medical or surgical procedure or if necessary for participant protection
15 during the time that a medical condition exists;

16 (ii) Chemical restraint shall only be used when prescribed by a physician in extreme
17 emergencies in which physical restraint is not possible and the harmful effects of the emergency
18 clearly outweigh the potential harmful effects of the chemical restraints;

19 (iii) No participant shall be placed in seclusion;

20 (iv) The agency shall have a written policy that defines the use of restraints, the staff
21 members who may authorize their use, and a mechanism for monitoring and controlling their use;

22 (v) All orders for restraint as well as the required frequency of staff observation of the
23 participant shall be written;

24 (9) To have ~~reasonable~~, at any time, access to telephone communication;

25 (10) To receive visitors of a participant's choosing at ~~all reasonable hours~~ any time;

26 (11) To keep and be allowed to spend ~~a reasonable amount of~~ one's own money;

27 (12) To be provided advance written notice explaining the reason(s) why the participant
28 is no longer eligible for service from the agency;

29 (13) To religious freedom and practice;

30 (14) To communicate by sealed mail or otherwise with persons of one's choosing;

31 (15) To select and wear one's own clothing and to keep and use one's own personal
32 possessions;

33 (16) To have ~~reasonable~~, prompt access to current newspapers, magazines and radio and
34 television programming;

1 (17) To have opportunities for physical exercise and outdoor recreation;

2 (18)(i) To provide informed consent prior to the imposition of any invasive medical
3 treatment including any surgical procedure or to have a legal guardian, or in the absence of a legal
4 guardian, a relative as defined in this chapter, provide informed consent if the participant is not
5 competent to do so. Information upon which a participant shall make necessary treatment and/or
6 surgery decisions shall be presented to the participant in a manner consistent with his or her
7 learning style and shall include, but not be limited to:

8 (A) The nature and consequences of the procedure(s);

9 (B) The risks, benefits and purpose of the procedure(s); and

10 (C) Alternate procedures available;

11 (ii) The informed consent of a participant or his or her legal guardian or, in the absence of
12 a legal guardian, a relative as defined in this chapter, may be withdrawn at any time, with or
13 without cause, prior to treatment. The absence of informed consent notwithstanding, a licensed
14 and qualified physician may render emergency medical care or treatment to any participant who
15 has been injured or who is suffering from an acute illness, disease, or condition if, within a
16 reasonable degree of medical certainty, delay in initiation of emergency medical care or treatment
17 would endanger the health of the participant;

18 (19) Each participant shall have a central record. The record shall include data pertaining
19 to admissions and such other information as may be required under regulations by the
20 department;

21 (20) Admissions -- As part of the procedure for the admission of a participant to an
22 agency, each participant or applicant, or advocate if the participant or applicant is not competent,
23 shall be fully informed, orally and in writing, of all rules, regulations, and policies governing
24 participant conduct and responsibilities, including grounds for dismissal, procedures for
25 discharge, and all anticipated financial charges, including all costs not covered under federal
26 and/or state programs, by other third party payors or by the agency's basic per diem rate. The
27 written notice shall include information regarding the participant's or applicant's right to appeal
28 the admission or dismissal decisions of the agency;

29 (21) Upon termination of services to or death of a participant, a final accounting shall be
30 made of all personal effects and/or money belonging to the participant held by the agency. All
31 personal effects and/or money including interest shall be promptly released to the participant or
32 his or her heirs;

33 (22) Nothing in this chapter shall preclude intervention in the form of appropriate and
34 reasonable restraint should it be necessary to protect individuals from physical injury to

1 themselves or others.

2 SECTION 9. Section 42-12.4-7 of the General Laws in Chapter 42-12.4 entitled "The
3 Rhode Island Medicaid Reform Act of 2008" is hereby amended to read as follows:

4 **42-12.4-7. Demonstration implementation -- Restrictions.**

5 The executive office of health and human services and the department of human services
6 may implement the global consumer choice section 1115 demonstration ("the demonstration"),
7 project number 11W-00242/1, subject to the following restrictions:

8 (1) Notwithstanding the provisions of the demonstration, any change that requires the
9 implementation of a rule or regulation or modification of a rule or regulation in existence prior to
10 the demonstration shall require prior approval of the general assembly;

11 (2) Notwithstanding the provisions of the demonstration, any ~~Category II change or~~
12 ~~Category III change~~ formal waiver amendments, as defined in the demonstration, shall require the
13 prior approval of the general assembly.

14 SECTION 10. Section 42-14.6-4 of the General Laws in Chapter 42-14.6 entitled "Rhode
15 Island All-Payer Patient-Centered Medical Home Act" is hereby amended to read as follows:

16 **42-14.6-4. Promotion of the patient-centered medical home.**

17 (a) Care coordination payments.

18 (1) The commissioner and the secretary shall convene a patient-centered medical home
19 collaborative consisting of the entities described in subdivision 42-14.6-3(7). The commissioner
20 shall require participation in the collaborative by all of the health insurers described above. The
21 collaborative shall propose, by January 1, 2012, a payment system, to be adopted in whole or in
22 part by the commissioner and the secretary, that requires all health insurers to make per-person
23 care coordination payments to patient-centered medical homes, for providing care coordination
24 services and directly managing on-site or employing care coordinators as part of all health
25 insurance plans offered in Rhode Island. The collaborative shall provide guidance to the state
26 health-care program as to the appropriate payment system for the state health-care program to the
27 same patient-centered medical homes; the state health-care program must justify the reasons for
28 any departure from this guidance to the collaborative.

29 (2) The care coordination payments under this shall be consistent across insurers and
30 patient-centered medical homes and shall be in addition to any other incentive payments such as
31 quality incentive payments. In developing the criteria for care coordination payments, the
32 commissioner shall consider the feasibility of including the additional time and resources needed
33 by patients with limited English-language skills, cultural differences, or other barriers to health
34 care. The commissioner may direct the collaborative to determine a schedule for phasing in care

1 coordination fees.

2 ~~(3) The care coordination payment system shall be in place through July 1, 2016. Its~~
3 ~~continuation beyond that point shall depend on results of the evaluation reports filed pursuant to §~~
4 ~~42-14.6-6.~~

5 ~~(4)(3)~~ Examination of other payment reforms. ~~By January 1, 2013, the commissioner and~~
6 ~~the~~ The secretary shall direct the collaborative to consider additional payment reforms to be
7 implemented to support patient-centered medical homes including, but not limited to, payment
8 structures (to medical home or other providers) that:

9 (i) Reward high-quality, low-cost providers;

10 (ii) Create enrollee incentives to receive care from high-quality, low-cost providers;

11 (iii) Foster collaboration among providers to reduce cost shifting from one part of the
12 health continuum to another; and

13 (iv) Create incentives that health care be provided in the least restrictive, most
14 appropriate setting.

15 (v) Constitute alternatives to fee for service payment, such as partial and full capitation.

16 ~~(5)(4)~~ The patient-centered medical home collaborative shall examine and make
17 recommendations to the secretary regarding the designation of patient-centered medical homes, in
18 order to promote diversity in the size of practices designated, geographic locations of practices
19 designated and accessibility of the population throughout the state to patient-centered medical
20 homes.

21 (b) The patient-centered medical home collaborative shall propose to the secretary for
22 adoption, standards for the patient-centered medical home to be used in the payment system. In
23 developing these standards, the existing standards by the national committee for quality
24 assurance, or other independent accrediting organizations may be considered where feasible.

25 SECTION 11. Section 15 of Article 5 of Chapter 141 of the Public Laws of 2015 is
26 hereby repealed.

27 ~~A pool is hereby established of up to \$4.0 million to support Medicaid Graduate~~
28 ~~Education funding for Academic Medical Centers who provide care to the state's critically ill and~~
29 ~~indigent populations. The office of Health and Human Services shall utilize this pool to provide~~
30 ~~up to \$5 million per year in additional Medicaid payments to support Graduate Medical~~
31 ~~Education programs to hospitals meeting all of the following criteria:~~

32 ~~(a) Hospital must have a minimum of 25,000 inpatient discharges per year for all patients~~
33 ~~regardless of coverage.~~

34 ~~(b) Hospital must be designated as Level I Trauma Center.~~

1 ~~(e) Hospital must provide graduate medical education training for at least 250 interns and~~
2 ~~residents per year.~~

3 ~~The Secretary of the Executive Office of Health and Human Services shall determine the~~
4 ~~appropriate Medicaid payment mechanism to implement this program and amend any state plan~~
5 ~~documents required to implement the payments.~~

6 ~~Payments for Graduate Medical Education programs shall be made annually.~~

7 SECTION 12. Section of this article shall take effect October 1, 2019. The remaining
8 sections of this article shall take effect upon passage.

9 **ARTICLE 17**

10 **RELATING TO MEDICAID REFORM ACT OF 2008 RESOLUTION**

11 SECTION 1. Rhode Island Medicaid Reform Act of 2008 Resolution.

12 WHEREAS, , the General Assembly enacted Chapter 12.4 of Title 42 entitled “The
13 Rhode Island Medicaid Reform Act of 2008”; and

14 WHEREAS, a legislative enactment is required pursuant to Rhode Island General Laws
15 42-12.4-1, et seq.; and

16 WHEREAS, Rhode Island General Law 42-7.2-5(3)(a) provides that the Secretary of the
17 Executive Office of Health and Human Services (“Executive Office”) is responsible for the
18 review and coordination of any Rhode Island’s Medicaid section 1115 demonstration waiver
19 requests and renewals as well as any initiatives and proposals requiring amendments to the
20 Medicaid state plan or changes as described in the demonstration, “with potential to affect the
21 scope, amount, or duration of publicly-funded health care services, provider payments or
22 reimbursements, or access to or the availability of benefits and services provided by Rhode Island
23 general and public laws”; and

24 WHEREAS, in pursuit of a more cost-effective consumer choice system of care that is
25 fiscally sound and sustainable, the Secretary of the Executive Office requests legislative approval
26 of the following proposals to amend the Rhode Island’s Medicaid section 1115 demonstration:

27 (a) Provider rates – Adjustments. The Executive Office proposes to:

28 (i) reduce in-patient and out-patient hospital payment rates by maintaining state fiscal
29 year 2019 levels;

30 (ii) increase nursing home rates by one percent (1%) on October 1, 2019;

31 (iii) establish, effective July 1, 2019, that the rate for hospice providers delivering hospice
32 care in a skilled nursing facility will not exceed ninety-five percent (95%) of the rate paid for
33 non-hospice care in a skilled nursing facility; and

34 (iv) reduce the rates for Medicaid managed care plan.

1 Implementation of adjustments may require amendments to the Rhode Island’s Medicaid
2 state plan and/or section 1115 demonstration waiver under applicable terms and conditions.
3 Further, adoption of new or amended rules, regulations and procedures may also be required.

4 (b) Fiscal Intermediary for Self-Direction Programs. The Executive Office proposes
5 to seek a waiver of freedom of choice of providers under Title XIX of the Social Security Act, as
6 amended, to utilize one fiscal intermediary for the Medicaid self-direction programs currently
7 being implemented by the state. Authority for the waiver requires amendments to the Rhode
8 Island’s Section 1115 demonstration waiver and may also necessitate the adoption of new or
9 amended rules, regulations and procedures.

10 (c) Expansion of Home and Community Care Co-Pay Program. The Executive
11 Office, in conjunction with the Division of Elderly Affairs, proposes to implement the authorities
12 approved under the section 1115 waiver demonstration to increase the maximum income limit for
13 all co-pay program eligibility from two hundred percent (200%) of the Federal Poverty Level to
14 two hundred and fifty percent (250%) of the Federal Poverty Level. Implementation of these
15 waiver authorities requires adoption of new or amended rules, regulations and procedures.

16 (d) Increase in the Department of Behavioral Healthcare, Developmental Disabilities
17 and Hospitals (BHDDH) Direct Care Service Workers Wages. To further the long-term care
18 system rebalancing goal of improving access to high quality services in the least restrictive
19 setting, the Executive Office proposes to establish a targeted wage increase for certain
20 community-based BHDDH developmental disability private providers and self-directed consumer
21 direct care service workers. Implementation of the program may require amendments to the
22 Medicaid State Plan and/or Section 1115 demonstration waiver due to changes in payment
23 methodologies.

24 (e) Federal Financing Opportunities. The Executive Office proposes to review
25 Medicaid requirements and opportunities under the U.S. Patient Protection and Affordable Care
26 Act of 2010, as amended, and various other recently enacted federal laws and pursue any changes
27 in the Rhode Island Medicaid program that promote service quality, access and cost-effectiveness
28 that may warrant a Medicaid state plan amendment or amendment under the terms and conditions
29 of Rhode Island’s section 1115 waiver, its successor, or any extension thereof. Any such actions
30 by the Executive Office shall not have an adverse impact on beneficiaries and shall not cause an
31 increase in expenditures beyond the amount appropriated for state fiscal year 2020.

32 Now, therefore, be it

33 RESOLVED, the General Assembly hereby approves the proposals under paragraphs (a)
34 through (e) above; and be it further;

1 RESOLVED, the Secretary of the Executive Office is authorized to pursue and
2 implement any Rhode Island's Medicaid section 1115 demonstration waiver amendments,
3 Medicaid state plan amendments, and/or changes to the applicable department's rules, regulations
4 and procedures approved herein and as authorized by 42-12.4; and be it further

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

6 ARTICLE 18

7 RELATING TO HOSPITAL UNCOMPENSATED CARE

8 SECTION 1. Sections 40-8.3-2 and 40-8.3-3 of the General Laws in Chapter 40-8.3
9 entitled "Uncompensated Care" are hereby amended to read as follows:

10 40-8.3-2. Definitions.

11 As used in this chapter:

12 (1) "Base year" means, for the purpose of calculating a disproportionate share payment
13 for any fiscal year ending after September 30, ~~2017~~ 2018, the period from October 1, ~~2015~~ 2016,
14 through September 30, ~~2016~~ 2017, and for any fiscal year ending after September 30, ~~2018~~ 2019,
15 the period from October 1, 2016, through September 30, 2017.

16 (2) "Medicaid inpatient utilization rate for a hospital" means a fraction (expressed as a
17 percentage), the numerator of which is the hospital's number of inpatient days during the base
18 year attributable to patients who were eligible for medical assistance during the base year and the
19 denominator of which is the total number of the hospital's inpatient days in the base year.

20 (3) "Participating hospital" means any nongovernment and nonpsychiatric hospital that:

21 (i) Was licensed as a hospital in accordance with chapter 17 of title 23 during the base
22 year and shall mean the actual facilities and buildings in existence in Rhode Island, licensed
23 pursuant to § 23-17-1 et seq. on June 30, 2010, and thereafter any premises included on that
24 license, regardless of changes in licensure status pursuant to chapter 17.14 of title 23 (hospital
25 conversions) and § 23-17-6(b) (change in effective control), that provides short-term, acute
26 inpatient and/or outpatient care to persons who require definitive diagnosis and treatment for
27 injury, illness, disabilities, or pregnancy. Notwithstanding the preceding language, the negotiated
28 Medicaid managed-care payment rates for a court-approved purchaser that acquires a hospital
29 through receivership, special mastership, or other similar state insolvency proceedings (which
30 court-approved purchaser is issued a hospital license after January 1, 2013) shall be based upon
31 the newly negotiated rates between the court-approved purchaser and the health plan, and such
32 rates shall be effective as of the date that the court-approved purchaser and the health plan
33 execute the initial agreement containing the newly negotiated rate. The rate-setting methodology
34 for inpatient hospital payments and outpatient hospital payments set forth in §§ 40-8-

1 13.4(b)(1)(ii)(C) and 40-8-13.4(b)(2), respectively, shall thereafter apply to negotiated increases
2 for each annual twelve-month (12) period as of July 1 following the completion of the first full
3 year of the court-approved purchaser's initial Medicaid managed-care contract;

4 (ii) Achieved a medical assistance inpatient utilization rate of at least one percent (1%)
5 during the base year; and

6 (iii) Continues to be licensed as a hospital in accordance with chapter 17 of title 23 during
7 the payment year.

8 (4) "Uncompensated-care costs" means, as to any hospital, the sum of: (i) The cost
9 incurred by such hospital during the base year for inpatient or outpatient services attributable to
10 charity care (free care and bad debts) for which the patient has no health insurance or other third-
11 party coverage less payments, if any, received directly from such patients; and (ii) The cost
12 incurred by such hospital during the base year for inpatient or out-patient services attributable to
13 Medicaid beneficiaries less any Medicaid reimbursement received therefor; multiplied by the
14 uncompensated care index.

15 (5) "Uncompensated-care index" means the annual percentage increase for hospitals
16 established pursuant to § 27-19-14 for each year after the base year, up to and including the
17 payment year; provided, however, that the uncompensated-care index for the payment year
18 ending September 30, 2007, shall be deemed to be five and thirty-eight hundredths percent
19 (5.38%), and that the uncompensated-care index for the payment year ending September 30,
20 2008, shall be deemed to be five and forty-seven hundredths percent (5.47%), and that the
21 uncompensated-care index for the payment year ending September 30, 2009, shall be deemed to
22 be five and thirty-eight hundredths percent (5.38%), and that the uncompensated-care index for
23 the payment years ending September 30, 2010, September 30, 2011, September 30, 2012,
24 September 30, 2013, September 30, 2014, September 30, 2015, September 30, 2016, September
25 30, 2017, ~~and~~ September 30, 2018, [September 30, 2019, and September 30, 2020](#) shall be deemed
26 to be five and thirty hundredths percent (5.30%).

27 **40-8.3-3. Implementation.**

28 ~~(a) For federal fiscal year 2017, commencing on October 1, 2016, and ending September~~
29 ~~30, 2017, the executive office of health and human services shall submit to the Secretary of the~~
30 ~~U.S. Department of Health and Human Services a state plan amendment to the Rhode Island~~
31 ~~Medicaid DSH Plan to provide:~~

32 ~~(1) That the DSH Plan to all participating hospitals, not to exceed an aggregate limit of~~
33 ~~\$139.7 million, shall be allocated by the executive office of health and human services to the Pool~~
34 ~~D component of the DSH Plan; and~~

1 ~~(2) That the Pool D allotment shall be distributed among the participating hospitals in~~
2 ~~direct proportion to the individual, participating hospital's uncompensated care costs for the base~~
3 ~~year, inflated by the uncompensated care index to the total uncompensated care costs for the base~~
4 ~~year inflated by uncompensated care index for all participating hospitals. The disproportionate~~
5 ~~share payments shall be made on or before July 11, 2017, and are expressly conditioned upon~~
6 ~~approval on or before July 5, 2017, by the Secretary of the U.S. Department of Health and Human~~
7 ~~Services, or his or her authorized representative, of all Medicaid state plan amendments necessary~~
8 ~~to secure for the state the benefit of federal financial participation in federal fiscal year 2017 for~~
9 ~~the disproportionate share payments.~~

10 ~~(b)~~(a) For federal fiscal year 2018, commencing on October 1, 2017, and ending
11 September 30, 2018, the executive office of health and human services shall submit to the
12 Secretary of the U.S. Department of Health and Human Services a state plan amendment to the
13 Rhode Island Medicaid DSH Plan to provide:

14 (1) That the DSH Plan to all participating hospitals, not to exceed an aggregate limit of
15 \$138.6 million, shall be allocated by the executive office of health and human services to the Pool
16 D component of the DSH Plan; and

17 (2) That the Pool D allotment shall be distributed among the participating hospitals in
18 direct proportion to the individual participating hospital's uncompensated care costs for the base
19 year, inflated by the uncompensated care index to the total uncompensated care costs for the base
20 year inflated by uncompensated care index for all participating hospitals. The disproportionate
21 share payments shall be made on or before July 10, 2018, and are expressly conditioned upon
22 approval on or before July 5, 2018, by the Secretary of the U.S. Department of Health and Human
23 Services, or his or her authorized representative, of all Medicaid state plan amendments necessary
24 to secure for the state the benefit of federal financial participation in federal fiscal year 2018 for
25 the disproportionate share payments.

26 ~~(b)~~(b) For federal fiscal year 2019, commencing on October 1, 2018, and ending
27 September 30, 2019, the executive office of health and human services shall submit to the
28 Secretary of the U.S. Department of Health and Human Services a state plan amendment to the
29 Rhode Island Medicaid DSH Plan to provide:

30 (1) That the DSH Plan to all participating hospitals, not to exceed an aggregate limit of
31 \$139.7 million, shall be allocated by the executive office of health and human services to the Pool
32 D component of the DSH Plan; and

33 (2) That the Pool D allotment shall be distributed among the participating hospitals in
34 direct proportion to the individual participating hospital's uncompensated care costs for the base

1 year, inflated by the uncompensated care index to the total uncompensated care costs for the base
2 year inflated by uncompensated care index for all participating hospitals. The disproportionate
3 share payments shall be made on or before July 10, 2019, and are expressly conditioned upon
4 approval on or before July 5, 2019, by the Secretary of the U.S. Department of Health and Human
5 Services, or his or her authorized representative, of all Medicaid state plan amendments necessary
6 to secure for the state the benefit of federal financial participation in federal fiscal year ~~2018~~ 2019
7 for the disproportionate share payments.

8 (c) For federal fiscal year 2020, commencing on October 1, 2019, and ending September
9 30, 2020, the executive office of health and human services shall submit to the Secretary of the
10 U.S. Department of Health and Human Services a state plan amendment to the Rhode Island
11 Medicaid DSH Plan to provide:

12 (1) That the DSH Plan to all participating hospitals, not to exceed an aggregate limit of
13 \$139.7 million, shall be allocated by the executive office of health and human services to the Pool
14 D component of the DSH Plan; and

15 (2) That the Pool D allotment shall be distributed among the participating hospitals in
16 direct proportion to the individual participating hospital's uncompensated care costs for the base
17 year, inflated by the uncompensated care index to the total uncompensated care costs for the base
18 year inflated by uncompensated care index for all participating hospitals. The disproportionate
19 share payments shall be made on or before July 13, 2020, and are expressly conditioned upon
20 approval on or before July 6, 2020, by the Secretary of the U.S. Department of Health and Human
21 Services, or his or her authorized representative, of all Medicaid state plan amendments necessary
22 to secure for the state the benefit of federal financial participation in federal fiscal year 2020 for
23 the disproportionate share payments.

24 (d) No provision is made pursuant to this chapter for disproportionate-share hospital
25 payments to participating hospitals for uncompensated-care costs related to graduate medical
26 education programs.

27 (e) The executive office of health and human services is directed, on at least a monthly
28 basis, to collect patient-level uninsured information, including, but not limited to, demographics,
29 services rendered, and reason for uninsured status from all hospitals licensed in Rhode Island.

30 (f) Beginning with federal FY 2016, Pool D DSH payments will be recalculated by the
31 state based on actual hospital experience. The final Pool D payments will be based on the data
32 from the final DSH audit for each federal fiscal year. Pool D DSH payments will be redistributed
33 among the qualifying hospitals in direct proportion to the individual, qualifying hospital's
34 uncompensated-care to the total uncompensated-care costs for all qualifying hospitals as

1 determined by the DSH audit. No hospital will receive an allocation that would incur funds
2 received in excess of audited uncompensated-care costs.

3 SECTION 2. This article shall take effect as of July 1, 2019.

4 ARTICLE 19

5 RELATING TO LICENSING OF HOSPITAL FACILITIES

6 SECTION 1. Section 23-17-38.1 of the General Laws in Chapter 23-17 entitled
7 "Licensing of Health-Care Facilities" is hereby amended to read as follows:

8 23-17-38.1. Hospitals -- Licensing fee.

9 ~~(a) There is also imposed a hospital licensing fee at the rate of five and eight hundred
10 fifty six thousandths percent (5.856%) upon the net patient services revenue of every hospital for
11 the hospital's first fiscal year ending on or after January 1, 2016, except that the license fee for all
12 hospitals located in Washington County, Rhode Island shall be discounted by thirty seven percent
13 (37%). The discount for Washington County hospitals is subject to approval by the Secretary of
14 the U.S. Department of Health and Human Services of a state plan amendment submitted by the
15 executive office of health and human services for the purpose of pursuing a waiver of the
16 uniformity requirement for the hospital license fee. This licensing fee shall be administered and
17 collected by the tax administrator, division of taxation within the department of revenue, and all
18 the administration, collection, and other provisions of chapter 51 of title 44 shall apply. Every
19 hospital shall pay the licensing fee to the tax administrator on or before July 10, 2018, and
20 payments shall be made by electronic transfer of monies to the general treasurer and deposited to
21 the general fund. Every hospital shall, on or before June 14, 2018, make a return to the tax
22 administrator containing the correct computation of net patient services revenue for the hospital
23 fiscal year ending September 30, 2016, and the licensing fee due upon that amount. All returns
24 shall be signed by the hospital's authorized representative, subject to the pains and penalties of
25 perjury.~~

26 ~~(b)~~(a) There is also imposed a hospital licensing fee at the rate of six percent (6%) upon
27 the net patient-services revenue of every hospital for the hospital's first fiscal year ending on or
28 after January 1, 2017, except that the license fee for all hospitals located in Washington County,
29 Rhode Island shall be discounted by thirty-seven percent (37%). The discount for Washington
30 County hospitals is subject to approval by the Secretary of the U.S. Department of Health and
31 Human Services of a state plan amendment submitted by the executive office of health and
32 human services for the purpose of pursuing a waiver of the uniformity requirement for the
33 hospital license fee. This licensing fee shall be administered and collected by the tax
34 administrator, division of taxation within the department of revenue, and all the administration,

1 collection, and other provisions of chapter 51 of title 44 shall apply. Every hospital shall pay the
2 licensing fee to the tax administrator on or before July 10, 2019, and payments shall be made by
3 electronic transfer of monies to the general treasurer and deposited to the general fund. Every
4 hospital shall, on or before June 14, 2019, make a return to the tax administrator containing the
5 correct computation of net patient-services revenue for the hospital fiscal year ending September
6 30, 2017, and the licensing fee due upon that amount. All returns shall be signed by the hospital's
7 authorized representative, subject to the pains and penalties of perjury.

8 (b) There is also imposed a hospital licensing fee at the rate of six percent (6%) upon the
9 net patient-services revenue of every hospital for the hospital's first fiscal year ending on or after
10 January 1, 2017, except that the license fee for all hospitals located in Washington County, Rhode
11 Island shall be discounted by thirty-seven percent (37%). The discount for Washington County
12 hospitals is subject to approval by the Secretary of the U.S. Department of Health and Human
13 Services of a state plan amendment submitted by the executive office of health and human
14 services for the purpose of pursuing a waiver of the uniformity requirement for the hospital
15 license fee. This licensing fee shall be administered and collected by the tax administrator,
16 division of taxation within the department of revenue, and all the administration, collection, and
17 other provisions of chapter 51 of title 44 shall apply. Every hospital shall pay the licensing fee to
18 the tax administrator on or before July 13, 2020, and payments shall be made by electronic
19 transfer of monies to the general treasurer and deposited to the general fund. Every hospital shall,
20 on or before June 15, 2020, make a return to the tax administrator containing the correct
21 computation of net patient-services revenue for the hospital fiscal year ending September 30,
22 2017, and the licensing fee due upon that amount. All returns shall be signed by the hospital's
23 authorized representative, subject to the pains and penalties of perjury.

24 (c) For purposes of this section the following words and phrases have the following
25 meanings:

26 (1) "Hospital" means the actual facilities and buildings in existence in Rhode Island,
27 licensed pursuant to § 23-17-1 et seq. on June 30, 2010, and thereafter any premises included on
28 that license, regardless of changes in licensure status pursuant to chapter 17.14 of title 23
29 (hospital conversions) and § 23-17-6(b) (change in effective control), that provides short-term
30 acute inpatient and/or outpatient care to persons who require definitive diagnosis and treatment
31 for injury, illness, disabilities, or pregnancy. Notwithstanding the preceding language, the
32 negotiated Medicaid managed care payment rates for a court-approved purchaser that acquires a
33 hospital through receivership, special mastership, or other similar state insolvency proceedings
34 (which court-approved purchaser is issued a hospital license after January 1, 2013) shall be based

1 upon the newly negotiated rates between the court-approved purchaser and the health plan, and
2 such rates shall be effective as of the date that the court-approved purchaser and the health plan
3 execute the initial agreement containing the newly negotiated rate. The rate-setting methodology
4 for inpatient hospital payments and outpatient hospital payments set forth in §§ 40-8-13.4(b) and
5 40-8-13.4(b)(2), respectively, shall thereafter apply to negotiated increases for each annual
6 twelve-month (12) period as of July 1 following the completion of the first full year of the court-
7 approved purchaser's initial Medicaid managed care contract.

8 (2) "Gross patient-services revenue" means the gross revenue related to patient care
9 services.

10 (3) "Net patient-services revenue" means the charges related to patient care services less
11 (i) charges attributable to charity care; (ii) bad debt expenses; and (iii) contractual allowances.

12 (d) The tax administrator shall make and promulgate any rules, regulations, and
13 procedures not inconsistent with state law and fiscal procedures that he or she deems necessary
14 for the proper administration of this section and to carry out the provisions, policy, and purposes
15 of this section.

16 (e) The licensing fee imposed by this section shall apply to hospitals as defined herein
17 that are duly licensed on July 1, ~~2018~~ 2019, and shall be in addition to the inspection fee imposed
18 by § 23-17-38 and to any licensing fees previously imposed in accordance with § 23-17-38.1.

19 SECTION 2. This article shall take effect as of July 1, 2019.

20 ARTICLE 20

21 RELATING TO

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

24 **2-26-1. Short title.**

25 This chapter shall be known and may be cited as the "[Industrial](#) Hemp Growth Act."

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

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

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

31 (2) "Cannabis" means all parts of the plant of the genus marijuana, also known as
32 marijuana sativa L, whether growing or not; the seeds thereof; the resin extracted from any
33 part of the plant; and every compound, manufacture, salt, derivative, mixture, or preparation
34 of the plant, its seeds, or resin regardless of cannabinoid content or cannabinoid potency

1 including “marijuana” and “industrial hemp” or “industrial hemp products” which satisfy the
2 requirements of this chapter.

3 (3) “Cannabidiol” or “CBD” means cannabidiol (CBD) derived from a hemp plant as
4 defined in § 2-26-3(8), not including products derived from exempt cannabis plant material as
5 defined in 21 C.F.R. § 1308.35.

6 ~~(2)~~ (4) "Department" means the office of cannabis regulation within the department of
7 business regulation.

8 ~~(3)~~ (5) "Division" means the division of agriculture in the department of environmental
9 management.

10 ~~(4)~~ (6) "Grower" means a person or entity who or that produces hemp for commercial
11 purposes.

12 ~~(5)~~ (7) "Handler" means a person or entity who or that produces hemp for processing into
13 commodities, products, or agricultural hemp seed.

14 ~~(6)~~ (8) "Hemp" or “industrial hemp” means ~~the plant of the genus cannabis and any part~~
15 ~~of such plant, whether growing or not, with a delta-9 tetrahydrocannabinol concentration that~~
16 ~~does not exceed three tenths percent (0.3%) on a dry weight basis of any part of the plant~~
17 ~~cannabis, or per volume or weight of marijuana product or the combined percent of delta-9~~
18 ~~tetrahydrocannabinol and tetrahydrocannabinolic acid in any part of the plant cannabis regardless~~
19 ~~of the moisture content. Hemp is also commonly referred to in this context as “industrial hemp.”~~
20 means the plant Cannabis sativa L. and any part of that plant, including the seeds thereof and all
21 derivatives, extracts, cannabinoids, isomers, acids, salts, and salts of isomers, whether growing or
22 not, with a delta-9 tetrahydrocannabinol concentration of not more than 0.3 percent on a dry
23 weight or per volume basis regardless of moisture content, and which satisfies the requirements
24 of this chapter.

25 (9) “Hemp-derived consumable CBD product” means any product meant for ingestion,
26 including but not limited to concentrates, extracts, and cannabis-infused foods and products,
27 which contains cannabidiol derived from a hemp plant as defined in § 2-26-3(8), not including
28 products derived from exempt cannabis plant material as defined in 21 C.F.R. § 1308.35.

29 ~~(7)~~ (10) "Hemp products" or “industrial hemp products” means all products made from
30 the plants, including, but not limited to, concentrated oil, cloth, cordage, fiber, food, fuel, hemp-
31 derived consumable CBD products, paint, paper, construction materials, plastics, seed, seed meal,
32 seed oil, and seed certified for cultivation, which satisfy the requirements of this chapter.

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

1 [\(12\) "Licensed CBD retailer" means a person licensed to sell hemp-derived consumable](#)
2 [CBD products pursuant to this chapter.](#)

3 ~~(8)~~ [\(13\)](#) "THC" means tetrahydrocannabinol, the principal psychoactive constituent of
4 cannabis.

5 ~~(9)~~ [\(14\)](#) "THCA" means tetrahydrocannabinol acid.

6 **2-26-4. Hemp an agricultural product.**

7 Hemp is an agricultural product that may be grown as a crop, produced, possessed,
8 distributed, [sold at retail](#), and commercially traded pursuant to the provisions of this chapter.
9 Hemp is subject to primary regulation by the department. The division may assist the department
10 in the regulation of hemp growth and production.

11 **2-26-5. Authority over licensing and sales.**

12 (a) The department shall promulgate rules and regulations for the licensing and regulation
13 of hemp growers, ~~and~~ handlers, [licensed CBD distributors, and licensed CBD retailers and](#) ~~or~~
14 persons ~~otherwise~~ employed by the applicant and shall be responsible for the enforcement of such
15 licensing and regulation.

16 (b) All growers ~~and~~ handlers, ~~and~~ [licensed CBD distributors, and licensed CBD retailers](#)
17 must have a hemp license issued by the department.

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

19 (1)[\(i\)](#) The name and address of the applicant who will supervise, manage, or direct the
20 growing and handling of hemp and the names and addresses of any person or entity partnering or
21 providing consulting services regarding the growing or handling of hemp- : [and](#)

22 [\(ii\) The name and address of the applicant who will supervise, manage, or direct the](#)
23 [distribution or sale of hemp-derived consumable CBD products, and names and addresses of any](#)
24 [person or entity partnering or providing consulting services regarding the distribution or sale of](#)
25 [hemp-derived CBD products.](#)

26 (2) A certificate of analysis that the seeds or plants obtained for cultivation are of a type
27 and variety that do not exceed the maximum concentration of delta-9 THC, as set forth in § 2-26-
28 ~~3(8)~~; any seeds that are obtained from a federal agency are presumed not to exceed the maximum
29 concentration and do not require a certificate of analysis.

30 (3)[\(i\)](#) The location of the facility, including the Global Positioning System location, and
31 other field reference information as may be required by the department with a tracking program
32 and security layout to ensure that all hemp grown is tracked and monitored from seed to
33 distribution outlets- : [and](#)

34 [\(ii\) The location of the facility and other information as may be required by the](#)

1 [department as to where the distribution or sale of hemp-derived consumable CBD products will](#)
2 [occur.](#)

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

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

9 (6) Documentation that the licensee and/or its agents have entered into a purchase
10 agreement with a hemp handler ~~or~~ processor, [distributor or retailer, if required by the department.](#)

11 (7) All applicants:

12 (i) Shall apply to the state police, [attorney general, or local law enforcement](#) for a
13 National Criminal Identification records check that shall include fingerprints submitted to the
14 Federal Bureau of Investigation. Upon the discovery of a disqualifying conviction defined in
15 paragraph (iv) and (v), and in accordance with the rules promulgated by the department, the state
16 police shall inform the applicant, in writing, of the nature of the conviction, and the state police
17 shall notify the department, in writing, without disclosing the nature of the conviction, that a
18 conviction has been found;

19 (ii) In those situations in which no conviction has been found, the state police shall
20 inform the applicant and the department, in writing, of this fact;

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

23 (iv) Any applicant who has been convicted of any felony offense under chapter 28 of title
24 21, or any person who has been convicted of murder, manslaughter, first-degree sexual assault,
25 second-degree sexual assault, first-degree child molestation, second-degree child molestation,
26 kidnapping, first-degree arson, second-degree arson, mayhem, robbery, burglary, breaking and
27 entering, assault with a dangerous weapon, or any assault and battery punishable as a felony or
28 assault with intent to commit any offense punishable as a felony, shall be disqualified from
29 holding any license or permit under this chapter. The department shall notify any applicant, in
30 writing, [of](#) ~~for~~ a denial of a license pursuant to this subsection.

31 (v) For purposes of this section, "conviction" means, in addition to judgments of
32 conviction entered by a court subsequent to a finding of guilty, or plea of guilty, those instances
33 where the defendant has entered a plea of nolo contendere and has received a jail sentence or a
34 suspended jail sentence, or those instances wherein the defendant has entered into a deferred

1 sentence agreement with the Rhode Island attorney general and the period of deferment has not
2 been completed.

3 (8) Any other information as set forth in rules and regulations as required by the
4 department.

5 ~~(d) All employees of the applicant shall register with the Rhode Island state police.~~

6 ~~(e)~~ (d) The department shall issue a hemp license to the grower or handler applicant if he,
7 she, or it meets the requirements of this chapter, upon the applicant paying a licensure fee of two
8 thousand five hundred dollars (\$2,500). Said license shall be renewed every two (2) years upon
9 payment of a two thousand five hundred dollar (\$2,500) renewal fee. Any licensee convicted of
10 any disqualifying offense described in subsection (c)(7)(iv) shall have his, her, or its license
11 revoked. All license fees shall be directed to the department to help defray the cost of
12 enforcement. The department shall collect a nonrefundable application fee of two hundred fifty
13 dollars (\$250) for each application to obtain a license.

14 (e) Any grower or handler license applicant or license holder may also apply for, and be
15 issued a CBD distributor and/or CBD retailer license at no additional cost provided their grower
16 or handler license is issued or renewed. CBD distributor and CBD retailer licenses shall be
17 renewed each year at no additional fee provided the applicant also holds or renews a grower
18 and/or handler license.

19 (f) For applicants who do not hold, renew, or receive a grower or handler license, CBD
20 handler and CBD retailer licenses shall have a licensure fee of five hundred dollars (\$500). Said
21 licenses shall be renewed each year upon approval by the department and payment of a five
22 hundred dollars (\$500) renewal fee.

23 **2-26-6. Rulemaking authority.**

24 (a) The department shall adopt rules to provide for the implementation of this chapter,
25 which shall include rules to require hemp to be tested during growth for THC levels and to
26 require inspection of hemp during sowing, growing season, harvest, storage, and processing.
27 Included in these rules should be a system requiring the licensee to submit crop samples to an
28 approved testing facility, as determined by the department for testing and verification of
29 compliance with the limits on delta-9 THC concentration.

30 (b) The department shall adopt rules and regulations for all operational requirements for
31 licensed growers, handlers, CBD distributors and retailers.

32 ~~(b)~~ (c) The department shall not adopt under this or any other section, a rule that would
33 prohibit a person or entity to grow, ~~or~~ distribute or sell hemp based solely on the legal status of
34 hemp under federal law.

1 (d) The department may adopt rules and regulations based on federal law provided those
2 rules and regulations are designed to comply with federal guidance and mitigate federal
3 enforcement against the licenses issued under this chapter.

4 **2-26-7. Registration Licensure.**

5 (a) Except as provided in this section, beginning sixty (60) days after the effective date of
6 this chapter, the department shall accept the application for licensure to cultivate hemp submitted
7 by the applicant.

8 (b) A person or entity ~~registered with~~ licensed by the department pursuant to this chapter
9 shall allow hemp crops, throughout sowing, year-long growing seasons, harvest storage, and
10 processing, to be inspected and tested by and at the discretion of the department.

11 SECTION 2. Chapter 2-26 of the General Laws entitled "Hemp Growth Act" is hereby
12 amended by adding thereto the following Sections 2-26-10; 2-26-11 and 2-26-12:

13 **2-26-10. Tax obligations; enforcement.**

14 Licensees under this chapter shall comply with provisions of chapter 44-49.1 of the
15 general laws, and upon the failure of a licensee to comply with its obligations under chapter 44-
16 49.1 the department may revoke or suspend a license upon the request of the tax administrator.

17 **2-26-11. Enforcement of violations of chapter.**

18 (a) (1) Notwithstanding any other provision of this chapter, if the director of the
19 department or his or her designee has cause to believe that a violation of any provision of this
20 chapter 2-26 or any regulations promulgated hereunder has occurred by a licensee that is under
21 the department's jurisdiction pursuant to this chapter, or that any person or entity is conducting
22 any activities requiring licensure by the department under this chapter or the regulations
23 promulgated hereunder without such licensure, the director or his or her designee may, in
24 accordance with the requirements of the administrative procedures act, chapter 35 of title 42:

25 (i) Revoke or suspend a license;

26 (ii) Levy an administrative penalty in an amount established pursuant to regulations
27 promulgated by the department ;

28 (iii) Order the violator to cease and desist such actions;

29 (iv) Require a licensee or person or entity conducting any activities requiring licensure
30 under this chapter 2-26 to take such actions as are necessary to comply with such chapter and the
31 regulations promulgated thereunder; or

32 (v) Any combination of the above penalties.

33 (2) If the director of the department finds that public health, safety, or welfare requires
34 emergency action, and incorporates a finding to that effect in his or her order, summary

1 [suspension of license and/or cease and desist may be ordered pending proceedings for revocation](#)
2 [or other action. These proceedings shall be promptly instituted and determined.](#)

3 **2-26-12. Revenue.**

4 [There is created within the general fund a restricted receipt account to be known as the](#)
5 [“industrial hemp licensing” or “industrial hemp licensing program” account. Fees collected](#)
6 [pursuant to this chapter shall be deposited into this account and be used to finance costs of](#)
7 [administering this chapter, including but not limited to licensing, inspections, and enforcement.](#)
8 [The restricted receipt account will be housed within the budgets of the departments of business](#)
9 [regulation, health, revenue and public safety, and the executive office of health and human](#)
10 [services. All amounts deposited into the industrial hemp licensing account shall be exempt from](#)
11 [the indirect cost recovery provisions of § 35-4-27.](#)

12 SECTION 3. Section 21-28-1.02 of the General Laws in Chapter 21-28 entitled "Uniform
13 Controlled Substances Act" is hereby amended to read as follows:

14 **21-28-1.02. Definitions. [Effective until January 1, 2023.]**

15 Unless the context otherwise requires, the words and phrases as defined in this section are
16 used in this chapter in the sense given them in the following definitions:

17 (1) "Administer" refers to the direct application of controlled substances to the body of a
18 patient or research subject by:

19 (i) A practitioner, or, in his or her presence by his or her authorized agent; or

20 (ii) The patient or research subject at the direction and in the presence of the practitioner
21 whether the application is by injection, inhalation, ingestion, or any other means.

22 (2) "Agent" means an authorized person who acts on behalf of, or at the direction of, a
23 manufacturer, wholesaler, distributor, or dispenser; except that these terms do not include a
24 common or contract carrier or warehouse operator, when acting in the usual and lawful course of
25 the carrier's or warehouse operator's business.

26 (3) "Apothecary" means a registered pharmacist as defined by the laws of this state and,
27 where the context requires, the owner of a licensed pharmacy or other place of business where
28 controlled substances are compounded or dispensed by a registered pharmacist; and includes
29 registered assistant pharmacists as defined by existing law, but nothing in this chapter shall be
30 construed as conferring on a person who is not registered as a pharmacist any authority, right, or
31 privilege that is not granted to him or her by the pharmacy laws of the state.

32 (4) "Automated data processing system" means a system utilizing computer software and
33 hardware for the purposes of record keeping.

34 (5) "Certified law enforcement prescription drug diversion investigator" means a certified

1 law enforcement officer assigned by his or her qualified law enforcement agency to investigate
2 prescription drug diversion.

3 (6) "Computer" means programmable electronic device capable of multi-functions,
4 including, but not limited to: storage, retrieval, and processing of information.

5 (7) "Control" means to add a drug or other substance or immediate precursor to a
6 schedule under this chapter, whether by transfer from another schedule or otherwise.

7 (8) "Controlled substance" means a drug, substance, immediate precursor, or synthetic
8 drug in schedules I -- V of this chapter. The term shall not include distilled spirits, wine, or malt
9 beverages, as those terms are defined or used in chapter 1 of title 3, nor tobacco.

10 (9) "Co-prescribing" means issuing a prescription for an opioid antagonist along with a
11 prescription for an opioid analgesic.

12 (10) "Counterfeit substance" means a controlled substance that, or the container or
13 labeling of which, without authorization bears the trademark, trade name, or other identifying
14 mark, imprint, number, or device, or any likeness of them, of a manufacturer, distributor, or
15 dispenser, other than the person or persons who in fact manufactured, distributed, or dispensed
16 the substance and that thereby falsely purports or is represented to be the product of, or to have
17 been distributed by, the other manufacturer, distributor, or dispenser, or which substance is
18 falsely purported to be or represented to be one of the controlled substances by a manufacturer,
19 distributor, or dispenser.

20 (11) "CRT" means cathode ray tube used to impose visual information on a screen.

21 (12) "Deliver" or "delivery" means the actual, constructive, or attempted transfer of a
22 controlled substance or imitation controlled substance, whether or not there exists an agency
23 relationship.

24 (13) "Department" means the department of health of this state.

25 (14) "Depressant or stimulant drug" means:

26 (i) A drug that contains any quantity of:

27 (A) Barbituric acid or derivatives, compounds, mixtures, or preparations of barbituric
28 acid; and

29 (B) "Barbiturate" or "barbiturates" includes all hypnotic and/or somnifacient drugs,
30 whether or not derivatives of barbituric acid, except that this definition shall not include bromides
31 and narcotics.

32 (ii) A drug that contains any quantity of:

33 (A) Amphetamine or any of its optical isomers;

34 (B) Any salt of amphetamine and/or desoxyephedrine or any salt of an optical isomer of

1 amphetamine and/or desoxyephedrine, or any compound, mixture, or preparation of them.

2 (iii) A drug that contains any quantity of coca leaves. "Coca leaves" includes cocaine, or
3 any compound, manufacture, salt, derivative, mixture, or preparation of coca leaves, except
4 derivatives of coca leaves, that do not contain cocaine, ecgonine, or substance from which
5 cocaine or ecgonine may be synthesized or made.

6 (iv) Any other drug or substance that contains any quantity of a substance that the
7 attorney general of the United States, or the director of health, after investigation, has found to
8 have, or by regulation designates as having, a potential for abuse because of its depressant or
9 stimulant effect on the central nervous system.

10 (15) "Director" means the director of health.

11 (16) "Dispense" means to deliver, distribute, leave with, give away, or dispose of a
12 controlled substance to the ultimate user or human research subject by or pursuant to the lawful
13 order of a practitioner, including the packaging, labeling, or compounding necessary to prepare
14 the substance for that delivery.

15 (17) "Dispenser" is a practitioner who delivers a controlled substance to the ultimate user
16 or human research subject.

17 (18) "Distribute" means to deliver (other than by administering or dispensing) a
18 controlled substance or an imitation controlled substance and includes actual constructive, or
19 attempted transfer. "Distributor" means a person who so delivers a controlled substance or an
20 imitation controlled substance.

21 (19) "Downtime" means that period of time when a computer is not operable.

22 (20) "Drug addicted person" means a person who exhibits a maladaptive pattern of
23 behavior resulting from drug use, including one or more of the following: impaired control over
24 drug use; compulsive use; and/or continued use despite harm, and craving.

25 (21) "Drug Enforcement Administration" means the Drug Enforcement Administration
26 United States Department of Justice or its successor.

27 (22) "Federal law" means the Comprehensive Drug Abuse Prevention and Control Act of
28 1970, (84 stat. 1236) (see generally 21 U.S.C. § 801 et seq.), and all regulations pertaining to that
29 federal act.

30 (23) "Hardware" means the fixed component parts of a computer.

31 (24) "Hospital" means an institution as defined in chapter 17 of title 23.

32 (25) "Imitation controlled substance" means a substance that is not a controlled
33 substance, that by dosage unit, appearance (including color, shape, size, and markings), or by
34 representations made, would lead a reasonable person to believe that the substance is a controlled

1 substance and, which imitation controlled substances contain substances that if ingested, could be
2 injurious to the health of a person. In those cases when the appearance of the dosage unit is not
3 reasonably sufficient to establish that the substance is an "imitation controlled substance" (for
4 example in the case of powder or liquid), the court or authority concerned should consider, in
5 addition to all other logically relevant factors, the following factors as related to "representations
6 made" in determining whether the substance is an "imitation controlled substance":

7 (i) Statement made by an owner, possessor, transferor, recipient, or by anyone else in
8 control of the substance concerning the nature of the substance, or its use or effect.

9 (ii) Statements made by the owner, possessor, or transferor, to the recipient that the
10 substance may be resold for substantial profit.

11 (iii) Whether the substance is packaged in a manner reasonably similar to packaging of
12 illicit controlled substances.

13 (iv) Whether the distribution or attempted distribution included an exchange of or
14 demand for money or other property as consideration, and whether the amount of the
15 consideration was substantially greater than the reasonable value of the non-controlled substance.

16 (26) "Immediate precursor" means a substance:

17 (i) That the director of health has found to be and by regulation designated as being the
18 principal compound used, or produced primarily for use, in the manufacture of a controlled
19 substance;

20 (ii) That is an immediate chemical intermediary used or likely to be used in the
21 manufacture of those controlled substances; and

22 (iii) The control of which is necessary to prevent, curtail, or limit the manufacture of that
23 controlled substance.

24 (27) "Laboratory" means a laboratory approved by the department of health as proper to
25 be entrusted with controlled substances and the use of controlled substances for scientific and
26 medical purposes and for the purposes of instruction.

27 (28) "Manufacture" means the production, preparation, propagation, cultivation,
28 compounding, or processing of a drug or other substance, including an imitation controlled
29 substance, either directly or indirectly or by extraction from substances of natural origin, or
30 independently by means of chemical synthesis or by a combination of extraction and chemical
31 synthesis and includes any packaging or repackaging of the substance or labeling or relabeling of
32 its container in conformity with the general laws of this state except by a practitioner as an
33 incident to his or her administration or dispensing of the drug or substance in the course of his or
34 her professional practice.

1 (29) "Manufacturer" means a person who manufactures but does not include an
2 apothecary who compounds controlled substances to be sold or dispensed on prescriptions.

3 (30) "Marijuana" means all parts of the plant cannabis sativa L., whether growing or not;
4 the seeds of the plant; the resin extracted from any part of the plant; and every compound,
5 manufacture, salt, derivative, mixture, or preparation of the plant, its seeds or resin, but shall not
6 include the mature stalks of the plant, fiber produced from the stalks, oil or cake made from the
7 seeds of the plant, any other compound, manufacture, salt, derivative, mixture, or preparation of
8 mature stalks, (except the resin extracted from it), fiber, oil or cake, or the sterilized seed from the
9 plant which is incapable of germination. [Marijuana shall not include "industrial hemp" or](#)
10 [industrial hemp products" which satisfy the requirements of chapter 2-26 of the general laws and](#)
11 [the regulations promulgated thereunder.](#)

12 (31) "Narcotic drug" means any of the following, whether produced directly or indirectly
13 by extraction from substances of vegetable origin, or independently by means of chemical
14 synthesis or by a combination of extraction and chemical synthesis:

15 (i) Opium and opiates.

16 (ii) A compound, manufacture, salt, derivative, or preparation of opium or opiates.

17 (iii) A substance (and any compound, manufacture, salt, derivative, or preparation of it)
18 that is chemically identical with any of the substances referred to in paragraphs (i) and (ii) of this
19 subdivision.

20 (iv) Any other substance that the attorney general of the United States, or his or her
21 successor, or the director of health, after investigation, has found to have, and by regulation
22 designates as having, a potential for abuse similar to opium and opiates.

23 (32) "Official written order" means an order written on a form provided for that purpose
24 by the Drug Enforcement Administration under any laws of the United States making provision
25 for an official form, if order forms are authorized and required by federal law, and if no order
26 form is provided then on an official form provided for that purpose by the director of health.

27 (33) "Opiate" means any substance having an addiction-forming or addiction-sustaining
28 liability similar to morphine or being capable of conversion into a drug having addiction-forming
29 or addiction-sustaining liability.

30 (34) "Opioid analgesics" means and includes, but is not limited to, the medicines
31 buprenorphine, butorphanol, codeine, hydrocodone, hydromorphone, levorphanol, meperidine,
32 methadone, morphine, nalbuphine, oxycodone, oxymorphone, pentazocine, propoxyphene as well
33 as their brand names, isomers, and combinations, or other medications approved by the
34 department.

1 (35) "Opioid antagonist" means naloxone hydrochloride and any other drug approved by
2 the United States Food and Drug Administration for the treatment of opioid overdose.

3 (36) "Opium poppy" means the plant of the species *papaver somniferum* L., except the
4 seeds of the plant.

5 (37) "Ounce" means an avoirdupois ounce as applied to solids and semi-solids, and a
6 fluid ounce as applied to liquids.

7 (38) "Person" means any corporation, association, partnership, or one or more
8 individuals.

9 (39) "Physical dependence" means a state of adaptation that is manifested by a drug class
10 specific withdrawal syndrome that can be produced by abrupt cessation, rapid dose reduction,
11 decreasing blood level of the drug, and/or administration of an antagonist.

12 (40) "Poppy straw" means all parts, except the seeds, of the opium poppy, after mowing.

13 (41) "Practitioner" means:

14 (i) A physician, osteopath, dentist, chiropract, veterinarian, scientific investigator, or
15 other person licensed, registered or permitted to distribute, dispense, conduct research with
16 respect to or to administer a controlled substance in the course of professional practice or research
17 in this state.

18 (ii) A pharmacy, hospital, or other institution licensed, registered or permitted to
19 distribute, dispense, conduct research with respect to, or to administer a controlled substance in
20 the course of professional practice or research in this state.

21 (42) "Printout" means a hard copy produced by computer that is readable without the aid
22 of any special device.

23 (43) "Production" includes the manufacture, planting, cultivation, growing, or harvesting
24 of a controlled substance.

25 (44) "Qualified law enforcement agency" means the U.S. Food and Drug Administration,
26 Drug Enforcement Administration, Federal Bureau of Investigation, Office of Inspector General
27 of the U.S. Department of Health & Human Services, or the Medicaid Fraud and Patient Abuse
28 Unit in the Office of the Attorney General.

29 (45) "Researcher" means a person authorized by the director of health to conduct a
30 laboratory as defined in this chapter.

31 (46) "Sell" includes sale, barter, gift, transfer, or delivery in any manner to another, or to
32 offer or agree to do the same.

33 (47) "Software" means programs, procedures and storage of required information data.

34 (48) "Synthetic drugs" means any synthetic cannabinoids or piperazines or any synthetic

1 cathinones as provided for in schedule I.

2 (49) "Ultimate user" means a person who lawfully possesses a controlled substance for
3 his or her own use or for the use of a member of his or her household, or for administering to an
4 animal owned by him or her or by a member of his or her household.

5 (50) "Wholesaler" means a person who sells, vends, or distributes at wholesale, or as a
6 jobber, broker agent, or distributor, or for resale in any manner in this state any controlled
7 substance.

8 **21-28-1.02. Definitions. [Effective January 1, 2023.]**

9 Unless the context otherwise requires, the words and phrases as defined in this section are
10 used in this chapter in the sense given them in the following definitions:

11 (1) "Administer" refers to the direct application of controlled substances to the body of a
12 patient or research subject by:

13 (i) A practitioner, or, in his or her presence by his or her authorized agent; or

14 (ii) The patient or research subject at the direction and in the presence of the practitioner
15 whether the application is by injection, inhalation, ingestion, or any other means.

16 (2) "Agent" means an authorized person who acts on behalf of, or at the direction of, a
17 manufacturer, wholesaler, distributor, or dispenser; except that these terms do not include a
18 common or contract carrier or warehouse operator, when acting in the usual and lawful course of
19 the carrier's or warehouse operator's business.

20 (3) "Apothecary" means a registered pharmacist as defined by the laws of this state and,
21 where the context requires, the owner of a licensed pharmacy or other place of business where
22 controlled substances are compounded or dispensed by a registered pharmacist; and includes
23 registered assistant pharmacists as defined by existing law, but nothing in this chapter shall be
24 construed as conferring on a person who is not registered as a pharmacist any authority, right, or
25 privilege that is not granted to him or her by the pharmacy laws of the state.

26 (4) "Automated data processing system" means a system utilizing computer software and
27 hardware for the purposes of record keeping.

28 (5) "Computer" means programmable electronic device capable of multi-functions,
29 including, but not limited to: storage, retrieval, and processing of information.

30 (6) "Control" means to add a drug or other substance or immediate precursor to a
31 schedule under this chapter, whether by transfer from another schedule or otherwise.

32 (7) "Controlled substance" means a drug, substance, immediate precursor, or synthetic
33 drug in schedules I -- V of this chapter. The term shall not include distilled spirits, wine, or malt
34 beverages, as those terms are defined or used in chapter 1 of title 3, nor tobacco.

1 (8) "Co-prescribing" means issuing a prescription for an opioid antagonist along with a
2 prescription for an opioid analgesic.

3 (9) "Counterfeit substance" means a controlled substance that, or the container or labeling
4 of which, without authorization bears the trademark, trade name, or other identifying mark,
5 imprint, number, or device, or any likeness of them, of a manufacturer, distributor, or dispenser,
6 other than the person or persons who in fact manufactured, distributed, or dispensed the substance
7 and that thereby falsely purports or is represented to be the product of, or to have been distributed
8 by, the other manufacturer, distributor, or dispenser, or which substance is falsely purported to be
9 or represented to be one of the controlled substances by a manufacturer, distributor, or dispenser.

10 (10) "CRT" means cathode ray tube used to impose visual information on a screen.

11 (11) "Deliver" or "delivery" means the actual, constructive, or attempted transfer of a
12 controlled substance or imitation controlled substance, whether or not there exists an agency
13 relationship.

14 (12) "Department" means the department of health of this state.

15 (13) "Depressant or stimulant drug" means:

16 (i) A drug that contains any quantity of:

17 (A) Barbituric acid or derivatives, compounds, mixtures, or preparations of barbituric
18 acid; and

19 (B) "Barbiturate" or "barbiturates" includes all hypnotic and/or somnifacient drugs,
20 whether or not derivatives of barbituric acid, except that this definition shall not include bromides
21 and narcotics.

22 (ii) A drug that contains any quantity of:

23 (A) Amphetamine or any of its optical isomers;

24 (B) Any salt of amphetamine and/or desoxyephedrine or any salt of an optical isomer of
25 amphetamine and/or desoxyephedrine, or any compound, mixture, or preparation of them.

26 (iii) A drug that contains any quantity of coca leaves. "Coca leaves" includes cocaine, or
27 any compound, manufacture, salt, derivative, mixture, or preparation of coca leaves, except
28 derivatives of coca leaves, that do not contain cocaine, ecgonine, or substance from which
29 cocaine or ecgonine may be synthesized or made.

30 (iv) Any other drug or substance that contains any quantity of a substance that the
31 attorney general of the United States, or the director of health, after investigation, has found to
32 have, or by regulation designates as having, a potential for abuse because of its depressant or
33 stimulant effect on the central nervous system.

34 (14) "Director" means the director of health.

1 (15) "Dispense" means to deliver, distribute, leave with, give away, or dispose of a
2 controlled substance to the ultimate user or human research subject by or pursuant to the lawful
3 order of a practitioner, including the packaging, labeling, or compounding necessary to prepare
4 the substance for that delivery.

5 (16) "Dispenser" is a practitioner who delivers a controlled substance to the ultimate user
6 or human research subject.

7 (17) "Distribute" means to deliver (other than by administering or dispensing) a
8 controlled substance or an imitation controlled substance and includes actual constructive, or
9 attempted transfer. "Distributor" means a person who so delivers a controlled substance or an
10 imitation controlled substance.

11 (18) "Downtime" means that period of time when a computer is not operable.

12 (19) "Drug addicted person" means a person who exhibits a maladaptive pattern of
13 behavior resulting from drug use, including one or more of the following: impaired control over
14 drug use; compulsive use; and/or continued use despite harm, and craving.

15 (20) "Drug Enforcement Administration" means the Drug Enforcement Administration
16 United States Department of Justice or its successor.

17 (21) "Federal law" means the Comprehensive Drug Abuse Prevention and Control Act of
18 1970, (84 stat. 1236) (see generally 21 U.S.C. § 801 et seq.), and all regulations pertaining to that
19 federal act.

20 (22) "Hardware" means the fixed component parts of a computer.

21 (23) "Hospital" means an institution as defined in chapter 17 of title 23.

22 (24) "Imitation controlled substance" means a substance that is not a controlled
23 substance, that by dosage unit, appearance (including color, shape, size, and markings), or by
24 representations made, would lead a reasonable person to believe that the substance is a controlled
25 substance and, which imitation controlled substances contain substances that if ingested, could be
26 injurious to the health of a person. In those cases when the appearance of the dosage unit is not
27 reasonably sufficient to establish that the substance is an "imitation controlled substance" (for
28 example in the case of powder or liquid), the court or authority concerned should consider, in
29 addition to all other logically relevant factors, the following factors as related to "representations
30 made" in determining whether the substance is an "imitation controlled substance":

31 (i) Statement made by an owner, possessor, transferor, recipient, or by anyone else in
32 control of the substance concerning the nature of the substance, or its use or effect.

33 (ii) Statements made by the owner, possessor, or transferor, to the recipient that the
34 substance may be resold for substantial profit.

1 (iii) Whether the substance is packaged in a manner reasonably similar to packaging of
2 illicit controlled substances.

3 (iv) Whether the distribution or attempted distribution included an exchange of or
4 demand for money or other property as consideration, and whether the amount of the
5 consideration was substantially greater than the reasonable value of the non-controlled substance.

6 (25) "Immediate precursor" means a substance:

7 (i) That the director of health has found to be and by regulation designated as being the
8 principal compound used, or produced primarily for use, in the manufacture of a controlled
9 substance;

10 (ii) That is an immediate chemical intermediary used or likely to be used in the
11 manufacture of those controlled substances; and

12 (iii) The control of which is necessary to prevent, curtail, or limit the manufacture of that
13 controlled substance.

14 (26) "Laboratory" means a laboratory approved by the department of health as proper to
15 be entrusted with controlled substances and the use of controlled substances for scientific and
16 medical purposes and for the purposes of instruction.

17 (27) "Manufacture" means the production, preparation, propagation, cultivation,
18 compounding, or processing of a drug or other substance, including an imitation controlled
19 substance, either directly or indirectly or by extraction from substances of natural origin, or
20 independently by means of chemical synthesis or by a combination of extraction and chemical
21 synthesis and includes any packaging or repackaging of the substance or labeling or relabeling of
22 its container in conformity with the general laws of this state except by a practitioner as an
23 incident to his or her administration or dispensing of the drug or substance in the course of his or
24 her professional practice.

25 (28) "Manufacturer" means a person who manufactures but does not include an
26 apothecary who compounds controlled substances to be sold or dispensed on prescriptions.

27 (29) "Marijuana" means all parts of the plant *cannabis sativa* L., whether growing or not;
28 the seeds of the plant; the resin extracted from any part of the plant; and every compound,
29 manufacture, salt, derivative, mixture, or preparation of the plant, its seeds or resin, but shall not
30 include the mature stalks of the plant, fiber produced from the stalks, oil or cake made from the
31 seeds of the plant, any other compound, manufacture, salt, derivative, mixture, or preparation of
32 mature stalks, (except the resin extracted from it), fiber, oil or cake, or the sterilized seed from the
33 plant which is incapable of germination. [Marijuana shall not include "industrial hemp" or](#)
34 [industrial hemp products" which satisfy the requirements of chapter 2-26 of the general laws and](#)

1 [the regulations promulgated thereunder.](#)

2 (30) "Narcotic drug" means any of the following, whether produced directly or indirectly
3 by extraction from substances of vegetable origin, or independently by means of chemical
4 synthesis or by a combination of extraction and chemical synthesis:

5 (i) Opium and opiates.

6 (ii) A compound, manufacture, salt, derivative, or preparation of opium or opiates.

7 (iii) A substance (and any compound, manufacture, salt, derivative, or preparation of it)
8 that is chemically identical with any of the substances referred to in paragraphs (i) and (ii) of this
9 subdivision.

10 (iv) Any other substance that the attorney general of the United States, or his or her
11 successor, or the director of health, after investigation, has found to have, and by regulation
12 designates as having, a potential for abuse similar to opium and opiates.

13 (31) "Official written order" means an order written on a form provided for that purpose
14 by the Drug Enforcement Administration under any laws of the United States making provision
15 for an official form, if order forms are authorized and required by federal law, and if no order
16 form is provided then on an official form provided for that purpose by the director of health.

17 (32) "Opiate" means any substance having an addiction-forming or addiction-sustaining
18 liability similar to morphine or being capable of conversion into a drug having addiction-forming
19 or addiction-sustaining liability.

20 (33) "Opioid analgesics" means and includes, but is not limited to, the medicines
21 buprenorphine, butorphanol, codeine, hydrocodone, hydromorphone, levorphanol, meperidine,
22 methadone, morphine, nalbuphine, oxycodone, oxymorphone, pentazocine, propoxyphene as well
23 as their brand names, isomers, and combinations, or other medications approved by the
24 department.

25 (34) "Opioid antagonist" means naloxone hydrochloride and any other drug approved by
26 the United States Food and Drug Administration for the treatment of opioid overdose.

27 (35) "Opium poppy" means the plant of the species *papaver somniferum* L., except the
28 seeds of the plant.

29 (36) "Ounce" means an avoirdupois ounce as applied to solids and semi-solids, and a
30 fluid ounce as applied to liquids.

31 (37) "Person" means any corporation, association, partnership, or one or more
32 individuals.

33 (38) "Physical dependence" means a state of adaptation that is manifested by a drug class
34 specific withdrawal syndrome that can be produced by abrupt cessation, rapid dose reduction,

1 decreasing blood level of the drug, and/or administration of an antagonist.

2 (39) "Poppy straw" means all parts, except the seeds, of the opium poppy, after mowing.

3 (40) "Practitioner" means:

4 (i)(ii) A physician, osteopath, dentist, chiropodist, veterinarian, scientific investigator, or
5 other person licensed, registered or permitted to distribute, dispense, conduct research with
6 respect to or to administer a controlled substance in the course of professional practice or research
7 in this state.

8 (41) "Printout" means a hard copy produced by computer that is readable without the aid
9 of any special device.

10 (42) "Production" includes the manufacture, planting, cultivation, growing, or harvesting
11 of a controlled substance.

12 (43) "Researcher" means a person authorized by the director of health to conduct a
13 laboratory as defined in this chapter.

14 (44) "Sell" includes sale, barter, gift, transfer, or delivery in any manner to another, or to
15 offer or agree to do the same.

16 (45) "Software" means programs, procedures and storage of required information data.

17 (46) "Synthetic drugs" means any synthetic cannabinoids or piperazines or any synthetic
18 cathinones as provided for in schedule I.

19 (47) "Ultimate user" means a person who lawfully possesses a controlled substance for
20 his or her own use or for the use of a member of his or her household, or for administering to an
21 animal owned by him or her or by a member of his or her household.

22 (48) "Wholesaler" means a person who sells, vends, or distributes at wholesale, or as a
23 jobber, broker agent, or distributor, or for resale in any manner in this state any controlled
24 substance.

25 SECTION 4. Section 21-28.5-2 of the General Laws in Chapter 21-28.5 entitled "Sale of
26 Drug Paraphernalia" is hereby amended to read as follows:

27 **21-28.5-2. Manufacture or delivery of drug paraphernalia -- Penalty.**

28 It is unlawful for any person to deliver, sell, possess with intent to deliver, or sell, or
29 manufacture with intent to deliver, or sell drug paraphernalia, knowing that it will be used to
30 plant, propagate, cultivate, grow, harvest, manufacture, compound, convert, produce, process,
31 prepare, test, analyze, pack, repack, store, contain, conceal, inject, ingest, inhale, or introduce into
32 the human body a controlled substance in violation of chapter 28 of this title. A violation of this
33 section shall be punishable by a fine not exceeding five thousand dollars (\$5,000) or
34 imprisonment not exceeding two (2) years, or both.

1 Notwithstanding any other provision of the general laws, the sale, manufacture, or
2 delivery of drug paraphernalia to a person acting in accordance with chapters 21-28.6, 21-28.10,
3 or 21-28.11 of the general laws shall not be considered a violation of this chapter.

4 SECTION 5. Sections 21-28.6-3, 21-28.6-4, 21-28.6-5, 21-28.6-6, 21-28.6-7, 21-28.6-8,
5 21-28.6-9, 21-28.6-12, 21-28.6-14, 21-28.6-15, 21-28.6-16, 21-28.6-16.2 and 21-28.6-17 of the
6 General Laws in Chapter 21-28.6 entitled "The Edward O. Hawkins and Thomas C. Slater
7 Medical Marijuana Act" are hereby amended to read as follows:

8 **21-28.6-3. Definitions.**

9 For the purposes of this chapter:

10 (1) "Authorized purchaser" means a natural person who is at least twenty-one (21) years
11 old and who is registered with the department of health for the purposes of assisting a qualifying
12 patient in purchasing marijuana from a compassion center. An authorized purchaser may assist no
13 more than one patient, and is prohibited from consuming marijuana obtained for the use of the
14 qualifying patient. An authorized purchaser shall be registered with the department of health and
15 shall possess a valid registry identification card.

16 (2) "Cannabis" means all parts of the plant of the genus marijuana, also known as
17 marijuana sativa L, whether growing or not; the seeds thereof; the resin extracted from any
18 part of the plant; and every compound, manufacture, salt, derivative, mixture, or preparation
19 of the plant, its seeds, or resin regardless of cannabinoid content or cannabinoid potency
20 including "marijuana", and "industrial hemp" or "industrial hemp products" which satisfy the
21 requirements of chapter 2-26 of the general laws and the regulations promulgated thereunder.

22 ~~(15)~~(3) ~~"Medical-marijuana Cannabis~~ testing laboratory" means a third-party analytical
23 testing laboratory licensed by the department of health, in coordination with the department of
24 business regulation, to collect and test samples of medical marijuana pursuant to regulations
25 promulgated by the departments.

26 ~~(2)~~(4) "Cardholder" means a person who has been registered or licensed with the
27 department of health or the department of business regulation pursuant to this chapter and
28 possesses a valid registry identification card or license.

29 ~~(3)~~(5) "Commercial unit" means a building, ~~office, suite, or room~~ other space within a
30 commercial or industrial building as authorized by the department of business regulation, for use
31 by one business or person and is rented or owned by that business or person.

32 (4)(i) "Compassion center" means a not-for-profit corporation, subject to the provisions
33 of chapter 6 of title 7, and registered under § 21-28.6-12, that acquires, possesses, ~~cultivates,~~
34 ~~manufactures,~~ delivers, transfers, transports, supplies, or dispenses marijuana, and/or related

1 supplies and educational materials, to patient cardholders and/or their registered caregiver
2 cardholder or authorized purchaser [in accordance with regulations promulgated by the department](#)
3 [of business regulation](#).

4 (ii) "Compassion center cardholder" means a principal officer, board member, employee,
5 volunteer, or agent of a compassion center who has registered with the ~~department of health or~~
6 ~~the~~ department of business regulation and has been issued and possesses a valid, registry
7 identification card.

8 ~~(5)~~[\(7\)](#) "Debilitating medical condition" means:

9 (i) Cancer, glaucoma, positive status for human immunodeficiency virus, acquired
10 immune deficiency syndrome, Hepatitis C, post-traumatic stress disorder, or the treatment of
11 these conditions;

12 (ii) A chronic or debilitating disease or medical condition, or its treatment, that produces
13 one or more of the following: cachexia or wasting syndrome; severe, debilitating, chronic pain;
14 severe nausea; seizures, including but not limited to, those characteristic of epilepsy; or severe
15 and persistent muscle spasms, including but not limited to, those characteristic of multiple
16 sclerosis or Crohn's disease; or agitation of Alzheimer's Disease; or

17 (iii) Any other medical condition or its treatment approved by the department [of health](#),
18 as provided for in § 21-28.6-5.

19 ~~(6)~~[\(8\)](#) "Department of business regulation" means the Rhode Island department of
20 business regulation or its successor agency.

21 ~~(7)~~[\(9\)](#) "Department of health" means the Rhode Island department of health or its
22 successor agency.

23 ~~(8)~~[\(10\)](#) "Department of public safety" means the Rhode Island department of public
24 safety or its successor agency.

25 ~~(9)~~[\(11\)](#) "Dried, ~~usable~~ marijuana" means the dried leaves and flowers of the marijuana
26 plant as defined by regulations promulgated by the departments of ~~health~~ [business regulation](#).

27 ~~(10)~~[\(12\)](#) "Dwelling unit" means the room, or group of rooms, within a [residential](#)
28 dwelling used or intended for use by one family or household, or by no more than three (3)
29 unrelated individuals, [with facilities](#) for living, sleeping, [sanitation](#), cooking, and eating.

30 ~~(11)~~[\(13\)](#) "Equivalent amount" means the portion of usable marijuana, be it in extracted,
31 edible, concentrated, or any other form, found to be equal to a portion of dried, ~~usable~~ marijuana,
32 as defined by regulations promulgated by the departments of ~~health and~~ [business regulation](#).

33 [\(14\) "Immature marijuana plant" means a marijuana plant, rooted or unrooted, with no](#)
34 [observable flowers or buds.](#)

1 ~~(12)~~(15) "Licensed medical marijuana cultivator" means a person or entity, as identified
2 in § 43-3-6, who has been licensed by the department of business regulation to cultivate medical
3 marijuana pursuant to § 21-28.6-16.

4 (16) "Licensed medical marijuana processor" means a person or entity, as identified in §
5 43-3-6, who has been licensed by the department of business regulation to manufacture medical
6 marijuana products and/or process medical marijuana products pursuant to § 21-28.6-16.1.

7 ~~(13)~~(17) "Marijuana" has the meaning given that term in § 21-28-1.02(30).

8 (18) "Marijuana establishment licensee" means any person or entity licensed by the
9 department of business regulation under chapters 21-28.6 or 21-28.11 whose license permits it to
10 engage in or conduct activities in connection with the medical marijuana program or adult use
11 marijuana industry. "Marijuana establishment licensees" shall include but not be limited to,
12 compassion centers, medical marijuana cultivators, medical marijuana processors, marijuana
13 retailers, marijuana cultivators, marijuana processors, cannabis testing laboratories, and the holder
14 of any other license issued by the department of business regulation under chapters 21-28.6 or
15 21-28.11 of the Rhode Island General Laws and/or as specified and defined in regulations
16 promulgated by the department of business regulation.

17 ~~(14)~~(19) "Mature marijuana plant" means a marijuana plant that has flowers or buds that
18 are readily observable by an unaided visual examination.

19 (20) "Medical marijuana emporium" means any establishment, facility or club, whether
20 operated for-profit or nonprofit, or any commercial unit or other premises as further defined
21 through regulations promulgated by the department of business regulation, at which the sale,
22 distribution, transfer or use of medical marijuana or medical marijuana products is proposed
23 and/or occurs to, by or among registered patients, registered caregivers, authorized purchaser
24 cardholders or other persons as further defined through regulations promulgated by the
25 department of business regulation. This shall not include a compassion center regulated and
26 licensed by the department of business regulation pursuant to the terms of this chapter.

27 (21) "Medical marijuana plant tag set" or "plant tag" means any tag, identifier,
28 registration, certificate, or inventory tracking system authorized or issued by the department or
29 which the department requires be used for the lawful possession and cultivation of medical
30 marijuana plants in accordance with this chapter.

31 ~~(16)~~(22) "Medical use" means the acquisition, possession, cultivation, manufacture, use,
32 delivery, transfer, or transportation of marijuana or paraphernalia relating to the consumption of
33 marijuana to alleviate a patient cardholder's debilitating medical condition or symptoms
34 associated with the medical condition in accordance with the provisions of this chapter.

1 ~~(17)~~(23) "Practitioner" means a person who is licensed with authority to prescribe drugs
2 pursuant to chapters 34, 37, and 54 of title 5, ~~or a physician licensed with authority to prescribe~~
3 ~~drugs in Massachusetts or Connecticut,~~ who may provide a qualifying patient with a written
4 certification in accordance with regulations promulgated by the department of health or a
5 physician licensed with authority to prescribe drugs in Massachusetts or Connecticut.

6 ~~(18)~~(24) "Primary caregiver" means a natural person who is at least twenty-one (21) years
7 old who is registered under this chapter in order to, and who. ~~A primary caregiver~~ may, assist one
8 (1) qualifying patient, or upon a demonstration of need in accordance with regulations
9 promulgated by the department of business regulation, up to but no more than five (5) qualifying
10 patients with their medical use of marijuana in accordance with regulations promulgated by the
11 department of business regulation, provided that a qualified patient may also serve as their own
12 primary caregiver subject to the registration and requirements set forth in § 21-28.6-4 and any
13 regulations promulgated thereunder.

14 ~~(19)~~(25) "Qualifying patient" means a person who has been ~~diagnosed~~ certified by a
15 practitioner as having a debilitating medical condition and is a resident of Rhode Island.

16 ~~(20)~~(26) "Registry identification card" means a document issued by the department of
17 health or the department of business regulation, as applicable, that identifies a person as a
18 registered qualifying patient, a registered primary caregiver, or authorized purchaser, or a
19 document issued by the department of business regulation that identifies a person as a registered
20 principal officer, board member, employee, volunteer, or agent of a compassion center, licensed
21 medical marijuana cultivator, medical marijuana processor, cannabis testing lab, or any other
22 medical marijuana licensee or marijuana establishment.

23 ~~(21) "Seedling" means a marijuana plant with no observable flowers or buds.~~

24 ~~(22)~~(27) "Unusable marijuana" means marijuana seeds, stalks, ~~seedlings~~ and unusable
25 roots and shall not count towards any weight based possession limits established in the act.

26 ~~(23)~~(28) "Usable marijuana" means the ~~dried~~ leaves and flowers of the marijuana plant,
27 and any mixture or preparation thereof, but does not include the seeds, stalks, and roots of the
28 plant.

29 ~~(24)~~(29) "Wet marijuana" means the harvested leaves and flowers of the marijuana plant
30 before they have reached a dry ~~useable~~ state, as defined by regulations promulgated by the
31 departments of ~~health and~~ business regulation.

32 ~~(25)~~(30) "Written certification" means ~~the qualifying patient's medical records, and~~ a
33 statement signed by a practitioner, stating that, in the practitioner's professional opinion, the
34 potential benefits of the medical use of marijuana would likely outweigh the health risks for the

1 qualifying patient. A written certification shall be made only in the course of a bona fide,
2 practitioner-patient relationship after the practitioner has completed a full assessment of the
3 qualifying patient's medical history. The written certification shall specify the qualifying patient's
4 debilitating medical condition or conditions and include any other information required by
5 regulations promulgated by the department of health which may include the qualifying patient's
6 medical records.

7 **21-28.6-4. Protections for the medical use of marijuana.**

8 (a) A qualifying patient cardholder who has in his or her possession a registry
9 identification card shall not be subject to arrest, prosecution, or penalty in any manner, or denied
10 any right or privilege, including, but not limited to, civil penalty or disciplinary action by a
11 business or occupational or professional licensing board or bureau, solely for the medical use of
12 marijuana; provided;

13 (1) Before July 1, 2019, tThe qualifying patient cardholder possesses an amount of
14 marijuana that does not exceed twelve (12) mature marijuana plants and twelve (12) immature
15 marijuana plants that are accompanied by valid medical marijuana tags (provided that if a
16 qualifying patient cardholder has valid medical marijuana tags that were ordered and issued prior
17 to July 1, 2019, and such tags have an expiration date that is on or after July 1, 2019, the plant
18 possession limits set forth in this subsection shall apply to such qualifying patient until the
19 expiration date of the issued tags), ~~two and one half (2.5)~~ three (3) ounces of ~~dried usable~~
20 marijuana, or its equivalent amount, and an amount of wet marijuana to be set by regulations
21 promulgated by the departments of ~~health and~~ business regulation. Said plants shall be stored in
22 an indoor facility.

23 Marijuana plants and the marijuana they produce shall only be grown, stored,
24 manufactured, and processed in accordance with regulations promulgated by the department of
25 business regulation; and

26 (2) On and after July 1, 2019, the qualifying patient cardholder possesses an amount of
27 marijuana that does not exceed six (6) mature marijuana plants and six (6) immature marijuana
28 plants that are accompanied by valid medical marijuana tags (provided that if a qualifying patient
29 cardholder has valid medical marijuana tags that were ordered and issued prior to July 1, 2019,
30 and such tags have an expiration date that is on or after July 1, 2019, the plant possession limits
31 set forth in subsection (1) above shall apply to such qualifying patient until the expiration date of
32 the issued tags), three (3) ounces of dried marijuana, or its equivalent amount, and an amount of
33 wet marijuana to be set by regulations promulgated by the department of business regulation.
34 Said plants shall be stored in an indoor facility. Marijuana plants and the marijuana they produce

1 shall be grown, stored, manufactured, and processed in accordance with regulations promulgated
2 by the department of business regulation and;

3 (3) On and after July 1, 2019, in order to lawfully possess and grow marijuana plants, a
4 qualifying patient cardholder, prior to applying for, or renewing medical marijuana plant grow
5 tags, must first apply for and be issued a caregiver registration card by the department of business
6 regulation. The department of business regulation may issue a caregiver registration card and
7 plant tags to any qualified patient cardholder who qualifies to serve as their own caregiver
8 through a demonstration of need in accordance with regulations promulgated by the department
9 of business regulation.

10 (b) An authorized purchaser who has in his or her possession a registry identification card
11 shall not be subject to arrest, prosecution, or penalty in any manner, or denied any right or
12 privilege, including, but not limited to, civil penalty or disciplinary action by a business or
13 occupational or professional licensing board or bureau, for the possession of marijuana; provided
14 that the authorized purchaser possesses an amount of marijuana that does not exceed ~~two and~~
15 ~~one-half (2.5)~~ three (3) ounces of dried usable marijuana, or its equivalent amount, and this
16 marijuana was purchased legally from a compassion center for the use of their designated
17 qualifying patient.

18 (c) A qualifying patient cardholder, who has in his or her possession a registry
19 identification card, shall not be subject to arrest, prosecution, or penalty in any manner, or denied
20 any right or privilege, including, but not limited to, civil penalty or disciplinary action by a
21 business or occupational or professional licensing board or bureau, for selling, giving, or
22 distributing, on or before December 31, 2016, to a compassion center cardholder, marijuana of
23 the type, and in an amount not to exceed, that set forth in subsection (a), that he or she has
24 cultivated or manufactured pursuant to this chapter.

25 (d) No school, employer, or landlord may refuse to enroll, employ, or lease to, or
26 otherwise penalize, a person solely for his or her status as a cardholder. Provided, however, due to
27 the safety and welfare concern for other tenants, the property, and the public, as a whole, a
28 landlord may have the discretion not to lease, or continue to lease, to a cardholder who cultivates,
29 manufactures, processes, smokes, or vaporizes marijuana in the leased premises.

30 (e) A primary caregiver cardholder, who has in his or her possession a registry
31 identification card, shall not be subject to arrest, prosecution, or penalty in any manner, or denied
32 any right or privilege, including, but not limited to, civil penalty or disciplinary action by a
33 business or occupational or professional licensing board or bureau, for assisting a patient
34 cardholder, to whom he or she is connected through the department of health or department of

1 business regulation's registration process, with the medical use of marijuana; provided, that;

2 (1)Before July 1, 2019, the primary caregiver cardholder possesses an amount of
3 marijuana that does not exceed twelve (12) mature marijuana plants and twelve (12) immature
4 marijuana plants that are accompanied by valid medical marijuana tags (provided that if a primary
5 caregiver cardholder has valid medical marijuana tags that were ordered and processed prior to
6 July 1, 2019, and such tags have an expiration date that is on or after July 1, 2019, the plant
7 possession limits set forth in this subsection shall apply to such primary caregiver until the
8 expiration date of the issued tags), ~~two and one half (2.5)~~ three (3) ounces of dried usable
9 marijuana, or its equivalent amount, and an amount of wet marijuana set in regulations
10 promulgated by the departments of ~~health and~~ business regulation for each qualified patient
11 cardholder to whom he or she is connected through the department of ~~health~~ business regulation's
12 registration process. Said plants shall be stored in an indoor facility. Marijuana plants and the
13 marijuana they produce shall be grown, stored, manufactured, processed, and distributed to
14 qualified patient cardholders to whom the primary caregiver is connected and in accordance with
15 regulations promulgated by the department of business regulation; and

16 (2) On and after July 1, 2019, the primary caregiver cardholder possesses an amount of
17 marijuana that does not exceed six (6) mature marijuana plants and six (6) immature marijuana
18 plants that are accompanied by valid medical marijuana tags (provided that if a primary caregiver
19 cardholder has valid medical marijuana tags that were ordered and processed prior to July 1,
20 2019, and such tags have an expiration date that is on or after July 1, 2019, the plant possession
21 limits set forth in subsection (1) above shall apply to such primary caregiver until the expiration
22 date of the issued tags), three (3) ounces of dried marijuana, or its equivalent amount, and an
23 amount of wet marijuana set in regulations promulgated by the department of business regulation
24 for each qualified patient cardholder to whom he or she is connected through the department of
25 business regulation's registration process. Said plants shall be stored in an indoor facility.
26 Marijuana plants and the marijuana they produce shall be grown, stored, manufactured,
27 processed, and distributed to qualified patient cardholders to whom the primary caregiver is
28 connected and in accordance with regulations promulgated by the department of business
29 regulation.

30 ~~(f) A qualifying patient cardholder shall be allowed to possess a reasonable amount of~~
31 ~~unusable marijuana, including up to twelve (12) seedlings that are accompanied by valid medical~~
32 ~~marijuana tags. A primary caregiver cardholder shall be allowed to possess a reasonable amount~~
33 ~~of unusable marijuana, including up to twenty four (24) seedlings that are accompanied by valid~~
34 ~~medical marijuana tags and an amount of wet marijuana set in regulations promulgated by the~~

1 ~~departments of health and business regulation.~~

2 ~~(e)~~(f) There shall exist a presumption that a cardholder is engaged in the medical use of
3 marijuana if the cardholder:

4 (1) Is in possession of a registry identification card; and

5 (2) Is in possession of an amount of marijuana that does not exceed the amount permitted
6 under this chapter. Such presumption may be rebutted by evidence that conduct related to
7 marijuana was not for the purpose of alleviating the qualifying patient's debilitating medical
8 condition or symptoms associated with the medical condition.

9 ~~(h)~~(g) A primary caregiver cardholder may receive reimbursement for costs associated
10 with assisting a qualifying patient cardholder's medical use of marijuana A primary caregiver
11 cardholder may only receive reimbursement for the actual costs of goods, materials, services or
12 utilities for which they have incurred expenses. A primary caregiver may not receive
13 reimbursement or compensation for their time, knowledge, or expertise. Compensation shall not
14 constitute sale of controlled substances under state law. The department of business regulation
15 may promulgate regulations for the documentation and tracking of reimbursements and the
16 transfer of marijuana between primary caregivers and their registered patients.

17 ~~(i)~~(h) A primary caregiver cardholder, who has in his or her possession a registry
18 identification card, shall not be subject to arrest, prosecution, or penalty in any manner, or denied
19 any right or privilege, including, but not limited to, civil penalty or disciplinary action by a
20 business or occupational or professional licensing board or bureau, for selling, giving, or
21 distributing, on or before December 31, 2016, to a compassion center cardholder, marijuana, of
22 the type, and in an amount not to exceed that set forth in subsection (e), if:

23 (1) The primary caregiver cardholder cultivated the marijuana pursuant to this chapter,
24 not to exceed the limits of subsection (e); and

25 (2) Each qualifying patient cardholder the primary caregiver cardholder is connected with
26 through the department of health's registration process has been provided an adequate amount of
27 the marijuana to meet his or her medical needs, not to exceed the limits of subsection (a).

28 ~~(j)~~(i) A practitioner shall not be subject to arrest, prosecution, or penalty in any manner,
29 or denied any right or privilege, including, but not limited to, civil penalty or disciplinary action
30 by the Rhode Island board of medical licensure and discipline, or ~~by any other business an~~ or
31 occupational or professional licensing board or bureau solely for providing written certifications
32 in accordance with this chapter and regulations promulgated by the department of health, or for
33 otherwise stating that, in the practitioner's professional opinion, the potential benefits of the
34 medical marijuana would likely outweigh the health risks for a patient.

1 ~~(j)~~(j) Any interest in, or right to, property that is possessed, owned, or used in connection
2 with the medical use of marijuana, or acts incidental to such use, shall not be forfeited.

3 ~~(k)~~(k) No person shall be subject to arrest or prosecution for constructive possession,
4 conspiracy, aiding and abetting, being an accessory, or any other offense, for simply being in the
5 presence or vicinity of the medical use of marijuana as permitted under this chapter, or for
6 assisting a qualifying patient cardholder with using or administering marijuana.

7 ~~(l)~~(l) A practitioner, licensed with authority to prescribe drugs pursuant to chapters 34,
8 37, and 54 of title 5, or pharmacist, licensed under chapter 19.1 of title 5, or certified school nurse
9 teacher, shall not be subject to arrest, prosecution, or penalty in any manner, or denied any right
10 or privilege, including, but not limited to, civil penalty or disciplinary action by an employer
11 ~~business~~ or occupational or professional licensing board or bureau solely for:

12 (i) discussing the benefits or health risks of medical marijuana or its interaction with
13 other substances with a patient- ~~or~~;

14 (ii) administering a non-smokable and non-vaporized form of medical marijuana in a
15 school setting to a qualified patient registered in accordance with chapter 21-28.6 of the general
16 laws.

17 ~~(m)~~(m) A qualifying patient or primary caregiver registry identification card, or its
18 equivalent, issued under the laws of another state, U.S. territory, or the District of Columbia, to
19 permit the medical use of marijuana by a patient with a debilitating medical condition, or to
20 permit a person to assist with the medical use of marijuana by a patient with a debilitating
21 medical condition, shall have the same force and effect as a registry identification card.

22 ~~(n)~~(n) Notwithstanding the provisions of subsection (e), no primary caregiver cardholder
23 shall;

24 (1) Before July 1, 2019, possess an amount of marijuana in excess of twenty-four (24)
25 mature marijuana plants and twenty-four (24) immature marijuana plants that are accompanied by
26 valid medical marijuana tags (provided that if a primary caregiver cardholder has valid medical
27 marijuana tags that were ordered and processed prior to July 1, 2019, and such tags have an
28 expiration date that is on or after July 1, 2019, the plant possession limits set forth in this
29 subsection (1) shall apply to such primary caregiver until the expiration date of the issued tags)
30 and ~~five (5)~~ six (6) ounces of dried usable marijuana, or its equivalent, and an amount of wet
31 marijuana set in regulations promulgated by the departments of ~~health and~~ business regulation for
32 patient cardholders to whom he or she is connected through the ~~department of health~~ department
33 of business regulation's registration process.

34 (2) On or after July 1, 2019, possess an amount of marijuana in excess of twelve (12)

1 mature marijuana plants and twelve (12) immature marijuana plants that are accompanied by
2 valid medical marijuana tags (provided that if a primary caregiver cardholder has valid medical
3 marijuana tags that were ordered and processed prior to July 1, 2019, and such tags have an
4 expiration date that is on or after July 1, 2019, the plant possession limits set forth in subsection
5 (1) above shall apply to such primary caregiver until the expiration date of the issued tags) and
6 six (6) ounces of dried marijuana, or its equivalent, and an amount of wet marijuana set in
7 regulations promulgated by the department of business regulation for patient cardholders to
8 whom he or she is connected through the department of business regulation's registration process.

9 ~~(p) A qualifying patient or primary caregiver cardholder may give marijuana to another~~
10 ~~qualifying patient or primary caregiver cardholder to whom they are not connected by the~~
11 ~~department's registration process, provided that no consideration is paid for the marijuana, and~~
12 ~~that the recipient does not exceed the limits specified in this section.~~

13 ~~(o) Except as expressly authorized under this chapter, a qualifying patient or primary~~
14 ~~caregiver shall not deliver or otherwise transfer marijuana to any other person or entity.~~

15 ~~(p)~~ Qualifying patient cardholders and primary caregiver cardholders electing to grow
16 marijuana shall only grow at one premises, and this premises shall be registered with the
17 department of ~~health~~ business regulation. Except for licensed compassion centers, licensed
18 cooperative cultivations, licensed medical marijuana processors and licensed medical marijuana
19 cultivators, no more than ~~twenty-four (24)~~ twelve (12) mature marijuana plants and twelve (12)
20 immature marijuana plants that are accompanied by valid medical marijuana tags shall be grown
21 or otherwise located at any one dwelling unit or commercial unit (provided that if a qualifying
22 patient cardholder or a primary caregiver cardholder has valid medical marijuana tags for the
23 plants grown at such registered premises that were ordered and processed prior to July 1, 2019,
24 and such tags have an expiration date that is on or after July 1, 2019, the plant possession limit of
25 twenty-four (24) mature marijuana plants and twenty-four (24) immature marijuana plants shall
26 apply to such qualifying patient or primary caregiver until the expiration date of the issued tags).
27 The number of qualifying patients or primary caregivers residing, owning, renting, growing, or
28 otherwise operating at a dwelling or commercial unit does not affect this limit. The department of
29 ~~health~~ business regulation shall promulgate regulations to enforce this provision.

30 ~~(q)~~ For the purposes of medical care, including organ transplants, a patient cardholder's
31 authorized use of marijuana shall be considered the equivalent of the authorized use of any other
32 medication used at the direction of a physician, and shall not constitute the use of an illicit
33 substance.

34 ~~(r)~~ Notwithstanding any other provisions of the general laws, the manufacture of

1 marijuana using a solvent extraction process that includes the use of a compressed, flammable gas
2 as a solvent by a patient cardholder or primary caregiver cardholder shall not be subject to the
3 protections of this chapter.

4 ~~(s)~~ Notwithstanding any provisions to the contrary, nothing in this chapter or the
5 general laws shall restrict or otherwise affect the manufacturing, distribution, transportation, sale,
6 prescribing and dispensing of a product that has been approved for marketing as a prescription
7 medication by the U.S. Food and Drug Administration and legally prescribed, nor shall hemp, ~~as~~
8 ~~defined in~~ [in accordance with chapter 26 of title 2 § 2-26-3](#), be defined as marijuana or marihuana
9 pursuant to this chapter, chapter 28 of this title or elsewhere in the general laws.

10 **21-28.6-5. Departments of health and business regulation to issue regulations.**

11 (a) Not later than ninety (90) days after the effective date of this chapter, the department
12 of health shall promulgate regulations governing the manner in which it shall consider petitions
13 from the public to add debilitating medical conditions to those included in this chapter. In
14 considering such petitions, the department of health shall include public notice of, and an
15 opportunity to comment in a public hearing, upon such petitions. The department of health shall,
16 after hearing, approve or deny such petitions within one hundred eighty (180) days of submission.
17 The approval or denial of such a petition shall be considered a final department of health action,
18 subject to judicial review. Jurisdiction and venue for judicial review are vested in the superior
19 court. The denial of a petition shall not disqualify qualifying patients with that condition, if they
20 have a debilitating medical condition as defined in § 21-28.6-3(~~56~~). The denial of a petition shall
21 not prevent a person with the denied condition from raising an affirmative defense.

22 (b) Not later than ninety (90) days after the effective date of this chapter, the department
23 of health shall promulgate regulations governing the manner in which it shall consider
24 applications for, and renewals of, registry identification cards for qualifying patients, ~~primary~~
25 ~~caregivers~~, and authorized purchasers. The department of health's regulations shall establish
26 application and renewal fees that generate revenues sufficient to offset all expenses of
27 implementing and administering this chapter. The department of health may vary the application
28 and renewal fees along a sliding scale that accounts for a qualifying patient's or caregiver's
29 income. The department of health may accept donations from private sources in order to reduce
30 the application and renewal fees.

31 [\(c\) Not later than October 1, 2019, the department of business regulation shall](#)
32 [promulgate regulations governing the manner in which it shall consider applications for, and](#)
33 [renewals of, registry identification cards for primary caregivers which may include criteria for](#)
34 [eligibility or a demonstration of need. The department of business regulation's regulations shall](#)

1 [establish application and renewal fees. The department of business regulation may vary the](#)
2 [application and renewal fees along a sliding scale that accounts for a qualifying patient's or](#)
3 [caregiver's income. The department of business regulation may accept donations from private](#)
4 [sources in order to reduce the application and renewal fees.](#)

5 **21-28.6-6. Administration of departments of health and business regulation**
6 **regulations.**

7 (a) The department of health shall issue registry identification cards to qualifying patients
8 who submit the following, in accordance with the department's regulations. Applications shall
9 include but not be limited to:

10 (1) Written certification as defined in § 21-28.6-3(~~25~~[30](#)) of this chapter;

11 (2) Application fee, [as applicable](#);

12 (3) Name, address, and date of birth of the qualifying patient; provided, however, that if
13 the patient is homeless, no address is required;

14 (4) Name, address, and telephone number of the qualifying patient's practitioner;

15 (5) Whether the patient elects to [apply to the department of business regulation to serve](#)
16 [as their own caregiver and](#) grow medical marijuana plants for himself or herself; and

17 (6) Name, address, and date of birth of one primary caregiver of the qualifying patient
18 and any authorized purchasers for the qualifying patient, if any [primary caregiver or authorized](#)
19 [purchaser](#) is chosen by the patient or allowed in accordance with regulations promulgated by the
20 departments of health [or business regulation](#).

21 (b) The department of health shall not issue a registry identification card to a qualifying
22 patient under the age of eighteen (18) unless:

23 (1) The qualifying patient's practitioner has explained the potential risks and benefits of
24 the medical use of marijuana to the qualifying patient and to a parent, guardian, or person having
25 legal custody of the qualifying patient; and

26 (2) A parent, guardian, or person having legal custody consents in writing to:

27 (i) Allow the qualifying patient's medical use of marijuana;

28 (ii) Serve as the qualifying patient's primary caregiver or authorized purchaser; and

29 (iii) Control the acquisition of the marijuana, the dosage, and the frequency of the
30 medical use of marijuana by the qualifying patient.

31 (c) The department of health shall renew registry identification cards to qualifying
32 patients in accordance with regulations promulgated by the department of health [and subject to](#)
33 [payment of any applicable renewal fee](#).

34 (d) The department of health shall not issue a registry identification card to a qualifying

1 patient seeking treatment for post-traumatic stress disorder (PTSD) under the age of eighteen
2 (18).

3 (e) The department of health shall verify the information contained in an application or
4 renewal submitted pursuant to this section, and shall approve or deny an application or renewal
5 within thirty-five (35) days of receiving it. The department may deny an application or renewal
6 only if the applicant did not provide the information required pursuant to this section, or if the
7 department determines that the information provided was falsified, or that the renewing applicant
8 has violated this chapter under their previous registration. Rejection of an application or renewal
9 is considered a final department action, subject to judicial review. Jurisdiction and venue for
10 judicial review are vested in the superior court.

11 (f) If the qualifying patient's practitioner notifies the department of health in a written
12 statement that the qualifying patient is eligible for hospice care or chemotherapy, the department
13 of health and department of business regulation, as applicable, shall give priority to these
14 applications when verifying the information in accordance with subsection (e) and issue a registry
15 identification card to these qualifying patients, primary caregivers and authorized purchasers
16 within seventy-two (72) hours of receipt of the completed application. The departments shall not
17 charge a registration fee to the patient, caregivers or authorized purchasers named in the
18 application. The department of health may identify through regulation a list of other conditions
19 qualifying a patient for expedited application processing.

20 (g) Following the promulgation of regulations pursuant to 21-28.6-5 (c), ~~The department~~
21 ~~of health shall~~ department of business regulation may issue or renew a registry identification card
22 to the qualifying patient cardholder's primary caregiver, if any, who is named in the qualifying
23 patient's approved application provided the qualifying patient is eligible to appoint a primary
24 caregiver, or serve as their own primary caregiver pursuant to regulations promulgated by the
25 department of business regulation and the caregiver applicant has submitted all necessary
26 application or renewal materials and fees pursuant to regulations promulgated by the department
27 of business regulation. The department of business regulation shall verify the information
28 contained in applications and renewal forms submitted pursuant to this chapter prior to issuing
29 any registry identification card. The department of business regulation may deny an application or
30 renewal if the applicant or appointing patient did not provide the information required pursuant to
31 this section, or if the department determines that the information provided was falsified, or if the
32 applicant or appointing patient has violated this chapter under their previous registration or has
33 otherwise failed to satisfy the application or renewal requirements.

34 (1) Any qualifying patient who qualifies to grow medical marijuana for themselves and

1 serve as their own caregiver shall not be allowed to appoint a caregiver unless said qualifying
2 patient is able to demonstrate the necessity of appointing a caregiver in accordance with
3 regulations promulgated by the department of business regulation.

4 (2) A primary caregiver shall only be registered with and assist one patient cardholder
5 with their medical use of marijuana except as allowed in subdivision (g)(3) of this section.

6 (3) A primary caregiver may be registered with more than one patient cardholder
7 provided that any additional patient is an immediate family member of the primary caregiver or is
8 able to demonstrate the necessity of appointing the caregiver in accordance with regulations
9 promulgated by the department of business regulation.

10 ~~(4)~~ (4) A primary caregiver applicant or an authorized purchaser applicant shall apply to
11 the bureau of criminal identification of the department of attorney general, department of public
12 safety division of state police, or local police department for a national criminal records check
13 that shall include fingerprints submitted to the Federal Bureau of Investigation. Upon the
14 discovery of any disqualifying information as defined in subdivision (g) ~~(4)~~(8), and in
15 accordance with the rules promulgated by the director, the bureau of criminal identification of the
16 department of attorney general, department of public safety division of state police, or the local
17 police department shall inform the applicant, in writing, of the nature of the disqualifying
18 information; and, without disclosing the nature of the disqualifying information, shall notify the
19 department of business regulation or department of health, as applicable, in writing, that
20 disqualifying information has been discovered.

21 ~~(5)~~ (5) In those situations in which no disqualifying information has been found, the
22 bureau of criminal identification of the department of attorney general, department of public
23 safety division of state police, or the local police shall inform the applicant and the department of
24 business regulation or department of health, as applicable, in writing, of this fact.

25 ~~(6)~~ (6) The department of health or department of business regulation, as applicable, shall
26 maintain on file evidence that a criminal records check has been initiated on all applicants
27 seeking a primary caregiver registry identification card or an authorized purchaser registry
28 identification card and the results of the checks. The primary caregiver cardholder shall not be
29 required to apply for a national criminal records check for each patient he or she is connected to
30 through the department's registration process, provided that he or she has applied for a national
31 criminal records check within the previous two (2) years in accordance with this chapter. The
32 department of health and department of business regulation, as applicable, shall not require a
33 primary caregiver cardholder or an authorized purchaser cardholder to apply for a national
34 criminal records check more than once every two (2) years.

1 (7) Notwithstanding any other provision of this chapter, the department of business
2 regulation or department of health may revoke or refuse to issue any class or type of registry
3 identification card or license if it determines that failing to do so would conflict with any federal
4 law or guidance pertaining to regulatory, enforcement and other systems that states, businesses, or
5 other institutions may implement to mitigate the potential for federal intervention or enforcement.
6 This provision shall not be construed to prohibit the overall implementation and administration of
7 this chapter on account of the federal classification of marijuana as a schedule I substance or any
8 other federal prohibitions or restrictions.

9 ~~(4)~~(8) Information produced by a national criminal records check pertaining to a
10 conviction for any felony offense under chapter 28 of title 21 ("Rhode Island Controlled
11 Substances Act"), murder, manslaughter, rape, first-degree sexual assault, second-degree sexual
12 assault, first-degree child molestation, second-degree child molestation, kidnapping, first-degree
13 arson, second-degree arson, mayhem, robbery, burglary, breaking and entering, assault with a
14 dangerous weapon, assault or battery involving grave bodily injury, and/or assault with intent to
15 commit any offense punishable as a felony or a similar offense from any other jurisdiction shall
16 result in a letter to the applicant and the department of health or department of business
17 regulation, as applicable, disqualifying the applicant. If disqualifying information has been found,
18 the department of health or department of business regulation, as applicable may use its discretion
19 to issue a primary caregiver registry identification card or an authorized purchaser registry
20 identification card if the applicant's connected patient is an immediate family member and the
21 card is restricted to that patient only.

22 ~~(5)~~(9) The primary caregiver or authorized purchaser applicant shall be responsible for
23 any expense associated with the national criminal records check.

24 ~~(6)~~(10) For purposes of this section, "conviction" means, in addition to judgments of
25 conviction entered by a court subsequent to a finding of guilty or a plea of guilty, those instances
26 where the defendant has entered a plea of nolo contendere and has received a sentence of
27 probation and those instances where a defendant has entered into a deferred sentence agreement
28 with the attorney general.

29 (h)(i) On or before December 31, 2016, the department of health shall issue registry
30 identification cards within five (5) business days of approving an application or renewal that shall
31 expire two (2) years after the date of issuance.

32 (ii) Effective January 1, 2017, and thereafter, the department of health or the department
33 of business regulation, as applicable, shall issue registry identification cards within five (5)
34 business days of approving an application or renewal that shall expire one year after the date of

1 issuance.

2 (iii) Registry identification cards shall contain:

3 (1) The date of issuance and expiration date of the registry identification card;

4 (2) A random registry identification number;

5 (3) A photograph; and

6 (4) Any additional information as required by regulation of the department of health or
7 business regulation as applicable.

8 (i) Persons issued registry identification cards by the department of health or department
9 of business regulation shall be subject to the following:

10 (1) A qualifying patient cardholder shall notify the department of health of any change in
11 his or her name, address, primary caregiver, or authorized purchaser; or if he or she ceases to
12 have his or her debilitating medical condition, within ten (10) days of such change.

13 (2) A qualifying patient cardholder who fails to notify the department of health of any of
14 these changes is responsible for a civil infraction, punishable by a fine of no more than one
15 hundred fifty dollars (\$150). If the patient cardholder has ceased to suffer from a debilitating
16 medical condition, the card shall be deemed null and void and the person shall be liable for any
17 other penalties that may apply to the person's nonmedical use of marijuana.

18 (3) A primary caregiver cardholder or authorized purchaser shall notify the issuing
19 department ~~of health~~ of any change in his or her name or address within ten (10) days of such
20 change. A primary caregiver cardholder or authorized purchaser who fails to notify the
21 department of any of these changes is responsible for a civil infraction, punishable by a fine of no
22 more than one hundred fifty dollars (\$150).

23 (4) When a qualifying patient cardholder or primary caregiver cardholder notifies the
24 department of health or department of business regulation, as applicable, of any changes listed in
25 this subsection, the department of health or department of business regulation, as applicable, shall
26 issue the qualifying patient cardholder and each primary caregiver cardholder a new registry
27 identification card within ten (10) days of receiving the updated information and a ten-dollar
28 (\$10.00) fee.

29 (5) When a qualifying patient cardholder changes his or her primary caregiver or
30 authorized purchaser, the department of health or department of business regulation, as applicable
31 shall notify the primary caregiver cardholder or authorized purchaser within ten (10) days. The
32 primary caregiver cardholder's protections as provided in this chapter as to that patient shall
33 expire ten (10) days after notification by the issuing department. If the primary caregiver
34 cardholder or authorized purchaser is connected to no other qualifying patient cardholders in the

1 program, he or she must return his or her registry identification card to the [issuing](#) department.

2 (6) If a cardholder or authorized purchaser loses his or her registry identification card, he
3 or she shall notify the department [that issued the card](#) and submit a ten-dollar (\$10.00) fee within
4 ten (10) days of losing the card. Within five (5) days, the department [of health or department of](#)
5 [business regulation](#) shall issue a new registry identification card with new random identification
6 number.

7 ~~(7) Effective January 1, 2019, if a patient cardholder chooses to alter his or her~~
8 ~~registration with regard to the growing of medical marijuana for himself or herself, he or she shall~~
9 ~~notify the department prior to the purchase of medical marijuana tags or the growing of medical~~
10 ~~marijuana plants.~~

11 ~~(8)~~(7) If a cardholder or authorized purchaser willfully violates any provision of this
12 chapter as determined by the department [of health or the department of business regulation](#), his or
13 her registry identification card may be revoked.

14 (j) Possession of, or application for, a registry identification card shall not constitute
15 probable cause or reasonable suspicion, nor shall it be used to support the search of the person or
16 property of the person possessing or applying for the registry identification card, or otherwise
17 subject the person or property of the person to inspection by any governmental agency.

18 (k)(1) Applications and supporting information submitted by qualifying patients,
19 including information regarding their primary caregivers, authorized purchaser, and practitioners,
20 are confidential and protected ~~under~~ [in accordance with](#) the federal Health Insurance Portability
21 and Accountability Act of 1996, [as amended](#), and shall be exempt from the provisions of chapter
22 2 of title 38 et seq. (Rhode Island access to public records act) and not subject to disclosure,
23 except to authorized employees of the departments of health [and business regulation](#) as necessary
24 to perform official duties of the departments, and pursuant to subsections (l) and (m).

25 (2) The application for qualifying patient's registry identification card shall include a
26 question asking whether the patient would like the department of health to notify him or her of
27 any clinical studies about marijuana's risk or efficacy. The department of health shall inform
28 those patients who answer in the affirmative of any such studies it is notified of, that will be
29 conducted in Rhode Island. The department of health may also notify those patients of medical
30 studies conducted outside of Rhode Island.

31 (3) The department of health [and the department of business regulation, as applicable,](#)
32 shall maintain a confidential list of the persons to whom the department of health [or department](#)
33 [of business regulation](#) has issued [authorized patient, primary caregiver, and authorized purchaser](#)
34 [registry](#) identification cards. Individual names and other identifying information on the list shall

1 be confidential, exempt from the provisions of Rhode Island access to public information, chapter
2 2 of title 38, and not subject to disclosure, except to authorized employees of the departments of
3 health and business regulation as necessary to perform official duties of the departments and
4 pursuant to subsections (l) and (m).

5 (l) Notwithstanding subsections (k) C the departments of health and business regulation,
6 as applicable, shall verify to law enforcement personnel whether a registry identification card is
7 valid and may provide additional information to confirm whether a cardholder is compliant with
8 the provisions of this chapter and the regulations promulgated hereunder. ~~solely by confirming~~
9 ~~the random registry identification number or name.~~ The department of business regulation shall
10 verify to law enforcement personnel whether a registry identification card is valid and may
11 confirm whether the cardholder is compliant with the provisions of this chapter and the
12 regulations promulgated hereunder. This verification may occur through the use of a shared
13 database, provided that any medical records or confidential information in this database related to
14 a cardholder's specific medical condition is protected in accordance with subdivision (k)(1).

15 (m) It shall be a crime, punishable by up to one hundred eighty (180) days in jail and a
16 one thousand dollar (\$1,000) fine, for any person, including an employee or official of the
17 departments of health, business regulation, public safety, or another state agency or local
18 government, to breach the confidentiality of information obtained pursuant to this chapter.
19 Notwithstanding this provision, the department of health and department of business regulation
20 employees may notify law enforcement about falsified or fraudulent information submitted to the
21 department or violations of this chapter. Nothing in this act shall be construed as to prohibit law
22 enforcement, public safety, fire, or building officials from investigating violations of, or enforcing
23 state law.

24 (n) On or before the fifteenth day of the month following the end of each quarter of the
25 fiscal year, the department of health and the department of business regulation shall report to the
26 governor, the speaker of the house of representatives, and the president of the senate on
27 applications for the use of marijuana for symptom relief. The report shall provide:

28 (1) The number of applications for registration as a qualifying patient, primary caregiver,
29 or authorized purchaser that have been made to the department of health and the department of
30 business regulation during the preceding quarter, the number of qualifying patients, primary
31 caregivers, and authorized purchasers approved, the nature of the debilitating medical conditions
32 of the qualifying patients, the number of registrations revoked, and the number and
33 specializations, if any, of practitioners providing written certification for qualifying patients.

34 (o) On or before September 30 of each year, the department of health and the department

1 [of business regulation, as applicable, shall](#) report to the governor, the speaker of the house of
2 representatives, and the president of the senate on the use of marijuana for symptom relief. The
3 report shall provide:

4 (1) The total number of applications for registration as a qualifying patient, primary
5 caregiver, or authorized purchaser that have been made to the department of health [and the](#)
6 [department of business regulation](#), the number of qualifying patients, primary caregivers, and
7 authorized purchasers approved, the nature of the debilitating medical conditions of the
8 qualifying patients, the number of registrations revoked, and the number and specializations, if
9 any, of practitioners providing written certification for qualifying patients;

10 (2) The number of active qualifying patient, primary caregiver, and authorized purchaser
11 registrations as of June 30 of the preceding fiscal year;

12 (3) An evaluation of the costs permitting the use of marijuana for symptom relief,
13 including any costs to law enforcement agencies and costs of any litigation;

14 (4) Statistics regarding the number of marijuana-related prosecutions against registered
15 patients and caregivers, and an analysis of the facts underlying those prosecutions;

16 (5) Statistics regarding the number of prosecutions against physicians for violations of
17 this chapter; and

18 (6) Whether the United States Food and Drug Administration has altered its position
19 regarding the use of marijuana for medical purposes or has approved alternative delivery systems
20 for marijuana.

21 (p) After June 30, 2018, the department of business regulation shall report to the speaker
22 of the house, senate president, the respective fiscal committee chairpersons, and fiscal advisors
23 within 60 days of the close of the prior fiscal year. The report shall provide:

24 (1) The number of applications for registry identification cards to compassion center
25 staff, the number approved, denied and the number of registry identification cards revoked, and
26 the number of replacement cards issued;

27 (2) The number of applications for compassion centers and licensed cultivators;

28 (3) The number of marijuana plant tag sets ordered, delivered, and currently held within
29 the state;

30 (4) The total revenue collections of any monies related to its regulator activities for the
31 prior fiscal year, by the relevant category of collection, including enumerating specifically the
32 total amount of revenues foregone or fees paid at reduced rates pursuant to this chapter.

33 **21-28.6-7. Scope of chapter.**

34 (a) This chapter shall not permit:

1 (1) Any person to undertake any task under the influence of marijuana, when doing so
2 would constitute negligence or professional malpractice;

3 (2) The smoking of marijuana:

4 (i) In a school bus or other form of public transportation;

5 (ii) On any school grounds;

6 (iii) In any correctional facility;

7 (iv) In any public place;

8 (v) In any licensed drug treatment facility in this state; or

9 (vi) Where exposure to the marijuana smoke significantly adversely affects the health,
10 safety, or welfare of children.

11 (3) Any person to operate, navigate, or be in actual physical control of any motor vehicle,
12 aircraft, or motorboat while under the influence of marijuana. However, a registered qualifying
13 patient shall not be considered to be under the influence solely for having marijuana metabolites
14 in his or her system.

15 [\(4\) The operation of a medical marijuana emporium is prohibited in this state without a](#)
16 [license issued by the department of business regulation.](#)

17 (b) Nothing in this chapter shall be construed to require:

18 (1) A government medical assistance program or private health insurer to reimburse a
19 person for costs associated with the medical use of marijuana; or

20 (2) An employer to accommodate the medical use of marijuana in any workplace.

21 (c) Fraudulent representation to a law enforcement official of any fact or circumstance
22 relating to the medical use of marijuana to avoid arrest or prosecution shall be punishable by a
23 fine of five hundred dollars (\$500) which shall be in addition to any other penalties that may
24 apply for making a false statement for the nonmedical use of marijuana.

25 **21-28.6-8. Affirmative defense and dismissal.**

26 (a) Except as provided in § 21-28.6-7, a qualifying patient may assert the medical
27 purpose for using marijuana as a defense to any prosecution involving marijuana, and such
28 defense shall be presumed valid where the evidence shows that:

29 (1) The qualifying patient's practitioner has stated that, in the practitioner's professional
30 opinion, after having completed a full assessment of the person's medical history and current
31 medical condition made in the course of a bona fide practitioner-patient relationship, the potential
32 benefits of using marijuana for medical purposes would likely outweigh the health risks for the
33 qualifying patient; and

34 (2) The qualifying patient [was compliant with this chapter and all regulations](#)

1 [promulgated hereunder and](#) was in possession of a quantity of marijuana that was not more than
2 what is permitted under this chapter to ensure the uninterrupted availability of marijuana for the
3 purpose of alleviating the person's medical condition or symptoms associated with the medical
4 condition.

5 (b) A person may assert the medical purpose for using marijuana in a motion to dismiss,
6 and the charges shall be dismissed following an evidentiary hearing where the defendant shows
7 the elements listed in subsection (a) of this section.

8 (c) Any interest in, or right to, property that was possessed, owned, or used in connection
9 with a qualifying patient's use of marijuana for medical purposes shall not be forfeited if the
10 qualifying patient demonstrates the qualifying patient's medical purpose for using marijuana
11 pursuant to this section.

12 **21-28.6-9. Enforcement.**

13 (a) If the department of health fails to adopt regulations to implement this chapter within
14 one hundred twenty (120) days of the effective date of this act, a qualifying patient may
15 commence an action in a court of competent jurisdiction to compel the department to perform the
16 actions mandated pursuant to the provisions of this chapter.

17 (b) If the department of health or the department of business regulation fails to issue a
18 valid registry identification card in response to a valid application submitted pursuant to this
19 chapter within thirty-five (35) days of its submission, the registry identification card shall be
20 deemed granted and a copy of the registry identification application shall be deemed a valid
21 registry identification card.

22 (c) The department of health and the department of business regulation shall revoke and
23 shall not reissue, the registry identification card of any cardholder or licensee who is convicted of;
24 placed on probation; whose case is filed pursuant to § 12-10-12 where the defendant pleads nolo
25 contendere; or whose case is deferred pursuant to § 12-19-19 where the defendant pleads nolo
26 contendere for any felony offense under chapter 28 of title 21 ("Rhode Island Controlled
27 Substances Act") or a similar offense from any other jurisdiction.

28 (d) If a cardholder exceeds the possession limits set forth in §§ 21-28.6-4 or 21-28.6-14,
29 [or is in violation of any other section of this chapter or the regulations promulgated hereunder,](#) he
30 or she ~~shall~~ [may](#) be subject to arrest and prosecution under chapter 28 of title 21 ("Rhode Island
31 Controlled Substances Act").

32 [\(e\) \(1\) Notwithstanding any other provision of this chapter, if the director of the](#)
33 [department of business regulation or his or her designee has cause to believe that a violation of](#)
34 [any provision of chapter 21-28.6 or the regulations promulgated thereunder has occurred by a](#)

1 licensee or registrant under the department's jurisdiction, or that any person or entity is
2 conducting any activities requiring licensure or registration by the department of business
3 regulation under chapter 21-28.6 or the regulations promulgated thereunder without such
4 licensure or registration, the director or his or her designee may, in accordance with the
5 requirements of the administrative procedures act, chapter 35 of title 42:

6 (i) Revoke or suspend a license or registration;

7 (ii) Levy an administrative penalty in an amount established pursuant to regulations
8 promulgated by the department of business regulation;

9 (iii) Order the violator to cease and desist such actions;

10 (iv) Require a licensee or registrant or person or entity conducting any activities requiring
11 licensure or registration under chapter 21-28.6 to take such actions as are necessary to comply
12 with such chapter and the regulations promulgated thereunder; or

13 (v) Any combination of the above penalties.

14 (2) If the director of the department of business regulation finds that public health, safety,
15 or welfare imperatively requires emergency action, and incorporates a finding to that effect in his
16 or her order, summary suspension of license or registration and/or cease and desist may be
17 ordered pending proceedings for revocation or other action. These proceedings shall be promptly
18 instituted and determined.

19 (f) All medical marijuana products that are held for sale or distribution within the borders
20 of this state in violation of the requirements of this chapter are declared to be contraband goods
21 and may be seized by the department of business regulation, the tax administrator or his or her
22 agents, or employees, or by any sheriff, or his or her deputy, or any police officer when requested
23 by the tax administrator or the department of business regulation to do so, without a warrant. All
24 contraband goods seized by the state under this chapter may be destroyed.

25 **21-28.6-12. Compassion centers.**

26 (a) A compassion center ~~registered~~ licensed under this section may acquire, possess,
27 ~~cultivate, manufacture,~~ deliver, transfer, transport, supply, or dispense marijuana, or related
28 supplies and educational materials, to registered qualifying patients and their registered primary
29 caregivers or authorized purchasers, out of state patient cardholders, or other marijuana business
30 license holders, in accordance with regulations promulgated by the department of business
31 regulation. Except as specifically provided to the contrary, all provisions of the Edward O.
32 Hawkins and Thomas C. Slater Medical Marijuana Act, §§ 21-28.6-1 et seq., apply to a
33 compassion center unless they conflict with a provision contained in § 21-28.6-12.

34 (b) ~~Registration~~ License of compassion centers--authority of the departments of health

1 and business regulation:

2 (1) Not later than ninety (90) days after the effective date of this chapter, the department
3 of health shall promulgate regulations governing the manner in which it shall consider
4 applications for ~~registration-certificates~~ licenses for compassion centers, including regulations
5 governing:

- 6 (i) The form and content of ~~registration~~ license and renewal applications;
- 7 (ii) Minimum oversight requirements for compassion centers;
- 8 (iii) Minimum record-keeping requirements for compassion centers;
- 9 (iv) Minimum security requirements for compassion centers; and
- 10 (v) Procedures for suspending, revoking, or terminating the ~~registration~~ license of
11 compassion centers that violate the provisions of this section or the regulations promulgated
12 pursuant to this subsection.

13 (2) Within ninety (90) days of the effective date of this chapter, the department of health
14 shall begin accepting applications for the operation of a single compassion center.

15 (3) Within one hundred fifty (150) days of the effective date of this chapter, the
16 department of health shall provide for at least one public hearing on the granting of an application
17 to a single compassion center.

18 (4) Within one hundred ninety (190) days of the effective date of this chapter, the
19 department of health shall grant a single registration certificate to a single compassion center,
20 providing at least one applicant has applied who meets the requirements of this chapter.

21 (5) If at any time after fifteen (15) months after the effective date of this chapter, there is
22 no operational compassion center in Rhode Island, the department of health shall accept
23 applications, provide for input from the public, and issue a ~~registration-certificate~~ license for a
24 compassion center if a qualified applicant exists.

25 (6) Within two (2) years of the effective date of this chapter, the department of health
26 shall begin accepting applications to provide ~~registration-certificates~~ licenses for two (2)
27 additional compassion centers. The department shall solicit input from the public, and issue
28 ~~registration-certificates~~ licenses if qualified applicants exist.

29 (7)(i) Any time a compassion center ~~registration-certificate~~ license is revoked, is
30 relinquished, or expires on or before December 31, 2016, the department of health shall accept
31 applications for a new compassion center.

32 (ii) Any time a compassion center registration certificate is revoked, is relinquished, or
33 expires on or after January 1, 2017, the department of business regulation shall accept
34 applications for a new compassion center.

1 (8) (i) If at any time after three (3) years after the effective date of this chapter and on or
2 before December 31, 2016, fewer than three (3) compassion centers are holding valid ~~registration~~
3 ~~certificates~~ licenses in Rhode Island, the department of health shall accept applications for a new
4 compassion center. If at any time on or after January 1, 2019, fewer than ~~three (3)~~ nine (9)
5 compassion centers are holding valid ~~registration-certificates~~ licenses in Rhode Island, or are
6 approved by the department of business regulation, the department of business regulation shall
7 accept applications for a new compassion center. No more than nine (9) ~~three (3)~~ compassion
8 centers may hold valid ~~registration-certificates~~ licenses at one time.

9 (ii) Before September 1, 2019 the department of business regulation shall not accept
10 applications for additional compassion centers except for those submitted by a compassion center
11 that is licensed by the department. A compassion center that holds a license in good standing by
12 the department and whose application meets the requirements of this chapter including the
13 payment of all applicable fees, shall be issued a second compassion center license for the retail
14 sale of medical marijuana.

15 (iii) On and after September 1, 2019 the department of business regulation shall accept
16 applications from all other applicants.

17 (9) Any compassion center application selected for approval by the department of health
18 on or before December 31, 2016, or selected for approval by the department of business
19 regulation on or after January 1, 2017, shall remain in full force and effect, notwithstanding any
20 provisions of this chapter to the contrary, and shall be subject to state law adopted herein and
21 rules and regulations adopted by the departments of health and business regulation subsequent to
22 passage of this legislation.

23 (c) Compassion center and agent applications and ~~registration-certificate~~ license:

24 (1) Each application for a compassion center shall ~~include~~ be submitted in accordance
25 with regulations promulgated by the department of business regulation and shall include but not
26 be limited to:

27 (i) A non-refundable application fee paid to the department in the amount of ~~two hundred~~
28 ~~fifty dollars (\$250)~~ ten thousand dollars (\$10,000);

29 (ii) The proposed legal name and proposed articles of incorporation of the compassion
30 center;

31 (iii) The proposed physical address of the compassion center, if a precise address has
32 been determined, or, if not, the general location where it would be located. This may include a
33 second location for ~~the~~ a second compassion center retail location in accordance with 21-28.6-12
34 (b)(8)(ii) cultivation of medical marijuana;

1 (iv) ~~A description of the enclosed, locked facility that would be used in the cultivation of~~
2 ~~marijuana;~~

3 ~~(v)~~ The name, address, and date of birth of each principal officer and board member of
4 the compassion center;

5 ~~(vi)~~(v) Proposed security and safety measures that shall include at least one security
6 alarm system for each location, planned measures to deter and prevent the unauthorized entrance
7 into areas containing marijuana and the theft of marijuana, as well as a draft, employee-
8 instruction manual including security policies, safety and security procedures, personal safety,
9 and crime-prevention techniques; and

10 ~~(vii)~~(vi) Proposed procedures to ensure accurate record keeping;

11 (2)(i) For applications submitted on or before December 31, 2016, any time one or more
12 compassion center ~~registration~~ license applications are being considered, the department of health
13 shall also allow for comment by the public and shall solicit input from registered qualifying
14 patients, registered primary caregivers; and the towns or cities where the applicants would be
15 located;

16 (ii) For applications submitted on or after January 1, 2017, any time one or more
17 compassion center ~~registration~~ license applications are being considered, the department of
18 business regulation shall also allow for comment by the public and shall solicit input from
19 registered qualifying patients, registered primary caregivers; and the towns or cities where the
20 applicants would be located.

21 (3) Each time a new compassion center ~~certificate~~ license is ~~granted~~ issued, the decision
22 shall be based upon the overall health needs of qualified patients and the safety of the public,
23 including, but not limited to, the following factors:

24 (i) Convenience to patients from underserved areas throughout the state of Rhode Island
25 ~~to the compassion centers if the applicant were approved;~~

26 (ii) The applicant's ability to provide a steady supply to the registered qualifying patients
27 in the state;

28 (iii) The applicant's experience running a non-profit or business;

29 (iv) The interests of qualifying patients regarding which applicant be granted a
30 ~~registration certificate~~ license;

31 (v) The interests of the city or town where the dispensary would be located;

32 (vi) The sufficiency of the applicant's plans for record keeping and security, which
33 records shall be considered confidential health-care information under Rhode Island law and are
34 intended to be deemed protected health-care information for purposes of the Federal Health

1 Insurance Portability and Accountability Act of 1996, as amended; and

2 (vii) The sufficiency of the applicant's plans for safety and security, including proposed
3 location, security devices employed, and staffing;

4 (4) A compassion center approved by the department of health on or before December
5 31, 2016, shall submit the following to the department before it may begin operations:

6 (i) A fee paid to the department in the amount of five thousand dollars (\$5,000);

7 (ii) The legal name and articles of incorporation of the compassion center;

8 (iii) The physical address of the compassion center; ~~this may include a second address for~~
9 ~~the secure cultivation of marijuana;~~

10 (iv) The name, address, and date of birth of each principal officer and board member of
11 the compassion center; and

12 (v) The name, address, and date of birth of any person who will be an agent of, employee,
13 or volunteer of the compassion center at its inception.

14 (5) A compassion center approved or renewed by the department of business regulation
15 on or after January 1, 2017, shall submit materials pursuant to regulations promulgated by the
16 department of business regulation ~~the following to the department~~ before it may begin operations
17 which shall include but not be limited to:

18 (i) A fee paid to the department in the amount of ~~five~~ fifty thousand dollars (~~\$50~~,000);

19 (ii) The legal name and articles of incorporation of the compassion center;

20 (iii) The physical address of the compassion center; ~~this may include a second address for~~
21 ~~the secure cultivation of marijuana~~

22 (iv) The name, address, and date of birth of each principal officer and board member of
23 the compassion center;

24 (v) The name, address, and date of birth of any person who will be an agent of, employee,
25 or volunteer of the compassion center at its inception.

26 (6) Except as provided in subdivision (7), the department of health or the department of
27 business regulation shall issue each principal officer, board member, agent, volunteer, and
28 employee of a compassion center a registry identification card or renewal card after receipt of the
29 person's name, address, date of birth; a fee in an amount established by the department of health
30 or the department of business regulation; and, except in the case of an employee, notification to
31 the department of health or the department of business regulation by the department of public
32 safety division of state police, attorney general's office, or local law enforcement that the registry
33 identification card applicant has not been convicted of a felony drug offense or has not entered a
34 plea of nolo contendere for a felony drug offense and received a sentence of probation. Each card

1 shall specify that the cardholder is a principal officer, board member, agent, volunteer, or
2 employee of a compassion center and shall contain the following:

3 (i) The name, address, and date of birth of the principal officer, board member, agent,
4 volunteer, or employee;

5 (ii) The legal name of the compassion center to which the principal officer, board
6 member, agent, volunteer, or employee is affiliated;

7 (iii) A random identification number that is unique to the cardholder;

8 (iv) The date of issuance and expiration date of the registry identification card; ~~and~~

9 (v) A photograph, if the department of health or the department of business regulation
10 decides to require one; ~~and~~

11 (vi) Any other information or card classification that the department of business
12 regulation requires.

13 (7) Except as provided in this subsection, neither the department of health nor the
14 department of business regulation shall issue a registry identification card to any principal officer,
15 board member, ~~or~~ agent, ~~volunteer, or employee~~ of a compassion center who has been convicted
16 of a felony drug offense or has entered a plea of nolo contendere for a felony drug offense and
17 received a sentence of probation. If a registry identification card is denied, the compassion center
18 will be notified in writing of the purpose for denying the registry identification card. A registry
19 identification card may be granted if the offense was for conduct that occurred prior to the
20 enactment of the Edward O. Hawkins and Thomas C. Slater Medical Marijuana Act or that was
21 prosecuted by an authority other than the state of Rhode Island and for which the Edward O.
22 Hawkins and Thomas C. Slater Medical Marijuana Act would otherwise have prevented a
23 conviction.

24 (i) All registry identification card applicants shall apply to the department of public safety
25 division of state police, the attorney general's office, or local law enforcement for a national
26 criminal identification records check that shall include fingerprints submitted to the federal
27 bureau of investigation. Upon the discovery of a felony drug offense conviction or a plea of nolo
28 contendere for a felony drug offense with a sentence of probation, and in accordance with the
29 rules promulgated by the department of health and the department of business regulation, the
30 department of public safety division of state police, the attorney general's office, or local law
31 enforcement shall inform the applicant, in writing, of the nature of the felony and the department
32 of public safety division of state police shall notify the department of health or the department of
33 business regulation, in writing, without disclosing the nature of the felony, that a felony drug
34 offense conviction or a plea of nolo contendere for a felony drug offense with probation has been

1 found.

2 (ii) In those situations in which no felony drug offense conviction or plea of nolo
3 contendere for a felony drug offense with probation has been found, the department of public
4 safety division of state police, [the attorney general's office, or local law enforcement](#) shall inform
5 the applicant and the department of health or the department of business regulation, in writing, of
6 this fact.

7 (iii) All registry identification card applicants [except for employees with no ownership,](#)
8 [equity, financial interest, or managing control of a marijuana establishment license](#) shall be
9 responsible for any expense associated with the criminal background check with fingerprints.

10 (8) A registry identification card of a principal officer, board member, agent, volunteer,
11 ~~or~~ employee, [or any other designation required by the department of business regulation](#) shall
12 expire one year after its issuance, or upon the expiration of the ~~registered~~ [licensed](#) organization's
13 ~~registration-certificate~~ [license](#), or upon the termination of the principal officer, board member,
14 agent, volunteer or employee's relationship with the compassion center, whichever occurs first.

15 (9) A compassion center cardholder shall notify and request approval from the
16 department of business regulation of any change in his or her name or address within ten (10)
17 days of such change. A compassion center cardholder who fails to notify the department of
18 business regulation of any of these changes is responsible for a civil infraction, punishable by a
19 fine of no more than one hundred fifty dollars (\$150).

20 (10) When a compassion center cardholder notifies the department of health or the
21 department of business regulation of any changes listed in this subsection, the department shall
22 issue the cardholder a new registry identification card within ten (10) days of receiving the
23 updated information and a ten-dollar (\$10.00) fee.

24 (11) If a compassion center cardholder loses his or her registry identification card, he or
25 she shall notify the department of health or the department of business regulation and submit a
26 ten-dollar (\$10.00) fee within ten (10) days of losing the card. Within five (5) days, the
27 department shall issue a new registry identification card with new random identification number.

28 (12) On or before December 31, 2016, a compassion center cardholder shall notify the
29 department of health of any disqualifying criminal convictions as defined in subdivision (c)(7).
30 The department of health may choose to suspend and/or revoke his or her registry identification
31 card after such notification.

32 (13) On or after January 1, 2017, a compassion center cardholder shall notify the
33 department of business regulation of any disqualifying criminal convictions as defined in
34 subdivision (c)(7). The department of business regulation may choose to suspend and/or revoke

1 his or her registry identification card after such notification.

2 (14) If a compassion center cardholder violates any provision of this chapter or
3 regulations promulgated hereunder as determined by the departments of health and business
4 regulation, his or her registry identification card may be suspended and/or revoked.

5 (d) Expiration or termination of compassion center:

6 (1) On or before December 31, 2016, a compassion center's ~~registration~~ license shall
7 expire two (2) years after its ~~registration-certificate~~ license is issued. On or after January 1, 2017,
8 a compassion center's ~~registration~~ license shall expire one year after its ~~registration-certificate~~
9 license is issued. The compassion center may submit a renewal application beginning sixty (60)
10 days prior to the expiration of its ~~registration-certificate~~ license;

11 (2) The department of health or the department of business regulation shall grant a
12 compassion center's renewal application within thirty (30) days of its submission if the following
13 conditions are all satisfied:

14 (i) The compassion center submits the materials required under subdivisions (c)(4) and
15 (c)(5), including a ~~two hundred fifty thousand dollar~~ fifty thousand dollar (\$~~250~~50,000) fee;

16 (ii) The compassion center's ~~registration~~ license has never been suspended for violations
17 of this chapter or regulations issued pursuant to this chapter; and

18 (iii) The ~~department of health and the~~ department of business regulation find that the
19 compassion center is adequately providing patients with access to medical marijuana at
20 reasonable rates;

21 (3) If the department of health or the department of business regulation determines that
22 any of the conditions listed in paragraphs (d)(2)(i) -- (iii) have not been met, the department ~~shall~~
23 may begin an open application process for the operation of a compassion center. In granting a
24 new ~~registration-certificate~~ license, the department of health or the department of business
25 regulation shall consider factors listed in subdivision (c)(3);

26 (4) The ~~department of health or the~~ department of business regulation shall issue a
27 compassion center one or more thirty-day (30) temporary ~~registration-certificates~~ licenses after
28 that compassion center's ~~registration~~ license would otherwise expire if the following conditions
29 are all satisfied:

30 (i) The compassion center previously applied for a renewal, but the department had not
31 yet come to a decision;

32 (ii) The compassion center requested a temporary ~~registration-certificate~~ license; and

33 (iii) The compassion center has not had its ~~registration-certificate~~ license suspended or
34 revoked due to violations of this chapter or regulations issued pursuant to this chapter.

1 (5) A compassion center's ~~registry identification card~~ license shall be subject to
2 revocation if the compassion center:

3 (i) Possesses an amount of marijuana exceeding the limits established by this chapter;

4 (ii) Is in violation of the laws of this state;

5 (iii) Is in violation of other departmental regulations; or

6 (iv) Employs or enters into a business relationship with a medical practitioner who
7 provides written certification of a qualifying patient's medical condition.

8 (e) Inspection. Compassion centers are subject to reasonable inspection by the department
9 of health, division of facilities regulation and the department of business regulation. During an
10 inspection, the departments may review the compassion center's confidential records, including
11 its dispensing records, which shall track transactions according to qualifying patients' registry
12 identification numbers to protect their confidentiality.

13 (f) Compassion center requirements:

14 (1) A compassion center shall be operated on a not-for-profit basis for the mutual benefit
15 of its patients. A compassion center need not be recognized as a tax-exempt organization by the
16 Internal Revenue Service; A compassion center shall be subject to regulations promulgated by
17 the department of business regulation for general operations and record keeping which shall
18 include but not be limited to:

19 (i) Minimum security and surveillance requirements;

20 (ii) Minimum requirements for workplace safety and sanitation;

21 (iii) Minimum requirements for product safety and testing;

22 (iv) Minimum requirements for inventory tracking and monitoring;

23 (v) Minimum requirements for the secure transport and transfer of medical marijuana;

24 (vi) Minimum requirements to address odor mitigation;

25 (vii) Minimum requirements for product packaging and labeling;

26 (viii) Minimum requirements for advertising;

27 (ix) Minimum requirements for the testing and destruction of marijuana. Wherever
28 destruction of medical marijuana and medical marijuana product is required to bring a person or
29 entity into compliance with any provision of chapter 21-28.6, any rule or regulation promulgated
30 thereunder, or any administrative order issued in accordance therewith, the director of the
31 department of business regulation may designate his or her employees or agents to facilitate said
32 destruction;

33 (x) A requirement that if a compassion center violates this chapter, or any regulation
34 thereunder, and the department of business regulation determines that violation does not pose an

1 [immediate threat to public health or public safety, the compassion center shall pay to the](#)
2 [department of business regulation a fine of no less than five-hundred dollars \(\\$500\); and](#)

3 [\(xi\) A requirement that if a compassion center violates this chapter, or any regulation](#)
4 [promulgated hereunder, and the department of business regulation determines that the violation](#)
5 [poses an immediate threat to public health or public safety, the compassion center shall pay to the](#)
6 [department of business regulation a fine of no less than two-thousand dollars \(\\$2,000\) and the](#)
7 [department shall be entitled to pursue any other enforcement action provided for under this](#)
8 [chapter and the regulations.](#)

9 (2) A compassion center may not be located within one thousand feet (1,000') of the
10 property line of a preexisting public or private school;

11 (3) On or before December 31, 2016, a compassion center shall notify the department of
12 health within ten (10) days of when a principal officer, board member, agent, volunteer, or
13 employee ceases to work at the compassion center. On or after January 1, 2017, a compassion
14 center shall notify the department of business regulation within ten (10) days of when a principal
15 officer, board member, agent, volunteer, or employee ceases to work at the compassion center.
16 His or her card shall be deemed null and void and the person shall be liable for any penalties that
17 may apply to any nonmedical possession or use of marijuana by the person;

18 (4)(i) On or before December 31, 2016, a compassion center shall notify the department
19 of health in writing of the name, address, and date of birth of any new principal officer, board
20 member, agent, volunteer or employee and shall submit a fee in an amount established by the
21 department for a new registry identification card before that person begins his or her relationship
22 with the compassion center;

23 (ii) On or after January 1, 2017, a compassion center shall notify the department of
24 business regulation, in writing, of the name, address, and date of birth of any new principal
25 officer, board member, agent, volunteer, or employee and shall submit a fee in an amount
26 established by the department [of business regulation](#) for a new registry identification card before
27 that person begins his or her relationship with the compassion center;

28 (5) A compassion center shall implement appropriate security measures to deter and
29 prevent the unauthorized entrance into areas containing marijuana and the theft of marijuana and
30 shall insure that each location has an operational security alarm system. Each compassion center
31 shall request that the department of public safety division of state police visit the compassion
32 center to inspect the security of the facility and make any recommendations regarding the security
33 of the facility and its personnel within ten (10) days prior to the initial opening of each
34 compassion center. Said recommendations shall not be binding upon any compassion center, nor

1 shall the lack of implementation of said recommendations delay or prevent the opening or
2 operation of any center. If the department of public safety division of state police does not inspect
3 the compassion center within the ten-day (10) period, there shall be no delay in the compassion
4 center's opening.

5 (6) The operating documents of a compassion center shall include procedures for the
6 oversight of the compassion center and procedures to ensure accurate record keeping.

7 (7) A compassion center is prohibited from acquiring, possessing, ~~cultivating,~~
8 ~~manufacturing,~~ delivering, transferring, transporting, supplying, or dispensing marijuana for any
9 purpose except to assist ~~registered-qualifying~~ patient cardholders with the medical use of
10 marijuana directly or through the qualifying patient's primary caregiver or authorized purchaser,
11 unless otherwise authorized by the department of business regulations in accordance with
12 regulations promulgated by the department.

13 (8) All principal officers and board members of a compassion center must be residents of
14 the state of Rhode Island.

15 (9) Each time a new, registered, qualifying patient visits a compassion center, it shall
16 provide the patient with a frequently asked questions sheet, designed by the department, that
17 explains the limitations on the right to use medical marijuana under state law.

18 (10) Effective July 1, 201~~6~~⁷, each compassion center shall be subject to any regulations
19 promulgated by the department of health and business regulation that specify how ~~usable~~
20 marijuana must be tested for items included but not limited to cannabinoid profile and
21 contaminants.

22 (11) Effective January 1, 2017, each compassion center shall be subject to any product
23 labeling requirements promulgated by the department of business regulation.

24 (12) Each compassion center shall develop, implement, and maintain on the premises
25 employee, volunteer, and agent policies and procedures to address the following requirements:

26 (i) A job description or employment contract developed for all employees and agents, and
27 a volunteer agreement for all volunteers, that includes duties, authority, responsibilities,
28 qualifications, and supervision; and

29 (ii) Training in, and adherence to, state confidentiality laws.

30 (13) Each compassion center shall maintain a personnel record for each employee, agent,
31 and volunteer that includes an application and a record of any disciplinary action taken.

32 (14) Each compassion center shall develop, implement, and maintain on the premises an
33 on-site training curriculum, or enter into contractual relationships with outside resources capable
34 of meeting employee training needs, that includes, but is not limited to, the following topics:

1 (i) Professional conduct, ethics, and patient confidentiality; and

2 (ii) Informational developments in the field of medical use of marijuana.

3 (15) Each compassion center entity shall provide each employee, agent, and volunteer, at
4 the time of his or her initial appointment, training in the following:

5 (i) The proper use of security measures and controls that have been adopted; and

6 (ii) Specific procedural instructions on how to respond to an emergency, including
7 robbery or violent accident.

8 (16) All compassion centers shall prepare training documentation for each employee and
9 volunteer and have employees and volunteers sign a statement indicating the date, time, and place
10 the employee and volunteer received said training and topics discussed, to include name and title
11 of presenters. The compassion center shall maintain documentation of an employee's and a
12 volunteer's training for a period of at least six (6) months after termination of an employee's
13 employment or the volunteer's volunteering.

14 (g) Maximum amount of usable marijuana to be dispensed:

15 (1) A compassion center or principal officer, board member, agent, volunteer, or
16 employee of a compassion center may not dispense more than ~~two and one-half ounces (2.5~~ three
17 (3oz.) of ~~dried usable~~ marijuana, or its equivalent, to a patient cardholder or qualifying patient
18 directly or through a qualifying patient's primary caregiver or authorized purchaser during a
19 fifteen-day (15) period;

20 (2) A compassion center or principal officer, board member, agent, volunteer, or
21 employee of a compassion center may not dispense an amount of usable marijuana, or its
22 equivalent, ~~seedlings, or mature marijuana plants~~, to a patient cardholder, qualifying patient, a
23 qualifying patient's primary caregiver, or a qualifying patient's authorized purchaser that the
24 compassion center, principal officer, board member, agent, volunteer, or employee knows would
25 cause the recipient to possess more marijuana than is permitted under the Edward O. Hawkins
26 and Thomas C. Slater Medical Marijuana Act.

27 (3) Compassion centers shall utilize a database administered by the departments of health
28 and business regulation. The database shall contain~~s~~ all compassion centers' transactions
29 according to ~~qualifying~~ patients' cardholders, authorized purchasers', and primary caregivers'
30 registry identification numbers, or other means as specified by the department(s) to protect the
31 confidentiality of patient personal and medical information. Compassion centers will not have
32 access to any applications or supporting information submitted by qualifying patients, authorized
33 purchasers or primary caregivers. Before dispensing marijuana to any patient, caregiver, or
34 authorized purchaser, the compassion center must utilize the database to ensure that a ~~qualifying~~

1 patient [cardholder](#) is not dispensed more than ~~two and one-half ounces~~ ~~(2.5~~ [three \(3\) ounces](#) of
2 [dried](#) usable marijuana or its equivalent directly or through the qualifying patient's primary
3 caregiver or authorized purchaser during a fifteen-day (15) period.

4 (h) Immunity:

5 (1) No ~~registered~~ [licensed](#) compassion center shall be subject to prosecution; search,
6 except by the departments pursuant to subsection (e); seizure; or penalty in any manner, or denied
7 any right or privilege, including, but not limited to, civil penalty or disciplinary action by a
8 business, occupational, or professional licensing board or entity, solely for acting in accordance
9 with this section to assist registered qualifying patients.

10 (2) No ~~registered~~ [licensed](#) compassion center shall be subject to prosecution, seizure, or
11 penalty in any manner, or denied any right or privilege, including, but not limited to, civil penalty
12 or disciplinary action, by a business, occupational, or professional licensing board or entity, for
13 selling, giving, or distributing marijuana in whatever form, and within the limits established by,
14 the department of health or the department of business regulation to another registered
15 compassion center.

16 (3) No principal officers, board members, agents, volunteers, or employees of a registered
17 compassion center shall be subject to arrest, prosecution, search, seizure, or penalty in any
18 manner, or denied any right or privilege, including, but not limited to, civil penalty or disciplinary
19 action by a business, occupational, or professional licensing board or entity, solely for working
20 for or with a compassion center to engage in acts permitted by this section.

21 (4) No state employee shall be subject to arrest, prosecution or penalty in any manner, or
22 denied any right or privilege, including, but not limited to, civil penalty, disciplinary action,
23 termination, or loss of employee or pension benefits, for any and all conduct that occurs within
24 the scope of his or her employment regarding the administration, execution and/or enforcement of
25 this act, and the provisions of §§ 9-31-8 and 9-31-9 shall be applicable to this section.

26 (i) Prohibitions:

27 (1) A compassion center must limit its inventory of ~~seedlings, plants, and~~ usable
28 marijuana to reflect the projected needs of qualifying patients; [\(i\) A compassion center may not](#)
29 [cultivate marijuana or manufacture or process marijuana products pursuant to its compassion](#)
30 [center registration, provided that cultivation, processing and manufacture may be conducted](#)
31 [under a medical marijuana cultivator license and/or a medical marijuana processor license which](#)
32 [may be issued to a compassion center by the department of business regulation pursuant to](#)
33 [regulations promulgated by the department.](#)

34 [\(ii\) A compassion center which was approved by the department of health or renewed by](#)

1 the department of business regulation prior to July 1, 2019 may also hold a medical marijuana
2 cultivator license and a medical marijuana processor license and shall be issued said license or
3 licenses in accordance with regulations promulgated by the department of business regulation,
4 provided that the class or classes of said medical marijuana cultivator license and medical
5 marijuana processor license shall correspond to the size and scope of any growing,
6 manufacturing, or processing facility or facilities which were in operation or were approved prior
7 to July 1, 2019.

8 (iii) A compassion center which is first approved by the department of business
9 regulation on or after July 1, 2019 may also hold a medical marijuana cultivator license and a
10 medical marijuana processor license in accordance with regulations promulgated by the
11 department of business regulation, provided the class or classes of said medical marijuana
12 cultivator license and medical marijuana processor license shall correspond to the size of any
13 growing, manufacturing, or processing facility or facilities which were licensed or approved by
14 the department of business regulation prior to July 1, 2019.

15 (2) A compassion center may not dispense, deliver, or otherwise transfer marijuana to a
16 person other than a patient cardholder or to ~~such~~ qualified patient's primary caregiver or
17 authorized purchaser;

18 (3) A compassion center may not procure, purchase, transfer or sell marijuana to or from
19 any entity other than a marijuana establishment licensee in accordance with regulations
20 promulgated by the department of business regulation.

21 ~~(34)~~ A person found to have violated paragraph (2) or (3) this subsection may not be an
22 employee, agent, volunteer, principal officer, or board member of any compassion center;

23 ~~(45)~~ An employee, agent, volunteer, principal officer or board member of any
24 compassion center found in violation of paragraph (2) shall have his or her registry identification
25 revoked immediately; and

26 ~~(56)~~ No person who has been convicted of a felony drug offense or has entered a plea of
27 nolo contendere for a felony drug offense with a sentence of probation may be the principal
28 officer, board member, or agent, ~~volunteer, or employee~~ of a compassion center unless the
29 department has determined that the person's conviction was for the medical use of marijuana or
30 assisting with the medical use of marijuana in accordance with the terms and conditions of this
31 chapter. A person who is employed by or is an agent, volunteer, principal officer, or board
32 member of a compassion center in violation of this section is guilty of a civil violation punishable
33 by a fine of up to one thousand dollars (\$1,000). A subsequent violation of this section is a
34 misdemeanor.

1 (j) Legislative oversight committee:

2 (1) The general assembly shall appoint a nine-member (9) oversight committee
3 comprised of: one member of the house of representatives; one member of the senate; one
4 physician to be selected from a list provided by the Rhode Island medical society; one nurse to be
5 selected from a list provided by the Rhode Island state nurses association; two (2) registered
6 qualifying patients; one registered primary caregiver; one patient advocate to be selected from a
7 list provided by the Rhode Island patient advocacy coalition; and the superintendent of the
8 department of public safety, or his/her designee.

9 (2) The oversight committee shall meet at least six (6) times per year for the purpose of
10 evaluating and making recommendations to the general assembly regarding:

- 11 (i) Patients' access to medical marijuana;
- 12 (ii) Efficacy of compassion centers;
- 13 (iii) Physician participation in the Medical Marijuana Program;
- 14 (iv) The definition of qualifying medical condition; and
- 15 (v) Research studies regarding health effects of medical marijuana for patients.

16 (3) On or before January 1 of every even numbered year, the oversight committee shall
17 report to the general assembly on its findings.

18 [\(k\) License required. No person or entity shall engage in activities described in this § 21-](#)
19 [28.6-12 without a compassion center license issued by the department of business regulation.](#)

20 **21-28.6-14. Cooperative cultivations.**

21 (a) Two (2) or more qualifying cardholders may cooperatively cultivate marijuana in
22 residential or non-residential locations subject to the following restrictions:

23 (1) Effective January 1, 2017, cooperative cultivations shall apply to the department of
24 business regulation for a license to operate;

25 (2) A registered patient or primary caregiver cardholder can only cultivate in one
26 location, including participation in a cooperative cultivation;

27 (3) No single location may have more than one cooperative cultivation. For the purposes
28 of this section, location means one structural building, not units within a structural building;

29 (4) The cooperative cultivation shall not be visible from the street or other public areas;

30 (5) A written acknowledgement of the limitations of the right to use and possess
31 marijuana for medical purposes in Rhode Island that is signed by each cardholder and is
32 displayed prominently in the premises cooperative cultivation;

33 (6) Cooperative cultivations are restricted to the following possession limits:

34 (i) A non-residential, cooperative cultivation may have no more than ten (10) ounces of

1 ~~usable~~ dried marijuana, or its equivalent, and an amount of wet marijuana set in regulations
2 promulgated by the departments of health and business regulation, forty-eight (48) mature
3 marijuana plants, and forty-eight (48) seedlings;

4 (ii) A residential, cooperative cultivation may have no more than ten (10) ounces of dried
5 ~~usable~~ marijuana, or its equivalent, and an amount of wet marijuana set in regulations
6 promulgated by the departments of health and business regulation, twenty-four (24) mature
7 marijuana plants, and twenty-four (24) seedlings;

8 (iii) A non-residential or residential, cooperative cultivation must have displayed
9 prominently on the premises its license issued by the department of business regulation;

10 (iv) Every marijuana plant possessed by a cooperative cultivation must be accompanied
11 by a valid medical marijuana tag issued by the department of business regulation pursuant to §
12 21-28.6-15. Each cooperative cultivation must purchase at least one medical marijuana tag in
13 order to remain a licensed cooperative cultivation; and

14 (v) Cooperative cultivations are subject to reasonable inspection by the department of
15 business regulation for the purposes of enforcing regulations promulgated pursuant to this chapter
16 and all applicable Rhode Island general laws.

17 (7) Cooperative cultivations must be inspected as follows:

18 (i) A non-residential, cooperative cultivation must have displayed prominently on the
19 premises documentation from the municipality where the single location is located that the
20 location and the cultivation has been inspected by the municipal building and/or zoning official
21 and the municipal fire department and is in compliance with any applicable state or municipal
22 housing and zoning codes; and

23 (ii) A residential, cooperative cultivation must have displayed prominently on the
24 premises an affidavit by a licensed electrician that the cultivation has been inspected and is in
25 compliance with any applicable state or municipal housing and zoning codes for the municipality
26 where the cooperative cultivation is located.

27 (8) Cooperative cultivations must report the location of the cooperative cultivation to the
28 department of public safety.

29 (9) The reports provided to the department of public safety in subsection (8) of this
30 section shall be confidential, but locations may be confirmed for law enforcement purposes. The
31 report of the location of the cooperative cultivation alone shall not constitute probable cause for a
32 search of the cooperative cultivation.

33 (10) The department of business regulation shall promulgate regulations governing the
34 licensing and operation of cooperative cultivations, and may promulgate regulations that set a fee

1 for a cooperative cultivation license.

2 (b) Any violation of any provision of this chapter or regulations promulgated hereunder
3 as determined by the department of business regulation may result in the revocation/suspension of
4 the cooperative cultivation license.

5 (c) License required. No person or entity shall engage in activities described in this § 21-
6 28.6-14 without a cooperative cultivation license issued by the department of business regulation.

7 (d) Effective July 1, 2019, except as to cooperative cultivator licenses issued by the
8 department of business regulation before July 1, 2019, the department of business regulation shall
9 no longer accept applications or renewals for licensed cooperative cultivations and cooperative
10 cultivations shall no longer be permitted.

11 (e) Effective July 1, 2019, except as permitted in regulations promulgated by the
12 department of business regulation, not more than one registered cardholder shall be permitted to
13 grow marijuana in a dwelling unit or commercial unit, except for two (2) or more qualifying
14 patient or primary caregiver cardholder(s) who are primary residents of the same dwelling unit
15 where the medical marijuana plants are grown and in all instances subject to the plant limits in §
16 21-28.6-4(p).

17 **21-28.6-15. Medical marijuana plant tags.**

18 (a) Effective January 1, 2017, the department of business regulation shall make medical
19 marijuana tag sets available for purchase. Effective April 1, 2017, every marijuana plant, either
20 mature or ~~seedling~~ immature, grown by a registered patient or primary caregiver, must be
21 accompanied by a physical medical marijuana tag purchased through the department of business
22 regulation and issued by the ~~department of health~~ department of business regulation to qualifying
23 patients and primary caregivers or by the department of business regulation to licensed
24 cultivators.

25 (1) The department of business regulation shall charge an annual fee for each medical
26 marijuana tag set, which shall include one tag for a mature medical marijuana plant and one tag
27 for ~~a seedling~~ an immature plant. If the required fee has not been paid, those medical marijuana
28 tags shall be considered expired and invalid. The fee established by the department of business
29 regulation shall be in accordance with the following requirements:

30 (i) For patient cardholders authorized to grow medical marijuana by the ~~department of~~
31 ~~health~~ department of business regulation, the fee per tag set shall not exceed twenty-five dollars
32 (\$25);

33 (ii) For primary caregivers, the fee per tag set shall not exceed twenty-five dollars (\$25);

34 (iii) For patients who qualify for reduced registration due to income or disability status,

1 there shall be no fee per tag set;

2 (iv) For caregivers who provide care for a patient cardholder who qualifies for reduced-
3 registration due to income or disability status, there shall be no fee per tag set for such qualifying
4 patient; and

5 (v) For licensed [medical marijuana](#) cultivators, the fee per tag set shall be established in
6 regulations promulgated by the department of business regulation.

7 (2) ~~Effective January 1, 2017, t~~The department of business regulation shall verify ~~with~~
8 ~~the department of health~~ that all medical marijuana tag purchases are made by qualifying patient
9 cardholders or primary caregiver cardholders [as applicable](#). ~~The department of health shall~~
10 ~~provide this verification according to qualifying patients' and primary caregivers' registry~~
11 ~~identification numbers and without providing access to any applications or supporting~~
12 ~~information submitted by qualifying patients to protect patient confidentiality;~~

13 (3) Effective ~~January~~ [July 1, 2017](#), and thereafter, the department of business regulation
14 shall verify ~~with the department of health~~ that all medical marijuana tag purchases are made by
15 ~~registered patient cardholders, who have notified the department of health of their election to~~
16 ~~grow medical marijuana, or~~ primary caregiver cardholders [in accordance with regulations](#)
17 [promulgated by the department](#). ~~The department of health shall provide this verification~~
18 ~~according to qualifying patients' and primary caregivers' registry identification numbers and~~
19 ~~without providing access to any applications or supporting information submitted by qualifying~~
20 ~~patients to protect patient confidentiality;~~

21 (4) The department of business regulation shall maintain information pertaining to
22 medical marijuana tags and shall share that information with the department of health.

23 (5) All primary caregivers shall purchase at least one medical marijuana tag [set](#) for each
24 patient under their care and all patients growing medical marijuana for themselves [or serving as](#)
25 [their own caregiver](#) shall purchase at least one medical marijuana tag [set](#).

26 (6) All licensed [medical marijuana](#) cultivators shall purchase at least one medical
27 marijuana tag [set or utilize a seed to sale tracking system in accordance with regulations](#)
28 [promulgated by the department of business regulation](#).

29 (7) The departments of business regulation ~~and health~~ shall [jointly](#) promulgate
30 regulations to establish a process by which medical marijuana tags may be returned ~~to either~~
31 ~~department~~. The department of business regulation may choose to reimburse a portion or the
32 entire amount of any fees paid for medical marijuana tags that are subsequently returned.

33 (b) Enforcement:

34 (1) If a patient cardholder, primary caregiver cardholder, [licensed medical marijuana](#)

1 [processor, compassion center](#), or licensed [medical marijuana](#) cultivator violates any provision of
2 this chapter or the regulations promulgated hereunder as determined by the departments of
3 business regulation ~~and~~ [or](#) health, his or her medical marijuana tags may be revoked. In addition,
4 the department that issued the cardholder's registration or the license may revoke the cardholder's
5 registration or license ~~pursuant to § 21-28.6-9~~.

6 (2) The department of business regulation may revoke and not reissue, pursuant to
7 regulations, medical marijuana tags to any cardholder or licensee who is convicted of; placed on
8 probation; whose case is filed pursuant to § 12-10-12 where the defendant pleads nolo
9 contendere; or whose case is deferred pursuant to § 12-19-19 where the defendant pleads nolo
10 contendere for any felony offense under chapter 28 of title 21 ("Rhode Island Controlled
11 Substances Act") or a similar offense from any other jurisdiction.

12 (3) If a patient cardholder, primary caregiver cardholder, licensed cooperative cultivation,
13 [compassion center, licensed medical marijuana processor](#) licensed [medical marijuana](#) cultivator
14 [or any other person or entity](#) is found to have ~~mature~~ marijuana plants, [or marijuana material](#)
15 without valid medical marijuana [tags sets or which are not tracked in accordance with regulation](#),
16 the ~~department of health or~~ [department of business regulation](#) shall impose an administrative
17 penalty [in accordance with regulations promulgated by the department](#) on [such](#) the patient
18 cardholder, primary caregiver cardholder, licensed cooperative cultivation, [compassion center,](#)
19 [licensed medical marijuana processor](#), or licensed [medical marijuana](#) cultivator [or other person or](#)
20 [entity](#) for each untagged ~~mature~~ marijuana plant [or unit of untracked marijuana material](#) ~~not in~~
21 ~~excess of the limits set forth in § 21-28.6-4, § 21-28.6-14 and § 21-28.6-16 of no more than the~~
22 ~~total fee that would be paid by a cardholder or licensee who purchased medical marijuana tags for~~
23 ~~such plants in compliance with this chapter.~~

24 ~~(4) If a patient cardholder, primary caregiver cardholder, or licensed cooperative~~
25 ~~cultivation is found to have mature marijuana plants exceeding the limits set forth in § 21-28.6-4,~~
26 ~~§ 21-28.6-14, and § 21-28.6-16 in addition to any penalties that may be imposed pursuant to § 21-~~
27 ~~28.6-9, the department of health or department of business regulation may impose an~~
28 ~~administrative penalty on that cardholder or license holder for each mature marijuana plant in~~
29 ~~excess of the applicable statutory limit of no less than the total fee that would be paid by a~~
30 ~~cardholder who purchased medical marijuana tags for such plants in compliance with this chapter.~~

31 **21-28.6-16. Licensed medical marijuana cultivators.**

32 (a) A licensed [medical marijuana](#) cultivator licensed under this section may acquire,
33 possess, cultivate, deliver, or transfer marijuana to licensed compassion centers, [to a licensed](#)
34 [medical marijuana processor, to another licensed medical marijuana cultivator, or to any other](#)

1 [marijuana establishment licensee, in accordance with regulations promulgated by the department](#)
2 [of business regulation](#). A licensed [medical marijuana](#) cultivator shall not be a primary caregiver
3 cardholder and shall not hold a cooperative cultivation license. Except as specifically provided to
4 the contrary, all provisions of the Edward O. Hawkins and Thomas C. Slater Medical Marijuana
5 Act, §§ 21-28.6-1 -- 21-28.6-15, apply to a licensed cultivator unless they conflict with a
6 provision contained in § 21-28.6-16.

7 (b) Licensing of [medical marijuana](#) cultivators -- Department of business regulation
8 authority. The department of business regulation shall promulgate regulations governing the
9 manner in which it shall consider applications for the licensing of [medical marijuana](#) cultivators,
10 including regulations governing:

- 11 (1) The form and content of licensing and renewal applications;
- 12 (2) Minimum oversight requirements for licensed [medical marijuana](#) cultivators;
- 13 (3) Minimum record-keeping requirements for cultivators;
- 14 (4) Minimum security requirements for cultivators; and
- 15 (5) Procedures for suspending, revoking, or terminating the license of cultivators that
16 violate the provisions of this section or the regulations promulgated pursuant to this subsection.

17 (c) A licensed [medical marijuana](#) cultivator license issued by the department of business
18 regulation shall expire one year after it was issued and the licensed [medical marijuana](#) cultivator
19 may apply for renewal with the department in accordance with its regulations pertaining to
20 licensed [medical marijuana](#) cultivators.

21 (d) The department of business regulation shall promulgate regulations that govern how
22 many marijuana plants, ~~how many marijuana seedlings~~ [mature and immature](#), how much wet
23 marijuana, and how much usable marijuana a licensed [medical marijuana](#) cultivator may possess.
24 Every marijuana plant possessed by a licensed [medical marijuana](#) cultivator must be accompanied
25 by valid medical marijuana tag issued by the department of business regulation pursuant to § 21-
26 28.6-15 [or catalogued in a seed to sale inventory tracking system in accordance with regulations](#)
27 [promulgated by the department of business regulation](#). ~~Each cultivator must purchase at least one~~
28 ~~medical marijuana tag in order to remain a licensed cultivator.~~

29 (e) [Medical marijuana](#) cultivators shall only sell marijuana to compassion centers, [a](#)
30 [licensed medical marijuana processor, another licensed medical marijuana cultivator, or other](#)
31 [marijuana establishment licensee, in accordance with regulations promulgated by the department](#)
32 [of business regulation](#). All marijuana possessed by a cultivator in excess of the possession limit
33 established pursuant to subsection (d) shall be under formal agreement to be purchased by a
34 marijuana establishment [in accordance with regulations promulgated by the department of](#)

1 [business regulation](#) ~~compassion center~~. If such excess marijuana is not under formal agreement to
2 be purchased, the cultivator will have a period of time, specified in regulations promulgated by
3 the department of business regulation, to sell or destroy that excess marijuana. The department
4 may suspend and/or revoke the cultivator's license and the license of any officer, director,
5 employee, or agent of such cultivator and/or impose an administrative penalty in accordance with
6 such regulations promulgated by the department for any violation of this section or the
7 regulations. In addition, any violation of this section or the regulations promulgated pursuant to
8 this subsection and subsection (d) shall cause a licensed [medical marijuana](#) cultivator to lose the
9 protections described in subsection (m) and may subject the licensed [medical marijuana](#) cultivator
10 to arrest and prosecution under Chapter 28 of title 21 (the Rhode Island Controlled Substances
11 Act).

12 (f) [Medical marijuana](#) cultivators shall be subject to any regulations promulgated by the
13 department of health or department of business regulation that specify how marijuana must be
14 tested for items, including, but not limited to, potency, cannabinoid profile, and contaminants.

15 (g) [Medical marijuana](#) cultivators shall be subject to any product labeling requirements
16 promulgated by the department of business regulation and the department of health.

17 (h) Notwithstanding any other provisions of the general laws, the manufacture of
18 marijuana using a solvent extraction process that includes the use of a compressed, flammable gas
19 as a solvent by a licensed [medical marijuana](#) cultivator shall not be subject to the protections of
20 this chapter.

21 (i) [Medical marijuana](#) cultivators shall only be licensed to grow marijuana at a single
22 location, registered with the department of business regulation and the department of public
23 [safety unless the cultivator's license is held by a compassion center which was approved by the](#)
24 [department of health or renewed by the department of business regulation prior to July 1, 2019.](#)
25 The department of business regulation may promulgate regulations governing where cultivators
26 are allowed to grow. [Medical marijuana](#) cultivators must abide by all local ordinances, including
27 zoning ordinances.

28 (j) Inspection. [Medical marijuana](#) cultivators shall be subject to reasonable inspection by
29 the department of business regulation or the department of health for the purposes of enforcing
30 regulations promulgated pursuant to this chapter and all applicable Rhode Island general laws.

31 (k) The cultivator applicant, [unless they are an employee with no equity, ownership,](#)
32 [financial interest, or managing control,](#) shall apply to the bureau of criminal identification of the
33 department of attorney general, department of public safety division of state police, or local
34 police department for a national criminal records check that shall include fingerprints submitted

1 to the Federal Bureau of Investigation. Upon the discovery of any disqualifying information as
2 defined in subdivision (k)(2), and in accordance with the rules promulgated by the director of the
3 department of business regulation, the bureau of criminal identification of the department of
4 attorney general, department of public safety division of state police, or the local police
5 department shall inform the applicant, in writing, of the nature of the disqualifying information;
6 and, without disclosing the nature of the disqualifying information, shall notify the department of
7 business regulation, in writing, that disqualifying information has been discovered.

8 (1) In those situations in which no disqualifying information has been found, the bureau
9 of criminal identification of the department of attorney general, department of public safety
10 division of state police, or the local police department shall inform the applicant and the
11 department of business regulation, in writing, of this fact.

12 (2) Information produced by a national criminal records check pertaining to a conviction
13 for a felony drug offense or a plea of nolo contendere for a felony drug offense and received a
14 sentence of probation shall result in a letter to the applicant and the department of business
15 regulation disqualifying the applicant.

16 (3) The ~~except for employees~~ cultivator applicant shall be responsible for any expense
17 associated with the national criminal records check.

18 (1) Persons issued [medical marijuana](#) cultivator licenses shall be subject to the following:

19 (1) A licensed [medical marijuana](#) cultivator [cardholder](#) shall notify and request approval
20 from the department of business regulation of any change in his or her name or address within ten
21 (10) days of such change. A cultivator [cardholder](#) who fails to notify the department of business
22 regulation of any of these changes is responsible for a civil infraction, punishable by a fine of no
23 more than one hundred fifty dollars (\$150).

24 (2) When a licensed [medical marijuana](#) cultivator [cardholder](#) notifies the department of
25 business regulation of any changes listed in this subsection, the department of business regulation
26 shall issue the cultivator [cardholder](#) a new ~~license~~ [registry identification card](#) after the department
27 approves the changes and receives from the licensee payment of a fee specified in regulation.

28 (3) If a licensed [medical marijuana](#) cultivator [cardholder](#) loses his or her ~~license card~~, he
29 or she shall notify the department of business regulation and submit a fee specified in regulation
30 within ten (10) days of losing the ~~license card~~. The department of business regulation shall issue a
31 new ~~license card~~ with a new random identification number.

32 (4) A licensed [medical marijuana](#) cultivator [cardholder](#) shall notify the department of
33 business regulation of any disqualifying criminal convictions as defined in subdivision (k)(2).
34 The department of business regulation may choose to suspend and/or revoke his or her license

1 ~~License~~ card after such notification.

2 (5) If a licensed medical marijuana cultivator or cultivator cardholder violates any
3 provision of this chapter or regulations promulgated hereunder as determined by the department
4 of business regulation, his or her card and the issued license may be suspended and/or revoked.

5 (m) Immunity:

6 (1) No licensed medical marijuana cultivator shall be subject to prosecution; search,
7 except by the departments pursuant to subsection (j); seizure; or penalty in any manner, or denied
8 any right or privilege, including, but not limited to, civil penalty or disciplinary action by a
9 business, occupational, or professional licensing board or entity, solely for acting in accordance
10 with this section ~~to assist registered qualifying~~;

11 (2) No licensed medical marijuana cultivator shall be subject to prosecution, seizure, or
12 penalty in any manner, or denied any right or privilege, including, but not limited to, civil penalty
13 or disciplinary action by a business, occupational, or professional licensing board or entity, for
14 selling, giving, or distributing marijuana in whatever form and within the limits established by the
15 department of business regulation to a licensed medical marijuana processor or registered
16 compassion center.

17 (3) No principal officers, board members, agents, volunteers, or employees of a licensed
18 medical marijuana cultivator shall be subject to arrest, prosecution, search, seizure, or penalty in
19 any manner, or denied any right or privilege, including, but not limited to, civil penalty or
20 disciplinary action by a business, occupational, or professional licensing board or entity, solely
21 for working for or with a licensed medical marijuana cultivator to engage in acts permitted by this
22 section.

23 (4) No state employee shall be subject to arrest, prosecution, or penalty in any manner, or
24 denied any right or privilege, including, but not limited to, civil penalty, disciplinary action,
25 termination, or loss of employee or pension benefits, for any and all conduct that occurs within
26 the scope of his or her employment regarding the administration, execution, and/or enforcement
27 of this act, and the provisions of §§ 9-31-8 and 9-31-9 shall be applicable to this section.

28 (n) License required. No person or entity shall engage in activities described in this § 21-
29 28.6-16 without a medical marijuana cultivator license issued by the department of business
30 regulation.

31 **21-28.6-16.2. Medical marijuana testing laboratories -- Immunity.**

32 (a) No ~~medical marijuana~~ cannabis testing laboratory shall be subject to prosecution;
33 search (except by the departments pursuant to regulations); seizure; or penalty in any manner, or
34 denied any right or privilege, including, but not limited to, civil penalty or disciplinary action by a

1 business, occupational, or professional licensing board or entity, solely for acting in accordance
2 with the act and regulations promulgated hereunder to assist licensees.

3 (b) No ~~medical-marijuana~~ [cannabis](#) testing laboratory shall be subject to prosecution,
4 search (except by the departments pursuant to regulations), seizure, or penalty in any manner, or
5 denied any right or privilege, including, but not limited to, civil penalty or disciplinary action, by
6 a business, occupational, or professional licensing board or entity, for selling, giving, or
7 distributing marijuana in whatever form, and within the limits established by, the department of
8 health to another ~~medical-marijuana~~ [cannabis](#) testing laboratory.

9 (c) No principal officers, board members, agents, volunteers, or employees of a ~~medical~~
10 ~~marijuana~~ [cannabis](#) testing laboratory shall be subject to arrest, prosecution, search, seizure, or
11 penalty in any manner, or denied any right or privilege, including, but not limited to, civil penalty
12 or disciplinary action by a business, occupational, or professional licensing board or entity, solely
13 for working for or with a ~~medical-marijuana~~ [cannabis](#) testing laboratory to engage in acts
14 permitted by the act and the regulations promulgated hereunder.

15 (d) No state employee shall be subject to arrest, prosecution or penalty in any manner, or
16 denied any right or privilege, including, but not limited to, civil penalty, disciplinary action,
17 termination, or loss of employee or pension benefits, for any and all conduct that occurs within
18 the scope of his or her employment regarding the administration, execution and/or enforcement of
19 this act, and the provisions of §§ 9-31-8 and 9-31-9 shall be applicable to this section.

20 **21-28.6-17. Revenue.**

21 (a) Effective July 1, 2016, all fees collected by the departments of health and business
22 regulation from applicants, registered patients, primary caregivers, authorized purchasers,
23 licensed [medical marijuana](#) cultivators, [licensed medical marijuana processors](#), cooperative
24 cultivations, compassion centers, [other licensees licensed pursuant to this chapter](#), and
25 compassion-center [and other registry identification](#) cardholders shall be placed in restricted-
26 receipt accounts to support the state's medical marijuana program, including but not limited to,
27 payment of expenses incurred by the departments of health and business regulation for the
28 administration of the program. [The restricted receipt account will be known as the “medical](#)
29 [marijuana licensing account” or the “medical marijuana licensing program” account and will be](#)
30 [housed within the budgets of the departments of business regulation, health, revenue and public](#)
31 [safety, and the executive office of health and human services. All amounts deposited into the](#)
32 [medical marijuana licensing account or the marijuana licensing program account shall be exempt](#)
33 [from the indirect cost recovery provisions of § 35-4-27.](#)

34 (b) All revenues remaining in the restricted-receipt accounts after payments specified in

1 subsection (a) of this section shall first be paid to cover any existing deficit in the department of
2 health's restricted-receipt account or the department of business regulation's restricted-receipt
3 account. These transfers shall be made annually on the last business day of the fiscal year.

4 (c) All revenues remaining in the restricted-receipt accounts after payments specified in
5 subsections (a) and (b) shall be paid into the state's general fund. These payments shall be made
6 annually on the last business day of the fiscal year.

7 SECTION 6. Chapter 21-28.6 of the General Laws entitled “The Edward O. Hawkins and
8 Thomas C. Slater Medical Marijuana Act” is hereby amended by adding thereto the following
9 sections:

10 **21-28.6-16.1 Licensed medical marijuana processors.**

11 (a) A medical marijuana processor licensed under this section may acquire marijuana
12 from licensed medical marijuana cultivators, another licensed medical marijuana processor,
13 compassion centers, or another marijuana establishment licensee, in accordance with regulations
14 promulgated by the department of business regulation. A licensed medical marijuana processor
15 may possess, manufacture, or process marijuana into marijuana products in accordance with
16 regulations promulgated by the department of business regulation. A licensed medical marijuana
17 processor may deliver, or transfer marijuana products to licensed compassion centers or another
18 licensed medical marijuana processor, or any other marijuana establishment licensee, in
19 accordance with regulations promulgated by the department of business regulation. A licensed
20 medical marijuana processor shall not be a primary caregiver cardholder and shall not hold a
21 cooperative cultivation license. A licensed medical marijuana processor shall not grow, cultivate,
22 sell, or dispense medical marijuana unless the licensed medical marijuana processor has also been
23 issued a medical marijuana cultivator license or compassion center registration by the department
24 of business regulation and pursuant to regulations promulgated by the department of business
25 regulation. The department of business regulation may restrict the number, types, and classes of
26 medical marijuana licenses an applicant may be issued through regulations promulgated by the
27 department. Except as specifically provided to the contrary, all provisions of the Edward O.
28 Hawkins and Thomas C. Slater Medical Marijuana Act, §§ 21-28.6-1 et seq., apply to a licensed
29 medical marijuana processor unless they conflict with a provision contained in this § 21-28.6-
30 16.1.

31 (b) Licensing of medical marijuana processor – Department of business regulation
32 authority. The department of business regulation shall promulgate regulations governing the
33 manner in which it shall consider applications for the licensing of medical marijuana processors,
34 including but not limited to regulations governing:

- 1 (1) The form and content of licensing and renewal applications;
- 2 (2) Minimum oversight requirements for licensed medical marijuana processors;
- 3 (3) Minimum record-keeping requirements for medical marijuana processors;
- 4 (4) Minimum security requirements for medical marijuana processors; and
- 5 (5) Procedures for suspending, revoking, or terminating the license of medical marijuana
6 processors that violate any provisions of this chapter or the regulations promulgated hereunder.
- 7 (6) Applicable application and license fees.
- 8 (c) A medical marijuana processor license issued by the department of business
9 regulation shall expire one year after it was issued and the licensed medical marijuana processor
10 may apply for renewal with the department in accordance with its regulations pertaining to
11 licensed medical marijuana processors.
- 12 (d) The department of business regulation may promulgate regulations that govern how
13 much marijuana a licensed medical marijuana processor may possess. All marijuana possessed by
14 a licensed medical marijuana processor must be catalogued in a seed to sale inventory tracking
15 system in accordance with regulations promulgated by the department of business regulation.
- 16 (e) Medical marijuana processors shall only sell processed or manufactured marijuana
17 products to licensed compassion centers, another licensed medical marijuana processor or a
18 marijuana establishment licensee, in accordance with regulations promulgated by the department
19 of business regulation. The department may suspend and/or revoke the medical marijuana
20 processor's license and the license of any officer, director, employee, or agent of such medical
21 marijuana processor and/or impose an administrative penalty in accordance with such regulations
22 promulgated by the department for any violation of this section or the regulations. In addition,
23 any violation of this section or the regulations promulgated pursuant to this subsection and
24 subsection (d) shall cause a licensed medical marijuana processor to lose the protections
25 described in subsection (m) and may subject the licensed medical marijuana processor to arrest
26 and prosecution under Chapter 28 of title 21 (the Rhode Island Controlled Substances Act).
- 27 (f) Medical marijuana processors shall be subject to any regulations promulgated by the
28 department of health or department of business regulation that specify how marijuana must be
29 tested for items, including, but not limited to, potency, cannabinoid profile, and contaminants;
- 30 (g) Medical marijuana processors shall be subject to any product labeling requirements
31 promulgated by the department of business regulation and the department of health;
- 32 (h) Medical marijuana processors shall only be licensed to manufacture and process
33 marijuana at a single location, registered with the department of business regulation and the
34 department of public safety unless the medical marijuana processor license is held by a registered

1 compassion center which was approved by the department of health or renewed by the
2 department of business regulation prior to July 1, 2019. The department of business regulation
3 may promulgate regulations governing where medical marijuana processors are allowed to
4 operate. Medical marijuana processors must abide by all local ordinances, including zoning
5 ordinances.

6 (i) Inspection. Medical marijuana processors shall be subject to reasonable inspection by
7 the department of business regulation or the department of health for the purposes of enforcing
8 regulations promulgated pursuant to this chapter and all applicable Rhode Island general laws.

9 (j) The medical marijuana processor applicant, unless they are an employee with no
10 equity, ownership, financial interest, or managing control, shall apply to the bureau of criminal
11 identification of the department of attorney general, department of public safety division of state
12 police, or local police department for a national criminal records check that shall include
13 fingerprints submitted to the Federal Bureau of Investigation. Upon the discovery of any
14 disqualifying information as defined in subdivision (j)(2), and in accordance with the rules
15 promulgated by the director of the department of business regulation, the bureau of criminal
16 identification of the department of attorney general, department of public safety division of state
17 police, or the local police department shall inform the applicant, in writing, of the nature of the
18 disqualifying information; and, without disclosing the nature of the disqualifying information,
19 shall notify the department of business regulation, in writing, that disqualifying information has
20 been discovered.

21 (1) In those situations in which no disqualifying information has been found, the bureau
22 of criminal identification of the department of attorney general, department of public safety
23 division of state police, or the local police department shall inform the applicant and the
24 department of business regulation, in writing, of this fact.

25 (2) Information produced by a national criminal records check pertaining to a conviction
26 for a felony drug offense or a plea of nolo contendere for a felony drug offense and received a
27 sentence of probation shall result in a letter to the applicant and the department of business
28 regulation disqualifying the applicant.

29 (3) The medical marijuana processor applicant, unless an employee, shall be responsible
30 for any expense associated with the national criminal records check.

31 (k) Persons issued medical marijuana processor licenses or registration card shall be
32 subject to the following:

33 (1) A licensed medical marijuana processor cardholder shall notify and request approval
34 from the department of business regulation of any change in his or her name or address within ten

1 (10) days of such change. A medical marijuana processor cardholder who fails to notify the
2 department of business regulation of any of these changes is responsible for a civil infraction,
3 punishable by a fine of no more than one hundred fifty dollars (\$150).

4 (2) When a licensed medical marijuana processor cardholder notifies the department of
5 business regulation of any changes listed in this subsection, the department of business regulation
6 shall issue the medical marijuana processor cardholder a new license or registry identification
7 card after the department approves the changes and receives from the licensee payment of a fee
8 specified in regulation.

9 (3) If a licensed medical marijuana processor cardholder loses his or her registry
10 identification card, he or she shall notify the department of business regulation and submit a fee
11 specified in regulation within ten (10) days of losing the registry identification card. The
12 department of business regulation shall issue a new registry identification card with a new
13 random identification number.

14 (4) A licensed medical marijuana processor cardholder shall notify the department of
15 business regulation of any disqualifying criminal convictions as defined in subdivision (j)(2). The
16 department of business regulation may choose to suspend and/or revoke his or her card after such
17 notification.

18 (5) If a licensed medical marijuana processor or medical marijuana processor cardholder
19 violates any provision of this chapter or regulations promulgated hereunder as determined by the
20 department of business regulation, his or her card or the issued license may be suspended and/or
21 revoked.

22 (l) Immunity:

23 (1) No licensed medical marijuana processor shall be subject to prosecution; search,
24 except by the departments pursuant to subsection (j); seizure; or penalty in any manner, or denied
25 any right or privilege, including, but not limited to, civil penalty or disciplinary action by a
26 business, occupational, or professional licensing board or entity, solely for acting in accordance
27 with this chapter;

28 (2) No licensed medical marijuana processor shall be subject to prosecution, seizure, or
29 penalty in any manner, or denied any right or privilege, including, but not limited to, civil penalty
30 or disciplinary action by a business, occupational, or professional licensing board or entity, for
31 selling, giving, or distributing marijuana in whatever form and within the limits established by the
32 department of business regulation to another licensed medical marijuana processor or registered
33 compassion center;

34 (3) No principal officers, board members, agents, volunteers, or employees of a licensed

1 medical marijuana processor shall be subject to arrest, prosecution, search, seizure, or penalty in
2 any manner, or denied any right or privilege, including, but not limited to, civil penalty or
3 disciplinary action by a business, occupational, or professional licensing board or entity, solely
4 for working for or with a licensed medical marijuana processor to engage in acts permitted by this
5 section.

6 (4) No state employee shall be subject to arrest, prosecution, or penalty in any manner, or
7 denied any right or privilege, including, but not limited to, civil penalty, disciplinary action,
8 termination, or loss of employee or pension benefits, for any and all conduct that occurs within
9 the scope of his or her employment regarding the administration, execution, and/or enforcement
10 of this act, and the provisions of §§ 9-31-8 and 9-31-9 shall be applicable to this section.

11 (m) License required. No person or entity shall engage in activities described in this §
12 21-28.6-16.1 without a medical marijuana processor license issued by the department of business
13 regulation.

14 **21-28.6-16.3. Other Supporting Medical Marijuana Licenses.**

15 (a) The department of business regulation shall have the authority to promulgate
16 regulations to create and implement additional types and classes of commercial medical
17 marijuana licenses, including but not limited to, licenses for businesses to engage in marijuana
18 destruction, delivery, disposal, research and development, transportation or any other commercial
19 activity needed to support licensed medical marijuana cultivators, licensed medical marijuana
20 processors, compassion centers, licensed cannabis testing facilities and patient need; provided no
21 license created by the department shall allow for the retail sale of medical marijuana to registered
22 cardholders.

23 (b) The department of business regulation shall promulgate regulations governing the
24 manner in which it shall consider applications for issuing additional medical marijuana licenses,
25 including but not limited to, regulations governing:

26 (1) The form and content of licensing and renewal applications;

27 (2) Minimum oversight requirements for additional medical marijuana license holders;

28 (3) Minimum record-keeping requirements for additional medical marijuana license
29 holders;

30 (4) Minimum security requirements for additional medical marijuana license holders;

31 (5) Procedures for suspending, revoking, or terminating the licenses of licensees that
32 violate the provisions of this chapter or the regulations promulgated pursuant to this chapter; and

33 (6) Applicable application and license fees.

34 (c) Any applicant, employee, officer, director, manager, member or agent of a holder of a

1 license issued by the department of business regulation pursuant to this section and the
2 regulations shall be required to obtain a registry identification card from the division subject to
3 the requirements and fees set by the department pursuant to the regulations provided that
4 employees with no ownership, equity stake, financial interest, or managing control shall not be
5 required to submit to a criminal background check to obtain a registry identification card.

6 (d) With respect to any licenses and registrations issued by the department of business
7 regulation pursuant to this chapter, the department of business regulation shall be entitled to
8 charge application, license and registration fees as set by the department of business regulation
9 and set forth in regulations promulgated here under.

10 SECTION 7. Title 21 of the General Laws entitled "FOOD AND DRUGS" is hereby
11 amended by adding thereto the following chapters 28.10 and 28.11:

12 CHAPTER 28.10

13 ADULT USE OF MARIJUANA ACT

14 **21-28.10-1. Short title.**

15 This chapter shall be known and may be cited as the "Adult Use of Marijuana Act."

16 **21-28.10-2. Legislative Findings.**

17 The general assembly finds and declares that:

18 (1) Prohibiting the possession, cultivation, and sale of cannabis to adults has proven to be
19 an ineffective policy for the State of Rhode Island. In the absence of a legal, tightly regulated
20 market, an illicit cannabis industry has thrived, undermining the public health, safety and welfare
21 of Rhode Islanders.

22 (2) Regional and national shifts in cannabis policy are providing Rhode Island adults with
23 easy access to cannabis and marijuana products manufactured and sold from other states,
24 contributing to the funds these states use to safeguard public health, safety and welfare within
25 their borders, while providing no funds to the State of Rhode Island to address the public health,
26 safety and welfare externalities that come with increased access to cannabis, including marijuana.

27 (3) It is in the best interests of the of the State of Rhode Island to implement a new
28 regulatory framework and tax structure for the commercial production and sale of cannabis and
29 cannabis products, all aspects of which shall be tightly regulated and controlled by the provisions
30 of this act and the office of cannabis regulation created herein, the revenue from which is to be
31 used to tightly regulate cannabis and cannabis products and to study and mitigate the risks and
32 deleterious impacts that cannabis and marijuana use may have on the citizens and State of Rhode
33 Island.

34 **21-28.10-3. Definitions.**

1 For purposes of this chapter:

2 (1) “Cannabis” means all parts of the plant of the genus marijuana, also known as
3 marijuana sativa L, whether growing or not; the seeds thereof; the resin extracted from any
4 part of the plant; and every compound, manufacture, salt, derivative, mixture, or preparation
5 of the plant, its seeds, or resin regardless of cannabinoid content or cannabinoid potency
6 including “marijuana”, and “industrial hemp” or “industrial hemp products” which satisfy the
7 requirements of chapter 2-26 of the general laws and the regulations promulgated thereunder.

8 (2) “Department” or “department of business regulation” means the office of cannabis
9 regulation within the department of business regulation or its successor agency.

10 (3) “Dwelling unit” means a room or group of rooms within a residential dwelling
11 used or intended for use by one family or household, or by no more than three (3) unrelated
12 individuals, with facilities for living, sleeping, sanitation, cooking, and eating.

13 (4) “Industrial Hemp” means the plant of the genus cannabis and any part of such plant,
14 whether growing or not, with a delta-9 tetrahydrocannabinol concentration that does not exceed
15 three-tenths percent (0.3%) on a dry-weight basis of any part of the plant cannabis, or per volume
16 or weight of cannabis product or the combined percent of delta-9 tetrahydrocannabinol and
17 tetrahydrocannabinolic acid in any part of the plant cannabis regardless of the moisture content,
18 which satisfy the requirements of chapter 2-26 of the general laws and the regulations
19 promulgated thereunder.

20 (5) “Industrial Hemp products” means all products made from industrial hemp plants,
21 including, but not limited to, concentrated oil, cloth, cordage, fiber, food, fuel, paint, paper,
22 construction materials, plastics, seed, seed meal, seed oil, and certified for cultivation which
23 satisfy the requirements of chapter 2-26 of the general laws and the regulations promulgated
24 thereunder.

25 (6) “Marijuana” means all parts of the plant cannabis sativa L., whether growing or not;
26 the seeds of the plant; the resin extracted from any part of the plant; and every compound,
27 manufacture, salt, derivative, mixture, or preparation of the plant, its seeds or resin, but shall not
28 include the mature stalks of the plant, fiber produced from the stalks, oil or cake made from the
29 seeds of the plant, any other compound, manufacture, salt, derivative, mixture, or preparation of
30 mature stalks, (except the resin extracted from it), fiber, oil or cake, or the sterilized seed from the
31 plant which is incapable of germination. Marijuana shall not include “industrial hemp” or
32 industrial hemp products” which satisfy the requirements of chapter 2-26 of the general laws and
33 the regulations promulgated thereunder.

34 (7) “Marijuana cultivation facility” means an entity that is licensed pursuant to

1 chapter 21-28.11 of title 21, to be exempt from state penalties for cultivating, preparing,
2 packaging, and selling or transferring marijuana to a marijuana retailer, marijuana processor,
3 another marijuana cultivation facility, cannabis testing laboratory, or another marijuana
4 establishment licensed by the office of cannabis regulation, in accordance with regulations
5 promulgated by the office of cannabis regulation but not for manufacturing, processing or
6 selling marijuana products or selling marijuana at retail or otherwise to the general public.

7 (8) "Marijuana establishment" and "marijuana establishment licensee" means any
8 person or entity licensed by the office of cannabis regulation under chapter 21-28.11 or chapter
9 21-28.6 whose license permits it to engage in or conduct activities in connection with the adult
10 use marijuana industry or medical marijuana program and includes but is not limited to a
11 licensed marijuana cultivation facility, marijuana processor, marijuana retailer, marijuana
12 testing facility, compassion center, medical marijuana cultivator, medical marijuana processor, or
13 any other license issued by the office of cannabis regulation under chapter 21-28.11 or chapter
14 21-28.6 and/or as specified and defined in regulations promulgated by the office of cannabis
15 regulation.

16 (9) "Marijuana paraphernalia" means equipment, products, and materials which are
17 used or intended for use in planting, propagating, cultivating, growing, harvesting,
18 manufacturing, compounding, converting, producing, processing, preparing, testing, analyzing,
19 packaging, repackaging, storing, containing, concealing, ingesting, or inhaling marijuana, or
20 otherwise introducing marijuana into the human body.

21 (10) "Marijuana processor" means an entity licensed pursuant to chapter 21-28.11 of
22 title 21 to be exempt from state penalties for purchasing marijuana from marijuana
23 cultivation facilities, other marijuana processors, or other marijuana establishments, in
24 accordance with regulations promulgated by the office of cannabis regulation; and manufacturing
25 or processing marijuana products, selling, giving, or transferring marijuana products to a
26 marijuana retailer, marijuana testing facility, or other marijuana establishments, in accordance
27 with regulations promulgated by the office of cannabis regulation but not for selling marijuana or
28 marijuana products at retail or otherwise to the general public.

29 (11) "Marijuana products" means any form of marijuana, including concentrated
30 marijuana and products that are comprised of marijuana and other ingredients that are
31 intended for use or consumption, such as, but not limited to, extracts, infusions, edible
32 products, ointments, and tinctures, as further defined in regulations promulgated by the office of
33 cannabis regulation.

34 (12) "Marijuana retailer" means an entity that is licensed pursuant to chapter 21-28.11

1 of title 21 to be exempt from state penalties for purchasing marijuana from marijuana
2 cultivation facilities, marijuana processors, or other marijuana establishments in accordance with
3 regulations promulgated by the office of cannabis regulation, and selling marijuana, marijuana
4 products, and marijuana paraphernalia to customers who are twenty-one (21) years of age or older
5 in accordance with the provisions of this chapter, chapter 21-28.11 and rules and regulations
6 promulgated by the office of cannabis regulation.

7 (13) "Marijuana testing facility" and "cannabis testing laboratory" means a third party
8 analytical testing laboratory licensed by the departments of health and office of cannabis
9 regulation to collect and test samples of cannabis pursuant to regulations promulgated by the
10 departments.

11 (14) "Office of cannabis regulation" means the office of cannabis regulation within the
12 department of business regulation.

13 (15) "Public place" means any street, alley, park, sidewalk, public building other
14 than individual dwellings, or any place of business or assembly open to or frequented by
15 the public, and any other place to which the public has access.

16 (16) "Smoke" or "smoking" means heating to at least the point of combustion,
17 causing plant material to burn, inhaling, exhaling, burning, or carrying any lighted or heated
18 cigarette, pipe, weed, plant, other marijuana product in any manner or in any form intended for
19 inhalation in any manner or form and includes but is not limited to the use of electronic cigarettes,
20 electronic pipes, electronic marijuana delivery system products, or other similar products that rely
21 on vaporization or aerosolization.

22 (17) "State prosecution" means prosecution initiated or maintained by the state of
23 Rhode Island or an agency or political subdivision of the state of Rhode Island.

24 (18) "Vaporize" or "vape" means heating below the point of combustion and resulting
25 in a vapor or mist.

26 (19) "Equivalent amount" means the portion of usable marijuana, be it in extracted,
27 edible, concentrated, or any other form, found to be equal to a portion of dried, marijuana, as
28 defined by regulations promulgated by the office of cannabis regulation.

29 (20) "Cannabis plant" means a cannabis plant, rooted or unrooted, mature, or immature,
30 with or without flowers or buds.

31 **21-28.10-4. Exempt activities.**

32 Effective from and after January 1, 2020, except as otherwise provided in this chapter:

33 (1) A person who is twenty-one (21) years of age or older is exempt from arrest, civil
34 or criminal penalty, seizure or forfeiture of assets, discipline by any state or local

1 licensing board, and state prosecution for solely engaging in the following acts:

2 (i) Actually or constructively using, obtaining, purchasing, transporting, or
3 possessing one ounce (1 oz.) or less of marijuana plant material, or an equivalent amount of
4 marijuana product as determined by regulations promulgated by the office of cannabis regulation,
5 provided that a person who is twenty-one (21) years of age or older may only purchase one
6 ounce (1 oz.) of marijuana plant material, or an equivalent amount of marijuana product as
7 determined by regulations promulgated by the department of office of cannabis regulation per
8 day;

9 (ii) Possessing in the person's primary residence in secured and locked storage five
10 ounces (5 oz) or less of marijuana plant material or an equivalent amount of marijuana product as
11 determined by regulations promulgated by the office of cannabis regulation, or possessing in any
12 dwelling unit used as the a primary residence by two or more persons who are each twenty-one
13 (21) years of age or older in secured and locked storage ten ounces (10 oz.) or less of
14 marijuana plant material or an equivalent amount of marijuana product as determined by
15 regulations promulgated by the office of cannabis regulation;

16 (iii) Controlling any premises or vehicle where persons who are twenty-one (21)
17 years of age or older possess, process, or store amounts of marijuana plant material and
18 marijuana products that are legal under state law under subsections (1)(i) and (1)(ii) of this
19 section, provided that any and all marijuana plant material and/or marijuana products in a vehicle
20 are sealed, unused, and in their original unopened packaging;

21 (iv) Giving away, without consideration, the amounts of marijuana and marijuana
22 products that are legal under state law under subsection (1)(i) of this section, if the recipient is
23 a person who is twenty-one (21) years of age or older, provided the gift or transfer of marijuana
24 is not advertised or promoted to the public and the gift or transfer of marijuana is not in
25 conjunction with the sale or transfer of any money, consideration or value, or another item or any
26 other services in an effort to evade laws governing the sale of marijuana;

27 (v) Aiding and abetting another person who is twenty-one (21) years of age or older
28 in the actions allowed under this chapter; and

29 (vi) Any combination of the acts described within subsections (1)(i) through (1)(v) of
30 this section, inclusive.

31 (2) Except as provided in this chapter and chapter 28.11 of title 21, a marijuana
32 retailer or any person who is twenty-one (21) years of age or older and acting in their
33 capacity as an owner, principal officer, partner, board member, employee, or agent of a retailer is
34 exempt from arrest, civil or criminal penalty, seizure or forfeiture of assets, discipline by

1 any state or local licensing board, and state prosecution for solely engaging in the following
2 acts:

3 (i) Actually or constructively transporting or possessing marijuana or marijuana
4 products that were purchased from a marijuana cultivation facility, a marijuana processor,
5 another marijuana retailer, or any other marijuana establishment in accordance with regulations
6 promulgated by the office of cannabis regulation;

7 (ii) Manufacturing, possessing, producing, obtaining, or purchasing marijuana
8 paraphernalia;

9 (iii) Selling, delivering, or transferring marijuana or marijuana products to another
10 retailer in accordance with regulations promulgated by the office of cannabis regulation;

11 (iv) Selling, transferring, or delivering, no more than, one ounce (1 oz.) of marijuana,
12 or an equivalent amount of marijuana product per day, or marijuana paraphernalia to any person
13 who is twenty-one (21) years of age or older, in accordance with regulations promulgated by the
14 office of cannabis regulation and within the transaction limits of this chapter, chapter 21-28.11
15 and transactions limits specified in regulations promulgated by the office of cannabis regulation;

16 (v) Transferring or delivering marijuana or marijuana products to a cannabis
17 testing facility in accordance with regulations promulgated by the office of cannabis regulation;

18 (vi) Controlling any premises or vehicle where marijuana, marijuana products,
19 and marijuana paraphernalia are possessed, sold, or deposited in a manner that is not in
20 conflict with this chapter or the regulations pursuant thereto; and

21 (vii) Any combination of the acts described within subsections (2)(i) through
22 (2)(vi) of this section, inclusive.

23 (3) Except as provided in this chapter and chapter 28.11 of title 21, a marijuana
24 cultivation facility or any person who is twenty-one (21) years of age or older and acting in
25 their capacity as an owner, principal officer, partner, board member, employee, or agent of a
26 marijuana cultivation facility is exempt from arrest, civil or criminal penalty, seizure or
27 forfeiture of assets, discipline by any state or local licensing board, and state prosecution for
28 solely engaging in the following acts:

29
30 (i) Cultivating, packing, processing, transporting, or manufacturing marijuana,
31 but not marijuana products, in accordance with regulations promulgated by the office of
32 cannabis regulation;

33 (ii) Transporting or possessing marijuana that was produced by the marijuana
34 cultivation facility or another marijuana establishment, in accordance with regulations

1 promulgated by the office of cannabis regulation;
2 (iii) Selling, delivering, or transferring marijuana to a marijuana retailer,
3 marijuana processor, a marijuana cultivation facility, or any other marijuana establishment, in
4 accordance with regulations promulgated by the office of cannabis regulation;
5 (iv) Purchasing marijuana from a marijuana cultivation facility;
6 (v) Delivering or transferring marijuana to a marijuana testing facility;
7 (vi) Controlling any premises or vehicle where marijuana is possessed,
8 manufactured, sold, or deposited, in accordance with regulations promulgated by the office of
9 cannabis regulation; and
10 (vii) Any combination of the acts described within subsections (3)(i) through (3)(vi)
11 of this section, inclusive.
12 (4) Except as provided in this chapter and chapter 28.11 of title 21, a marijuana
13 processor facility or any person who is twenty-one (21) years of age or older and acting in
14 their capacity as an owner, principal officer, partner, board member, employee, or agent of a
15 marijuana processor facility is exempt from arrest, civil or criminal penalty, seizure or
16 forfeiture of assets, discipline by any state or local licensing board, and state prosecution for
17 solely engaging in the following acts:
18 (i) Producing, manufacturing, packing, processing, or transporting marijuana
19 products, in accordance with regulations promulgated by the office of cannabis regulation;
20 (ii) Packing, processing, possessing, or transporting marijuana that was produced by a
21 marijuana cultivation center in accordance with regulations promulgated by the office of
22 cannabis regulation;
23 (iii) Possessing, transporting, or producing marijuana paraphernalia;
24 (iv) Manufacturing, possessing, or producing marijuana products, in accordance with
25 regulations promulgated by the office of cannabis regulation;
26 (v) Selling, delivering, or transferring marijuana products to a marijuana retailer,
27 another marijuana processor, or any other marijuana establishment, in accordance with
28 regulations promulgated by the office of cannabis regulation;
29 (vi) Purchasing marijuana from a marijuana cultivation facility, or another
30 marijuana processor, or any other marijuana establishment, in accordance with regulations
31 promulgated by the office of cannabis regulation;
32 (vii) Delivering or transferring marijuana or marijuana products to a cannabis
33 testing facility;
34

1 (viii) Controlling any premises or vehicle where marijuana products and
2 marijuana paraphernalia are possessed, manufactured, sold, or deposited;

3 (ix) Controlling any premises or vehicle where marijuana is possessed,
4 processed packaged, or deposited; and

5 (x) Any combination of the acts described within subsections (4)(i) through (4)(ix)
6 of this section, inclusive.

7 (5) Except as provided in this chapter and chapter 28.11 of title 21, a cannabis
8 testing facility or any person who is twenty-one (21) years of age or older and acting in their
9 capacity as an owner, principal officer, owner, partner, board member, employee, or agent
10 of a cannabis testing facility shall not be subject to state prosecution; search, except by
11 the department of business regulation or department of health pursuant to §21-28.11-8;
12 seizure; or penalty in any manner or be denied any right or privilege, including, but
13 not limited to, civil penalty or disciplinary action by a court or business licensing board
14 or entity solely engaging in for the following acts:

15 (i) Acquiring, transporting, storing, or possessing marijuana or marijuana products, in
16 accordance with regulations promulgated by the office of cannabis regulation;

17 (ii) Returning marijuana and marijuana products to marijuana cultivation facilities,
18 marijuana processor facilities, marijuana retailers, other marijuana establishment licensees and
19 industrial hemp license holders, in accordance with regulations promulgated by the office of
20 cannabis regulation ;

21 (iii) Receiving compensation for analytical testing, including but not limited
22 to testing for contaminants and potency; and

23 (iv) Any combination of the acts described within subsections (4)(i) through
24 (4)(iii) of this section, inclusive.

25 (6) The acts listed in subsections (1) through (5) of this section, when undertaken
26 in compliance with the provisions of this chapter and regulations promulgated hereunder, are
27 lawful under Rhode Island law.

28 (7) Except as provided in this chapter and chapter 28.11 of title 21, a marijuana
29 establishment licensee or any person who is twenty-one (21) years of age or older and
30 acting in their capacity as an owner, principal officer, partner, board member, employee, or
31 agent of a marijuana establishment licensee created by the office of cannabis regulation is exempt
32 from arrest, civil or criminal penalty, seizure or forfeiture of assets, discipline by any state
33 or local licensing board, and state prosecution solely for possessing, transferring, dispensing, or
34 delivering marijuana in accordance with the corresponding marijuana establishment license

1 regulations promulgated by the office of cannabis regulation, or otherwise engaging in activities
2 permitted under the specific marijuana establishment license it holds as issued by the office of
3 cannabis regulation and the regulations promulgated by the office of cannabis regulation.

4 (8) Except for the exemption set forth in subsection (2)(iv) of this section which shall
5 be effective from and after January 1, 2020, the exemptions set forth in subsections (2), (3), (4)
6 and (5) of this section shall be effective as to a marijuana establishment licensee from and after
7 the date of issuance of a license by the office of cannabis regulation.

8 **21-28.10-5. Authorized activities; paraphernalia.**

9 (a) Any person who is twenty-one (21) years of age or older is authorized to
10 manufacture, produce, use, obtain, purchase, transport, or possess, actually or constructively,
11 marijuana paraphernalia in accordance with all applicable laws.

12 (b) Any person who is twenty-one (21) years of age or older is authorized to
13 distribute or sell marijuana paraphernalia to marijuana establishments or persons who are
14 twenty-one (21) years of age or older in accordance with all applicable laws.

15 **21-28.10-6. Unlawful activities; penalties.**

16 (a) Except as expressly provided in this chapter and chapters 2-26 and 21-28.11, no
17 person or entity shall cultivate, grow, manufacture, process, or otherwise produce cannabis,
18 cannabis plants or cannabis products.

19 (b) Any person who cultivates, grows, manufactures, processes, or otherwise produces
20 cannabis, cannabis plants or cannabis products in violation of this chapter and chapters 2-26, 21-
21 28.6, 21-28.11, and/or the regulations promulgated hereunder shall be subject to imposition of an
22 administrative penalty and order by the office of cannabis regulation as follows:

23 (i) for a violation of this section involving one (1) to five (5) cannabis plants, an
24 administrative penalty of \$2,000 per plant and an order requiring forfeiture and/or destruction of
25 said plants;

26 (ii) for a violation of this section involving six (6) to ten (10) cannabis plants, an
27 administrative penalty of \$3,000 per plant and an order requiring forfeiture and/or destruction of
28 said plants;

29 (iii) for a violation of this section involving eleven (11) to twenty (20) cannabis plants, an
30 administrative penalty of \$4,000 per plant and an order requiring forfeiture and/or destruction of
31 said plants;

32 (iv) for a violation of this section involving more than twenty (20) cannabis plants, an
33 administrative penalty of \$5,000 per plant and an order requiring forfeiture and/or destruction of
34 said plants;

1 (v) for any violation of this section involving more than twenty (20) cannabis plants, such
2 person and, in the case of an entity such entity's principal officers and other key persons, shall
3 also be guilty of a felony, and upon conviction shall be punished by imprisonment and a fine as
4 provided in chapter 21-28 of the general laws and the attorney general shall prosecute such
5 criminal violation; and

6 (vi) for any violation of this section involving possession of marijuana material or
7 marijuana products over the legal possession limits of this chapter, there shall be an
8 administrative penalty of \$2,000 per ounce of equivalent marijuana material over the legal
9 possession limit and an order requiring forfeiture and/or destruction of said marijuana.

10 **21-28.10-7. Activities not exempt.**

11 The provisions of this chapter do not exempt any person from arrest, civil or
12 criminal penalty, seizure or forfeiture of assets, discipline by any state or local licensing
13 board or authority, and state prosecution for, nor may they establish an affirmative defense
14 based on this chapter to charges arising from, any of the following acts:

15 (1) Driving, operating, or being in actual physical control of a vehicle or a vessel
16 under power or sail while impaired by marijuana or marijuana products;

17 (2) Possessing marijuana or marijuana products if the person is a prisoner;

18 (3) Possessing marijuana or marijuana products in any local detention facility,
19 county jail, state prison, reformatory, or other correctional facility, including, without
20 limitation, any facility for the detention of juvenile offenders; or

21 (4) Manufacturing or processing of marijuana products with the use of prohibited
22 solvents, in violation of § 21-28.10-12.

23 **21-28.10-8. Marijuana use prohibitions.**

24 (a) No person shall smoke, vaporize or otherwise consume or use cannabis in a public
25 place. A person who violates this section shall be subject to imposition of an administrative
26 penalty by the office of cannabis regulation of one hundred fifty dollars (\$150) per violation, in
27 addition to and not in lieu of any applicable penalty or fine by the municipality where the public
28 consumption or use occurred.

29 (b) No person shall smoke or vaporize cannabis in, on or about the premises of any
30 housing that is subject to regulation or otherwise within the purview of chapters 45-25, 45-26, 45-
31 53 or 45-60 of the general laws and any regulations promulgated thereunder. A person who
32 smokes or vaporizes cannabis in, on or about such housing premises shall be subject to imposition
33 of an administrative penalty by the office of cannabis regulation of one hundred fifty dollars
34 (\$150) per violation, in addition to and not in lieu of any applicable penalty, access prohibition or

1 restriction, eviction or other action that may lawfully be taken by the owner and/or applicable
2 authority with respect to said housing.

3 (c) No person shall smoke or vaporize cannabis in, on or about the premises of any multi-
4 unit housing complex or building without the written permission of the owner of such property
5 and/or any applicable governing body of the housing complex or building. A person who smokes
6 or vaporizes cannabis in, on or about any multi-unit housing complex or building premises
7 without such written permission shall be subject to imposition of an administrative penalty by the
8 office of cannabis regulation of one hundred fifty dollars (\$150) per violation, in addition to and
9 not in lieu of any applicable penalty, access prohibition or restriction, eviction or other action that
10 may lawfully be taken by the owner and/or any applicable authority with respect to such multi-
11 unit housing complex or building.

12 (d) No person may smoke, vaporize or otherwise consume or use, sell, distribute or
13 otherwise transfer or propose any such sale, distribution or transfer, cannabis or cannabis
14 products in, on or about the premises of any place of business, establishment, or club, whether
15 public or private, and whether operated for-profit or nonprofit, or any commercial property or
16 other premises as further defined through regulations promulgated by the office of cannabis
17 regulation, unless a cannabis social use license or temporary cannabis social use permit has been
18 issued by the office of cannabis regulation with respect to such business, establishment, club or
19 commercial property premises in accordance with regulations promulgated by the office of
20 cannabis regulation. Any person who violates this section shall be subject to imposition of
21 administrative fine and/or other penalty as prescribed by the office of cannabis regulation in such
22 regulations.

23 **21-28.10-9. Places of employment.**

24 (a) The provisions of this chapter do not require employers to accommodate the
25 use or possession of marijuana, or being under the influence of marijuana, in any workplace.

26 (b) Employers may implement drug use policies which prohibit the use or possession of
27 marijuana in the workplace or working under the influence of marijuana, provided that unless
28 such use is prohibited pursuant to the terms of a collective bargaining agreement, an employer
29 shall not fire or take disciplinary action against an employee solely for an employee's private,
30 lawful use of marijuana outside the workplace and so long as the employee has not and is not
31 working under the influence of marijuana except to the extent that the employer is a federal
32 contractor or otherwise subject to federal law or regulations such that failure to take such action
33 would cause the employer to lose a monetary or licensing related benefit thereunder.

34 **21-28.10-10. Private property.**

1 (a) Except as provided in this section, the provisions of this chapter do not
2 require any person, corporation, or any other entity that occupies, owns, or controls a
3 property to allow the consumption, or transfer of marijuana on or in that property.

4 (b) Except as provided in this section, in the case of the rental of a residential
5 dwelling unit governed by chapter 18 of title 34, a landlord may not prohibit the
6 consumption of cannabis by non-smoked or non-vaporized means, or the transfer without
7 compensation of cannabis by the tenant as defined in § 34-18-11, provided the tenant is in
8 compliance with the possession and transfer limits and other requirements set forth in § 21-28.10-
9 4(1)(i) and (iv), and provided any such consumption or transfer by the tenant is done within
10 the tenant's dwelling unit and is not visible from outside of the individual residential
11 dwelling unit. A landlord may prohibit the consumption, display, and transfer of cannabis
12 by a roomer as defined in §34-18-11 and by any other person who is not a tenant.

13 **21-28.10-11. False age representation.**

14 (a) Any person who falsely represents themselves to be twenty-one (21) years of age or
15 older in order to obtain any marijuana, marijuana products, or marijuana paraphernalia
16 pursuant to this chapter is guilty of a civil violation.

17 (b) Any person who violates this section shall be subject to the following penalties
18 which shall be enforced by the division of motor vehicles in accordance with chapter 11 of title
19 31 of the general laws and any regulations promulgated thereunder or hereunder:

20 (i) for the first offense, imposition of a mandatory fine of not less than one
21 hundred dollars (\$100) nor more than five hundred dollars (\$500), the requirement to
22 perform thirty (30) hours of community service and suspension of his/her motor vehicle
23 operator's license or permit and driving privileges for a period of thirty (30) days;

24 (ii) for the second offense, imposition of a mandatory fine of not less than five
25 hundred dollars (\$500) nor more than seven hundred fifty dollars (\$750), the requirement to
26 perform forty (40) hours of community service and suspension of his/her motor vehicle
27 operator's license or permit and driving privileges for a period of three (3) months; and

28 (iii) for the third and subsequent offenses, imposition of a mandatory fine for each
29 offense of not less than seven hundred fifty dollars (\$750) nor more than one thousand
30 dollars (\$1,000), the requirement to perform by fifty (50) hours of community service and
31 suspension of his/her motor vehicle operator's license or permit and driving privileges for a
32 period of one (1) year.

33 (c) In addition to and not in lieu of the penalties described in subsection (b), the
34 department of elementary and secondary education and, with the prior approval of the

1 department, any city, town or school district under its authority, may adopt and implement
2 marijuana drug use policies which require students to face disciplinary actions including but not
3 limited to, suspension, expulsion, community service, and prohibition from participation in
4 school sanctioned events, for any violation of this section or for the possession or use of
5 marijuana. The department of elementary and secondary education shall have the authority to
6 adopt rules and regulations as are necessary and proper to carry out the foregoing.

7 **21-28.10-12. Unlawful distribution to minors; penalties.**

8 (a) Except as expressly provided in chapters 21-28.6 of the general laws, no person or
9 entity shall sell, deliver or otherwise transfer to any person who is under twenty-one (21) years
10 of age marijuana, marijuana plants or marijuana products.

11 (b) Any person or entity who sells, delivers or otherwise transfers marijuana, marijuana
12 plants or marijuana products to any person who is under twenty-one (21) years of age violation of
13 this chapter and chapter 21-28.11 and/or the regulations promulgated hereunder shall be subject
14 to imposition of an administrative penalty by the office of cannabis regulation in the amount of
15 \$10,000 per violation.

16 (c) As to any violation of this section, such person, and in the case of an entity such
17 entity's principal officers and other key persons, shall also be guilty of a felony, and upon
18 conviction shall be punished by imprisonment and a fine as provided in chapter 21-28 of the
19 general laws and the attorney general shall prosecute such criminal violation.

20 **21-28.10-13. Unlawful marijuana extraction, penalties.**

21 (a) No person, other than a licensed processor who is in compliance with this
22 chapter, chapter 28.11 and accompanying regulations or an agent of a processor acting in
23 that capacity, may extract compounds from marijuana using solvents other than water,
24 glycerin, propylene glycol, vegetable oil, or food grade ethanol (ethyl alcohol). No person
25 may extract compounds from marijuana using ethanol in the presence or vicinity of open
26 flame.

27 (b) A person who violates this section shall be subject to imposition of an
28 administrative penalty by the office of cannabis regulation of up to five thousand dollars
29 (\$5,000) per violation.

30 (c) A person who violates this section shall also be guilty of a felony punishable by
31 imprisonment and a fine in accordance with chapter 21-28 of the general laws and the attorney
32 general shall prosecute such criminal violation.

33 **CHAPTER 28.11**

34 **MARIJUANA REGULATION, CONTROL, AND TAXATION ACT**

1 **21-28.11-1. Short title.**

2 This chapter shall be known and may be cited as the "Marijuana Regulation, Control,
3 and Taxation Act."

4 **21-28.11-2. Definitions.**

5 For purposes of this chapter:

6 (1) "Cannabis" means all parts of the plant of the genus marijuana, also known as
7 marijuana sativa L, whether growing or not; the seeds thereof; the resin extracted from any
8 part of the plant; and every compound, manufacture, salt, derivative, mixture, or preparation
9 of the plant, its seeds, or resin regardless of cannabinoid content or cannabinoid potency
10 including "marijuana", and "industrial hemp" or "industrial hemp products" which satisfy the
11 requirements of chapter 2-26 of the general laws and the regulations promulgated thereunder.

12 (2) "Marijuana" means all parts of the plant cannabis sativa L., whether growing or not;
13 the seeds of the plant; the resin extracted from any part of the plant; and every compound,
14 manufacture, salt, derivative, mixture, or preparation of the plant, its seeds or resin, but shall not
15 include the mature stalks of the plant, fiber produced from the stalks, oil or cake made from the
16 seeds of the plant, any other compound, manufacture, salt, derivative, mixture, or preparation of
17 mature stalks, (except the resin extracted from it), fiber, oil or cake, or the sterilized seed from the
18 plant which is incapable of germination. Marijuana shall not include "industrial hemp or"
19 industrial hemp products" which satisfy the requirements of chapter 2-26 of the general laws and
20 the regulations promulgated thereunder.

21 (3) "Marijuana cultivation facility" means an entity that is licensed pursuant to
22 chapter 28.11 of title 21, to be exempt from state penalties for cultivating, preparing,
23 packaging, and selling marijuana to a marijuana retailer, a marijuana processor, another
24 marijuana cultivation facility, cannabis testing laboratory, or another marijuana establishment
25 licensed by the office of cannabis regulation, in accordance with regulations promulgated by the
26 office of cannabis regulation; but not for manufacturing, processing or selling marijuana
27 products or selling marijuana at retail or otherwise to the general public.

28 (4) "Marijuana establishment" and "marijuana establishment licensee" means any
29 person or entity licensed by the office of cannabis regulation under this chapter or chapter 21-28.6
30 whose license permits it to engage in or conduct activities in connection with the adult use
31 marijuana industry or medical marijuana program and includes but is not limited to a licensed
32 marijuana cultivation facility, marijuana processor, marijuana retailer, cannabis testing facility,
33 compassion center, medical marijuana cultivator, medical marijuana processor or any other
34 license issued by the office of cannabis regulation under this chapter or chapter 21-28.6 and/or as

1 specified and defined in regulations promulgated by the office of cannabis regulation.

2 (5) "Marijuana paraphernalia" means equipment, products, and materials which are
3 used or intended for use in planting, propagating, cultivating, growing, harvesting,
4 manufacturing, compounding, converting, producing, processing, preparing, testing, analyzing,
5 packaging, repackaging, storing, containing, concealing, ingesting, or inhaling marijuana, or
6 otherwise introducing marijuana into the human body.

7 (6) "Marijuana processor" means an entity licensed pursuant to chapter 28.11 of title
8 21 to be exempt from state penalties for purchasing marijuana from marijuana cultivation
9 facilities, other marijuana processors, or other marijuana establishments, in accordance with
10 regulations promulgated by the office of cannabis regulation and manufacturing or processing
11 marijuana products, selling, giving, or transferring marijuana products to a marijuana
12 retailer, marijuana testing facility, or other marijuana establishments, in accordance with
13 regulations promulgated by the office of cannabis regulation but not for selling marijuana or
14 marijuana products at retail or otherwise to the general public.

15 (7) "Marijuana products" means any form of marijuana, including concentrated
16 marijuana and products that are comprised of marijuana and other ingredients that are
17 intended for use or consumption, such as, but not limited to, extracts, infusions, edible
18 products, ointments, and tinctures, as further defined in regulations promulgated by the office of
19 cannabis regulation.

20 (8) "Marijuana testing facility" or "cannabis testing laboratory" means a third party
21 analytical testing laboratory licensed by the departments of health and office of cannabis
22 regulation to collect and test samples of cannabis pursuant to regulations promulgated by the
23 departments.

24 (9) "Marijuana retailer" means an entity that is licensed pursuant to chapter 28.11 of
25 title 21, to be exempt from state penalties for purchasing marijuana from marijuana
26 cultivation facilities, marijuana processors, or other marijuana establishments in accordance
27 with regulations promulgated by the office of cannabis regulation, and selling marijuana,
28 marijuana products, and marijuana paraphernalia to customers who are twenty-one (21) years of
29 age or older in accordance with the provisions of this chapter, chapter 21-28.11 and rules and
30 regulations promulgated by the office of cannabis regulation.

31 (10) "Smoke" or "smoking" means heating to at least the point of combustion,
32 causing plant material to burn, inhaling, exhaling, burning, or carrying any lighted or heated
33 cigarette, pipe, weed, plant, other marijuana product in any manner or in any form intended for
34 inhalation in any manner or form and includes but is not limited to the use of electronic cigarettes,

1 electronic pipes, electronic marijuana delivery system products, or other similar products that rely
2 on vaporization or aerosolization.

3 (11) "State prosecution" means prosecution initiated or maintained by the state of
4 Rhode Island or an agency or political subdivision of the state of Rhode Island.

5 (12) "Vaporize" or "vape" means heating below the point of combustion and
6 resulting in a vapor or mist.

7 (13) "Equivalent amount" means the portion of usable marijuana, be it in extracted,
8 edible, concentrated, or any other form, found to be equal to a portion of dried marijuana, as
9 defined by regulations promulgated by the office of cannabis regulation.

10 **21-28.11-3. Office of Cannabis Regulation.**

11 (a) Within the department of business regulation there shall be an office of cannabis
12 regulation that oversees the regulation, licensing and control of cannabis, including marijuana,
13 medical marijuana and industrial hemp, and such other matters within the jurisdiction of the
14 department as determined by the director. An associate director or other designee of the director
15 who reports to the director shall be in charge of all matters relating to cannabis regulation and
16 control.

17 (b) Whenever in chapters 2-26, 21-28.6, 21-28.10, 21-28.11 and 44-49.1 of the general
18 laws the words "department of business regulation" shall appear, the words shall be deemed to
19 mean the office of cannabis regulation within the department of business regulation. Whenever
20 in chapters 2-26, 21-28.6, 21-28.10, 21-28.11 and 44-49.1 of the general laws the words "office
21 of cannabis regulation" shall appear, the words shall be deemed to mean the office of cannabis
22 regulation within the department of business regulation.

23 (c) The office of cannabis regulation shall coordinate the executive branch response
24 to the regulation and control of cannabis including, but not limited to, strategic
25 planning, coordination and approval of regulations, educational content, planning and
26 implementation, community engagement, budget coordination, data collection and analysis
27 functions, and any other duties deemed necessary and appropriate by the office of cannabis
28 regulation to carry out the provisions of this chapter.

29 (d) In furtherance of coordinating the oversight of cannabis, including marijuana,
30 medical marijuana and industrial hemp, across state agencies, the office of cannabis regulation
31 shall:

32 (1) Coordinate with the staff designated by the respective directors of each state
33 agency regarding the agency's promulgation and implementation of rules and regulations
34 regarding adult use of marijuana, medical marijuana and industrial hemp with the objective of

- 1 producing positive economic, public safety, and health outcomes for the state and its citizens;
- 2 (2) Offer guidance to and communicate with municipal officials regarding
3 the implementation and enforcement of this chapter and chapters 28.6 and 28.10;
- 4 (3) Align all policy objectives and the promulgation of rules and regulations across
5 state agencies to increase efficiency and eliminate unintended negative impacts on the state
6 and its citizens;
- 7 (4) Communicate with regulatory officials from other states that allow marijuana for
8 adult use, medical marijuana use and industrial hemp production to learn from the experiences of
9 those states;
- 10 (5) Anticipate, prioritize, and respond to emerging issues with the regulation of
11 marijuana;
- 12 (6) Coordinate the collection of data on adult use of marijuana and medical
13 marijuana use from state agencies and report to the governor and legislature no later than
14 January 1, 2021, and every year thereafter. The report shall include, but is not limited to:
- 15 (i) The number and geographic distribution of all licensed marijuana establishments;
- 16 (ii) Data on the total amount of sales of marijuana and the total amount of revenue
17 raised from taxes and fees levied on marijuana;
- 18 (iii) Projected estimate of the total marijuana revenue that will be raised in the
19 proceeding year;
- 20 (iv) The distribution of funds to programs and agencies from revenue raised from
21 fees and taxes levied on marijuana; and
- 22 (v) Any findings from the departments of health and public safety related to changes in
23 marijuana use rates and the impact, if any, of marijuana use on public health and public safety.
- 24 **21-28.11-4. Marijuana Advisory Board.**
- 25 (a) The leaders of the general assembly shall establish a marijuana advisory board to
26 study and make recommendations on the regulation of marijuana and marijuana products.
- 27 (b) The marijuana advisory board shall consist of fourteen (14) members,
28 seven (7) appointed by the speaker of the house, and seven (7) appointed the senate
29 president. Both the speaker of the house and the senate president shall appoint one member
30 of the general assembly, one expert in law enforcement, one expert in public health, one
31 expert in the legal marijuana business community, one attorney with experience in
32 marijuana law and policy, one expert in social welfare or social justice, and one individual
33 who represents marijuana consumers.
- 34 (c) Members of the marijuana advisory board shall serve terms of two (2) years.

1 (d) Members of the board shall serve without compensation but shall be reimbursed
2 for their expenses actually and necessarily incurred in the discharge of their official duties.
3 Eight (8) or more members of the board present and voting shall constitute a quorum.

4 (e) The marijuana advisory board's duties shall include:

5 (1) Advising the legislature on matters related to marijuana cultivation,
6 processing, manufacture, transport, distribution, testing and sale;

7 (2) On its own initiative, recommending to the office of cannabis regulation
8 guidelines, rules and regulations and any changes to guidelines, rules and
9 regulations that the board considers important or necessary; and

10 (3) Holding public hearings to take testimony from experts and members of the
11 general public on issues related to the regulation and taxation of marijuana.

12 (f) All records of the marijuana advisory board shall be public records.

13 (g) The chairs of the marijuana advisory board shall issue public notice at least
14 fourteen (14) days prior to each meeting of the marijuana advisory board.

15 **21-28.11-5. Licensing of marijuana establishments.**

16 (a) Except as otherwise provided in this chapter:

17 (1) A person or an entity may apply, in accordance with the provisions of this chapter
18 and regulations adopted by the office of cannabis regulation, for the issuance of a license
19 authorizing the applicant to engage in licensed marijuana activities as a marijuana retailer,
20 marijuana cultivator, marijuana processor, cannabis testing facility, or any other marijuana
21 establishment licensee, pursuant to the provisions of this chapter and regulations promulgated
22 by the office of cannabis regulation provided that a majority of equity in and/or ownership of any
23 license is held by a Rhode Island resident, or Rhode Island residents, as defined in regulations
24 promulgated by the office of cannabis regulation.

25 (2) The office of cannabis regulation shall have authority to issue a license or
26 licenses to marijuana cultivators, marijuana retailers, marijuana processors, and any other
27 category of marijuana establishment licensee established through this chapter or the regulations
28 promulgated hereunder.

29 (3) The department of health, in coordination with the office of cannabis regulation,
30 shall have authority to promulgate regulations to create and implement all licenses involving
31 cannabis reference testing requirements including approval, laboratory proficiency programs and
32 proficiency sample providers, quality assurance sample providers, round robin testing and
33 regulations establishing quality control and test standardization, and create and implement
34 additional types and classes of licensed cannabis testing facilities in accordance with regulations

1 promulgated hereunder.

2 (b) The office of cannabis regulation shall have the authority to promulgate regulations
3 to create and implement additional types and classes of commercial marijuana establishment
4 licenses, including but not limited to, licenses for businesses to engage in marijuana destruction,
5 delivery, disposal, research and development, transportation, social use licenses, or any other
6 commercial activity needed to support licensed marijuana cultivators, licensed marijuana
7 processors, compassion centers, licensed cannabis testing facilities, provided no license created
8 by the department shall allow for the retail sale of marijuana.

9 (c) The office of cannabis regulation shall promulgate regulations governing the manner
10 in which it shall consider applications for issuing additional classes of marijuana establishment
11 licenses, in accordance with this section.

12 (d) The office of cannabis regulation shall promulgate regulations governing the manner
13 in which it shall consider applications for the licensing and renewal of each type of marijuana
14 establishment license necessary and proper to enforce the provisions of and carry out the duties
15 assigned to it under this chapter and chapter 28.10, including but not limited to regulations
16 governing:

17 (1) The form and content of licensing and renewal applications;

18 (2) Application and licensing fees for marijuana establishment licenses;

19 (3) Procedures for the approval or denial of a license, and procedures for suspension or
20 revocation of the license of any marijuana establishment licensee that violates the provisions of
21 this chapter, chapter 28.10 or the regulations promulgated thereunder in accordance with the
22 provisions of chapter 42-35 of the general laws; and

23 (4) Compliance with municipal zoning restrictions, if any, which comply with 21-28.11-
24 10 of this chapter.

25 (e) The department of health or the office of cannabis regulation, as applicable, shall
26 issue each principal officer, board member, agent, volunteer, and employee of a marijuana
27 establishment license a registry identification card or renewal card after receipt of the person's
28 name, address, date of birth; a fee in an amount established by the department of health or the
29 office of cannabis regulation; and, when the applicant holds an ownership, equity, controlling, or
30 managing stake in the marijuana establishment license as defined in regulations promulgated by
31 the office of cannabis regulation, notification to the department of health or the office of cannabis
32 regulation by the department of public safety division of state police, attorney general's office, or
33 local law enforcement that the registry identification card applicant has not been convicted of a
34 felony drug offense or has not entered a plea of nolo contendere for a felony drug offense and

1 received a sentence of probation. Each card shall specify that the cardholder is a principal officer,
2 board member, agent, volunteer, employee, or other designation required by the departments of
3 marijuana establishment license and shall contain the following:

4 (i) The name, address, and date of birth of card applicant;

5 (ii) The legal name of the marijuana establishment licensee to which the applicant is
6 affiliated;

7 (iii) A random identification number that is unique to the cardholder;

8 (iv) The date of issuance and expiration date of the registry identification card; and

9 (v) A photograph, if the department of health or the office of cannabis regulation decides
10 to require one; and

11 (vi) Any other information or card classification that the office of cannabis regulation or
12 department of health requires.

13 (f) Except as provided in subsection (e), neither the department of health nor the office of
14 cannabis regulation shall issue a registry identification card to any card applicant who holds an
15 ownership, equity, controlling, or managing stake in the marijuana establishment license as
16 defined in regulations promulgated by the office of cannabis regulation, who has been convicted
17 of a felony drug offense or has entered a plea of nolo contendere for a felony drug offense and
18 received a sentence of probation or who the department has otherwise deemed unsuitable. If a
19 registry identification card is denied, the applicant will be notified in writing of the purpose for
20 denying the registry identification card. A registry identification card may be granted if the
21 offense was for conduct that occurred prior to the enactment of this chapter or that was
22 prosecuted by an authority other than the state of Rhode Island and for which the enactment of
23 this chapter would otherwise have prevented a conviction.

24 (g) (i) All registry identification card applicants who hold an ownership, equity,
25 controlling, or managing stake in the marijuana establishment license as defined in regulations
26 promulgated by the office of cannabis regulation shall apply to the department of public safety
27 division of state police, the attorney general's office, or local law enforcement for a national
28 criminal identification records check that shall include fingerprints submitted to the federal
29 bureau of investigation. Upon the discovery of a felony drug offense conviction or a plea of nolo
30 contendere for a felony drug offense with a sentence of probation, and in accordance with the
31 rules promulgated by the department of health and the office of cannabis regulation, the
32 department of public safety division of state police, the attorney general's office, or local law
33 enforcement shall inform the applicant, in writing, of the nature of the felony and the department
34 of public safety division of state police shall notify the department of health or the office of

1 cannabis regulation, in writing, without disclosing the nature of the felony, that a felony drug
2 offense conviction or a plea of nolo contendere for a felony drug offense with probation has been
3 found.

4 (ii) In those situations in which no felony drug offense conviction or plea of nolo
5 contendere for a felony drug offense with probation has been found, the department of public
6 safety division of state police, the attorney general's office, or local law enforcement shall inform
7 the applicant and the department of health or the office of cannabis regulation, in writing, of this
8 fact.

9 (iii) All registry identification card applicants shall be responsible for any expense
10 associated with the criminal background check with fingerprints.

11 (h) A registry identification card of a principal officer, board member, agent, volunteer,
12 or employee, or any other designation required by the office of cannabis regulation shall expire
13 one year after its issuance, or upon the termination of the principal officer, board member, agent,
14 volunteer or employee's relationship with the marijuana establishment licensee, or upon the
15 termination or revocation of the affiliated marijuana establishment's license, whichever occurs
16 first.

17 (i) A registration identification card holder shall notify and request approval from the
18 office of cannabis regulation or department of health of any change in his or her name or address
19 within ten (10) days of such change. A cardholder who fails to notify the office of cannabis
20 regulation or health of any of these changes is responsible for a civil infraction, punishable by a
21 fine of no more than one hundred fifty dollars (\$150).

22 (j) When a cardholder notifies the department of health or the office of cannabis
23 regulation of any changes listed in this subsection, the department shall issue the cardholder a
24 new registry identification after receiving the updated information and a ten dollar (\$10.00) fee.

25 (k) If a cardholder loses his or her registry identification card, he or she shall notify the
26 department of health or the office of cannabis regulation and submit a ten dollar (\$10.00) fee
27 within ten (10) days of losing the card and the department shall issue a new card.

28 (l) Registry identification cardholders shall notify the office of cannabis regulation or
29 health of any disqualifying criminal convictions as defined in subdivision (c)(7). The applicable
30 department may choose to suspend and/or revoke his or her registry identification card after such
31 notification.

32 (m) If a registry identification cardholder violates any provision of this chapter or
33 regulations promulgated hereunder as determined by the departments of health and office of
34 cannabis regulation, his or her registry identification card may be suspended and/or revoked.

1 (n) The department of business regulation shall have the authority to adopt
2 regulations governing the allowable size of marijuana establishment licensees. The
3 department of business regulation shall have the authority to adopt regulations governing
4 the allowable size of marijuana cultivations, and whether indoor or outdoor cultivation is
5 permitted.

6 (o) The department of business regulation may establish pursuant to regulations
7 different classifications or schedules for marijuana establishment licensee facilities based on
8 their physical size, scope, or authorized activities permitted under the class or schedule of
9 marijuana establishment license.

10 (p) In order to create an open, accessible, and stable industry, the office of cannabis
11 regulation shall have the authority to promulgate regulations which limit the number of marijuana
12 establishment licenses or classes of marijuana establishment licenses that an applicant may be
13 issued.

14 (q) In order to create an open, accessible, and stable industry, the office of cannabis
15 regulation shall have the authority to promulgate regulations which sets market-based criteria for
16 the issuance or renewal of cultivation licenses.

17 (r) The department of business regulation may not issue a marijuana cultivation
18 facility, marijuana processor, or marijuana retailer to any entity that operates or exercises
19 ownership, management, or other control over a marijuana testing facility.

20 (s) The department of health and department of office of cannabis regulation may not
21 issue a marijuana testing facility license to any applicant that operates or exercises
22 ownership, management, or other control over another marijuana establishment license or
23 license issued under chapter 2-26 of the general laws.

24 (t) The office of cannabis regulation shall determine an annual license and renewal fee
25 for each type and/or class of marijuana establishment licensee. The license fee must be paid
26 upon the initial issuance of the license and every twelve (12) months thereafter. If the
27 license fee is not remitted to the state in a timely manner, the license shall be revoked. The
28 department of health shall determine the annual license fee for cannabis testing laboratories and
29 employee registration cards.

30 (u) The office of cannabis regulation shall set forth procedures to require all owners,
31 officers, investors, employees or agents with operational or managing control of a marijuana
32 establishment license applicant to undergo a national background check conducted by the
33 office of the attorney general, the state police, a local police department, or some other
34 agency approved by the office of cannabis regulation. An application for a marijuana

1 establishment license may be rejected if a background check of an owner, officer, investor or
2 employee or agent with operational or managing control reveals past offenses or actions that the
3 office of cannabis regulation deems to be disqualifying.

4 (v) Whenever an entity seeks to renew a license as a marijuana establishment, the
5 office of cannabis regulation shall require the renewal application to include a question
6 regarding any Occupational Safety and Health Administration actions. The office of
7 cannabis regulation may issue regulations as are necessary to ensure licensee compliance to
8 address any such Occupational Safety and Health Administration actions in light of worker
9 safety concerns.

10 (w) Medical marijuana cultivators and compassion centers in good standing with the
11 office of cannabis regulation may also apply for and be issued adult use marijuana establishment
12 licenses, in accordance with regulations promulgated by the office of cannabis regulation,
13 provided the medical marijuana establishment licensee continues to hold any valid medical
14 marijuana license approved or issued prior to July 1, 2019.

15 (x) The office of cannabis regulation may limit or prohibit a medical marijuana
16 establishment's operation under an adult use marijuana establishment license if the office of
17 cannabis regulation determines that failure to do so would threaten medical marijuana patients'
18 access to marijuana products needed to treat qualifying conditions.

19 (y) Licensees may hold a medical marijuana establishment license and an adult use
20 marijuana establishment license in accordance with regulations promulgated by the office of
21 cannabis regulation.

22 (z) The office of cannabis regulation shall prioritize the review of applications for adult
23 use marijuana establishment licenses submitted by medical marijuana establishments that hold a
24 license, in good standing, that was issued by the department prior to the effective date of this
25 chapter.

26 (aa) The office of cannabis regulation may create a streamlined application for medical
27 marijuana establishment licensees who apply for adult use marijuana establishment licenses
28 provided the applicant holds a license, in good standing, that was issued by the department.

29 **21-28.11-6. Ineligibility for license.**

30 A marijuana establishment may not operate, and a prospective marijuana
31 establishment may not apply for a license, if any of the following are true:

32 (1) The person or entity is applying for a license to operate as a marijuana retailer in a
33 location that is within five hundred (500) feet of the property line of a preexisting public or
34 private school, or the person or entity is applying for a license to operate as a marijuana

1 establishment other than a marijuana retailer and the establishment would operate in a
2 location that is within one thousand (1,000) feet of the property line of a preexisting public or
3 private school; or

4 (2) The establishment would be located at a site where the use is not permitted by
5 applicable zoning classification or by special use permit or other zoning approval, or if the
6 proposed location would otherwise violate a municipality's zoning ordinance; or

7 (3) The establishment would be located in a municipality in which residents
8 have approved, by a simple majority referendum, a ban on the kind of marijuana
9 establishment being proposed. For purpose of illustration but not limitation, a marijuana
10 retailer may not operate in a municipality in which residents have approved by a
11 simple majority referendum a ban on marijuana retailers.

12 (4) If any marijuana business establishment license applicant is deemed unsuitable or
13 denied a registry identification card by the office of cannabis regulation.

14 **21-28.11-7. License Required.**

15 No person or entity shall engage in any activities in which a licensed marijuana
16 establishment licensee may engage pursuant to chapters 28.6, 28.10 or 28.11 of title 21 and the
17 regulations promulgated thereunder, without the license that is required in order to engage in such
18 activities issued by the office of cannabis regulation and compliance with all provisions of such
19 chapters 28.6, 28.10 and 28.11 or title 21 and the regulations promulgated thereunder.

20 **21-28.11-8. Enforcement.**

21 (a) (1) Notwithstanding any other provision of this chapter, if the director of the
22 department of business regulation or his or her designee has cause to believe that a violation of
23 any provision of chapters 21-28.6, 21-28.10 or 28.11 or any regulations promulgated thereunder
24 has occurred by a licensee that is under the department's jurisdiction pursuant to chapters 21-
25 28.6, 21-28.10 or 28.11, or that any person or entity is conducting any activities requiring
26 licensure or registration by the office of cannabis regulation under chapters 21-28.6, 21-28.10 or
27 28.11 or the regulations promulgated thereunder without such licensure or registration, the
28 director or his or her designee may, in accordance with the requirements of the administrative
29 procedures act, chapter 35 of title 42:

30 (i) With the exception of patients and authorized purchasers, revoke or suspend a license
31 or registration;

32 (ii) Levy an administrative penalty in an amount established pursuant to regulations
33 promulgated by the office of cannabis regulation;

34 (iii) Order the violator to cease and desist such actions;

1 (iv) Require a licensee or registrant or person or entity conducting any activities requiring
2 licensure or registration under chapters 21-28.6, 21-28.10 or 28.11 to take such actions as are
3 necessary to comply with such chapter and the regulations promulgated thereunder; or

4 (v) Any combination of the above penalties.

5 (2) If the director of the department of business regulation finds that public health, safety,
6 or welfare imperatively requires emergency action, and incorporates a finding to that effect in his
7 or her order, summary suspension of license or registration and/or cease and desist may be
8 ordered pending proceedings for revocation or other action. These proceedings shall be promptly
9 instituted and determined.

10 (b) If a person exceeds the possession limits set forth in chapters 21-28.6, 21-28.10 or 21-
11 28.11, or is in violation of any other section of chapters 21-28.6, 21-28.10 or 28.11 or the
12 regulations promulgated thereunder, he or she may also be subject to arrest and prosecution under
13 chapter 28 of title 21 of the general laws.

14 (c) All marijuana establishment licensees are subject to inspection by the office of
15 cannabis regulation including but not limited to, the licensed premises, all marijuana and
16 marijuana products located on the licensed premises, personnel files, training materials, security
17 footage, all business records and business documents including but not limited to purchase
18 orders, transactions, sales, and any other financial records or financial statements whether located
19 on the licensed premises or not.

20 (d) All marijuana products that are held within the borders of this state in violation of the
21 provisions of chapters 21-28.6, 21-28.10 or 21-28.11 or the regulations promulgated thereunder
22 are declared to be contraband goods and may be seized by the office of cannabis regulation, the
23 tax administrator or his or her agents, or employees, or by any sheriff, or his or her deputy, or any
24 police or other law enforcement officer when requested by the tax administrator or office of
25 cannabis regulation to do so, without a warrant. All contraband goods seized by the state under
26 this chapter may be destroyed.

27 (e) Notwithstanding any other provision of law, the office of cannabis regulation may
28 make available to law enforcement and public safety personnel, any information that the
29 department's director or his or her designee may consider proper contained in licensing records,
30 inspection reports and other reports and records maintained by the office of cannabis regulation,
31 as necessary or appropriate for purposes of ensuring compliance with state laws and regulations.
32 Nothing in this act shall be construed to prohibit law enforcement, public safety, fire, or building
33 officials from investigating violations of, or enforcing state law.

34 **21-28.11-9. Regulation and control of marijuana establishments.**

1 (a) The department of business regulation shall adopt all rules and regulations
2 necessary and convenient to carry out and administer the provisions in this chapter and chapter
3 28.10 including operational requirements applicable to licensees and regulations as are necessary
4 and proper to enforce the provisions of and carry out the duties assigned to it under this chapter
5 and chapter 28.10, including but not limited to regulations governing:

6 (1) Record-keeping requirements for marijuana establishment licensees;

7 (2) Security requirements for marijuana establishment licensees including but not limited
8 to the use of:

9 (i) An alarm system, with a backup power source, that alerts security personnel and local
10 law enforcement officials of any unauthorized breach;

11 (ii) Perpetual video surveillance system, with a backup power source, that records video
12 surveillance must be stored for at least two (2) months and be accessible to the office of cannabis
13 regulation via remote access and to law enforcement officials upon request;

14 (iii) Protocols that ensure the secure transport, delivery, and storage of cannabis and
15 cannabis products;

16 (iv) Additional security measures to protect against diversion or theft of cannabis from
17 cannabis cultivation facilities that cultivate cannabis outdoors; and

18 (v) any additional requirements deemed necessary by the office of cannabis regulation;

19 (3) Requirements for inventory tracking and the use of seed to sale monitoring system(s)
20 approved by the state which tracks all cannabis from its origin up to and including the point of
21 sale;

22 (4) Permitted forms of advertising and advertising content, including but not limited to:

23 (i) A marijuana establishment licensee may not advertise through any means
24 unless at least 85% of the audience is reasonably expected to be 21 years of age or older,
25 as determined by reliable, current audience composition data;

26 (ii) a marijuana establishment licensee may not engage in the use of pop up digital
27 advertisements;

28 (iii) a marijuana establishment licensee may not display any marijuana product pricing
29 through any advertising other than their establishment website which must be registered with the
30 office of cannabis regulation, or through opt in subscription services such as email alerts or sms
31 text messages, provided the licensee has verified the person attempting to view their webpage or
32 opt in to advertising alerts is over the age of 21;

33 (iv) a marijuana establishment licensee may not use any billboard advertisements within
34 the state of Rhode Island;

1 (v) A marijuana establishment licensee may display signage outside its
2 facility displaying the name of the establishment, provided the signage conforms to all
3 applicable local guidelines and rules and does not display imagery of a marijuana leaf or the
4 use of marijuana or use neon signage;

5 (vi) a marijuana establishment licensee may be listed in public phonebooks and
6 directories;

7 (vii) A marijuana establishment licensee and its logo may be listed as a sponsor of a
8 charitable event, provided the logo does not contain imagery of a cannabis leaf or the use of
9 cannabis;

10 (viii) a marijuana establishment license shall not use, except, or offer any coupons,
11 discounts, samples, giveaways, or any other mechanism to sell marijuana at prices below market
12 value which may or may not circumvent the payment and collection of marijuana taxes; and

13 (viii) any other restrictions deemed appropriate by the office of cannabis regulation; and

14 (5) Permitted forms of marijuana products including, but not limited to, regulations
15 which:

16 (i) prohibit any form of marijuana product which is in the shape or form of an animal,
17 human, vehicle, or other shape or form which may be attractive to children;

18 (ii) prohibit any marijuana “additives” which could be added, mixed, sprayed on, or
19 applied to an existing food product without a person’s knowledge; and

20 (iii) include any other requirements deemed necessary by the office of cannabis
21 regulation; and

22 (6) Limits for marijuana product serving sizes, doses, and potency including but not
23 limited to regulations which:

24 (i) limit all servings of edible forms of marijuana to no more than five milligrams (5 mg)
25 of THC per serving;

26 (ii) limits the total maximum amount of THC per edible product package to one hundred
27 milligrams (100 mg) of THC;

28 (iii) limits the THC potency of any product to no more than fifty percent (50%) THC
29 unless otherwise authorized by the office of cannabis regulation;

30 (iv) may establish product or package limits based on the total milligrams of THC; and

31 (v) include any additional requirements or limitations deemed necessary by the office of
32 cannabis regulation;

33 (7) Product restrictions including but not limited to regulations which:

34 (i) establish a review process for the office of cannabis regulation to approve or deny

1 forms of marijuana products which may require marijuana establishment licensees to submit a
2 proposal, which includes photographs of the proposed product properly packaged and
3 labeled and any other materials deemed necessary by the office of cannabis regulation, to the
4 office of cannabis regulation for each line of cannabis products;

5 (ii) place additional restrictions on marijuana products to safeguard public health and
6 safety, as determined by the office of cannabis regulation in consultation with the executive
7 branch state agencies;

8 (iii) require all servings of edible products to be marked, imprinted, molded, or otherwise
9 display a symbol chosen by the department to alert consumers that the product contains
10 marijuana;

11 (iv) standards to prohibit cannabis products that pose public health risks, that are easily
12 confused with existing non-cannabis products, or that are especially attractive to youth; and

13 (v) any other requirements deemed suitable by the department;

14 (8) Limits and restrictions for marijuana transactions and sales including but not limited
15 to regulations which:

16 (i) establish processes and procedures to ensure all transactions and sales are properly
17 tracked through the use of a seed to sale inventory tracking and monitoring system;

18 (ii) establish rules and procedures for customer age verification;

19 (iii) establish rules and procedures to ensure retailers to no dispense, and customers to not
20 purchase amounts of marijuana in excess of the one ounce (1 oz) marijuana or equivalent amount
21 per transaction and/or per day;

22 (iv) establish rules and procedures to ensure no marijuana is dispensed to anyone under
23 the age of 21; and

24 (v) include any additional requirements deemed necessary by the office of cannabis
25 regulation;

26 (9) The testing and safety of marijuana and marijuana products including but not limited
27 to regulations promulgated by the office of cannabis regulation or department of health, as
28 applicable which:

29 (i) license and regulate the operation of cannabis testing facilities, including requirements
30 for equipment, training, and qualifications for personnel;

31 (ii) set forth procedures that require random sample testing to ensure quality control,
32 including, but not limited to, ensuring that cannabis and cannabis products are accurately labeled
33 for tetrahydrocannabinol (THC) content and any other product profile;

34 (iii) testing for residual solvents, poisons, or toxins; harmful chemicals; dangerous molds

1 or mildew; filth; and harmful microbials such as E. coli or salmonella and pesticides, and any
2 other compounds, elements, or contaminants;

3 (iv) require all cannabis and cannabis products must undergo random sample testing at a
4 registered cannabis testing facility or other laboratory equipped to test cannabis and cannabis
5 products that has been approved by the office of cannabis regulation;

6 (v) require any products which fail testing be quarantined and/or recalled and destroyed
7 in accordance with regulations;

8 (vi) allow for the establishment of other quality assurance mechanisms which may
9 include but not be limited to the designation or creation of a reference laboratory, creation of a
10 secret shopper program, round robin testing , or any other mechanism to ensure the accuracy of
11 product testing and labeling;

12 (vii) require marijuana establishment licensees and marijuana products to comply with
13 any applicable food safety requirements determined by the office of cannabis regulation and/or
14 the department of health;

15 (viii) include any additional requirements deemed necessary by the office of cannabis
16 regulation and the department of health; and

17 (ix) allow the office of cannabis regulation, in coordination with the department of health,
18 at their discretion, to temporarily remove, or phase in, any requirement for laboratory testing if it
19 finds that there is not sufficient laboratory capacity for the market.

20 (10) Online sales;

21 (11) Transport and delivery;

22 (12) Marijuana and marijuana product packaging including but not limited to
23 requirements that packaging be:

24 (i) opaque;

25 (ii) constructed to be significantly difficult for children under five (5) years of age to
26 open and not difficult for normal adults to use properly as defined by 16 C.F.R. 1700.20 (1995) or
27 another approval standard or process approved by the office of cannabis regulation;

28 (iii) be designed in a way that is not deemed as especially appealing to children; and

29 (iv) any other regulations required by the office of cannabis regulation; and

30 (13) Regulations for the quarantine and/or destruction of unauthorized materials;

31 (14) Industry and licensee production limitations;

32 (15) Procedures for the approval or denial of a license, and procedures for suspension or
33 revocation of the license of any marijuana establishment licensee that violates the provisions of
34 this chapter, chapter 28.10 or the regulations promulgated thereunder in accordance with the

1 provisions of chapter 42-35 of the general laws:

2 (16) Compliance with municipal zoning restrictions, if any, which comply with § 21-
3 28.11-10 of this chapter;

4 (17) Standards and restrictions for marijuana manufacturing and processing which shall
5 include but not be limited to requirements that marijuana processors:

6 (i) comply with all applicable building and fire codes;
7 (ii) receive approval from the state fire marshal's office for all forms of manufacturing
8 that use a heat source or flammable solvent;

9 (iii) require any marijuana processor that manufactures edibles of marijuana infused food
10 products to comply with all applicable requirements and regulations issued by the department of
11 health's office of food safety; and

12 (iv) comply with any other requirements deemed suitable by the office of cannabis
13 regulation.

14 (18) Standards for employee and workplace safety and sanitation;

15 (19) Standards for employee training including but not limited to:

16 (i) requirements that all employees of cannabis establishments must participate in a
17 comprehensive training on standard operating procedures, security protocols, health and
18 sanitation standards, workplace safety, and the provisions of this chapter prior to working at the
19 establishment. Employees must be retrained on an annual basis or if state officials discover a
20 cannabis establishment in violation of any rule, regulation, or guideline in the course of regular
21 inspections or audits; and

22 (ii) any other requirements deemed appropriate by the office of cannabis regulation; and

23 (20) Mandatory labeling that must be affixed to all packages containing cannabis or
24 cannabis products including but not limited to requirements that the label display:

25 (i) the name of the establishment that cultivated the cannabis or produced the cannabis
26 product;

27 (ii) the tetrahydrocannabinol (THC) content of the product;

28 (iii) a "produced on" date;

29 (iv) warnings that state: "Consumption of cannabis impairs your ability to drive a car or
30 operate machinery" and "Keep away from children" and, unless federal law has changed to
31 accommodate cannabis possession, "Possession of cannabis is illegal under federal law and in
32 many states outside of Rhode Island";

33 (v) a symbol that reflects these products are not safe for children which contains poison
34 control contact information; and

1 (vi) any other information required by the office of cannabis regulation; and
2 (21) Standards for the use of pesticides; and
3 (22) General operating requirements, minimum oversight, and any other activities,
4 functions, or aspects of a marijuana establishment licensee in furtherance of creating a stable,
5 regulated cannabis industry and mitigating its impact on public health and safety.

6 **21-28.11-10. Municipal authority.**

7 (a) Municipalities shall:

8 (i) Have the authority to enact local zoning and use ordinances not in conflict with
9 this chapter or with rules and regulations adopted by the office of cannabis regulation
10 regulating the time, place, and manner of marijuana establishments' operations,
11 provided that no local authority may prohibit any type of marijuana establishments'
12 operation altogether, either expressly or through the enactment of ordinances or regulations
13 which make any type of marijuana establishments' operation impracticable and;

14 (ii) Adopt all zoning and other applicable ordinances in accordance with subsection (a)(i)
15 before January 1, 2020.

16 (b) Zoning ordinances enacted by a local authority shall not require a marijuana
17 establishment licensee or marijuana establishment applicant to enter into a community host
18 agreement or pay any consideration to the municipality other than reasonable zoning and
19 permitting fees as determined by the office of cannabis regulation. The office of cannabis
20 regulation is the sole licensing authority for marijuana establishment licensees. A municipality
21 shall not enact any local zoning ordinances or permitting requirements that establishes a de facto
22 local license or licensing process unless explicitly enabled by this chapter or ensuing regulations
23 promulgated by the office of cannabis regulation.

24 (c) Notwithstanding subsection (a) of this section:

25 (i) Municipalities may prohibit specific classes of marijuana establishment licenses,
26 or all classes of marijuana establishment licenses from being issued within their jurisdiction if
27 the residents of the municipality have approved, by a simple majority of the electors
28 voting, a referendum to ban marijuana cultivation facilities, retailers, processors or
29 marijuana testing facilities, provided such referendum must be conducted on or before
30 November 5, 2019, and any ordinances related thereto must be adopted before January 1, 2020;

31 (ii) Municipalities must put forth a separate referendum question to ban each class of
32 marijuana establishment. A single question to ban all classes of marijuana establishments
33 shall not be permitted; and

34 (iii) Municipalities which ban the licensure of marijuana establishments located within

1 their jurisdiction pursuant to c(i), and/or adopt local zoning and other ordinances pursuant to a(ii),
2 before January 1, 2020, in accordance with this section, may hold future referenda to prohibit
3 previously allowed licenses, or allow previously prohibited licenses, provided those subsequent
4 referenda are held on the first Tuesday after the first Monday in the month of November.

5 (d) Notwithstanding subsections (a), (b) or (c) of this section, a municipality may not
6 prohibit a medical marijuana establishment licensee from continuing to operate under a marijuana
7 establishment license issued by the office of cannabis regulation if that marijuana establishment
8 licensee was approved or licensed prior to the passage of this chapter.

9 (e) Notwithstanding any other provision of this chapter, no municipality or local authority
10 shall restrict the transport or delivery of marijuana through their jurisdiction, or to local residents,
11 provided all transport and/or delivery is in accordance with this chapter.

12 (f) Municipalities may impose civil and criminal penalties for the violation of
13 ordinances enacted pursuant to and in accordance with this section.

14 **21-28.11-11. Transportation of marijuana.**

15 The office of cannabis regulation shall promulgate regulations regarding secure
16 transportation of marijuana for eligible retailers delivering products to purchasers in
17 accordance with this chapter and shipments of marijuana or marijuana products between
18 marijuana establishment licensees.

19 **21-28.11-12. No minors on the premises of marijuana establishments.**

20 A marijuana establishment shall not allow any person who is under twenty-one
21 (21) years of age to be present inside any room where marijuana or marijuana products
22 are stored, produced, or sold by the marijuana establishment unless the person who is under
23 twenty-one (21) years of age is:

24 (1) A government employee performing their official duties; or

25 (2) If the marijuana establishment is a retailer, a medical marijuana patient
26 registered pursuant to chapter 28.6 of title 21, if the retailer premises are also licensed as
27 a compassion center pursuant to §21-28.6-12 and the individual under twenty-one (21)
28 years of age is a qualifying patient registered under chapter 28.6 of title 21.

29 **21-28.11-13. Contracts enforceable.**

30 It is the public policy of the state that contracts related to the operation of a
31 marijuana establishment, compassion center, or a licensee under chapter 2-26 in accordance
32 with Rhode Island law shall be enforceable. It is the public policy of the state that no contract
33 entered into by a licensed marijuana establishment, compassion center, hemp cultivator or
34 other licensee under chapter 2-26 of the general laws or its employees or agents as permitted

1 pursuant to a valid license issued by the office of cannabis regulation, or by those who allow
2 property to be used by an establishment, its employees, or its agents as permitted pursuant
3 to a valid license, shall be unenforceable solely on the basis that cultivating, obtaining,
4 manufacturing, distributing, dispensing, transporting, selling, possessing, testing or using
5 marijuana or hemp is prohibited by federal law.

6 **21-28.11-14. Compassion centers and medical marijuana cultivators.**

7 (a) Any compassion center or medical marijuana cultivator that holds a license in good
8 standing with the office of cannabis regulation prior to July 1, 2019 shall be issued a marijuana
9 retailer license, marijuana cultivation license, marijuana processor license, and any other
10 applicable marijuana establishment license(s) for which it applies including but not limited to a
11 marijuana delivery license, in accordance with this chapter, provided the compassion center or
12 medical marijuana cultivator has been licensed or approved to engage in those corresponding
13 activities under their current compassion center or medical marijuana license.

14 (b) Any compassion center that holds a license in good standing with the office of
15 cannabis regulation prior to July 1, 2019 shall be issued corresponding marijuana
16 establishment(s) license in accordance with this chapter as provided in subsection (a) for each
17 location where they have been licensed or approved to engage in medical marijuana cultivation,
18 manufacturing, and/or dispensing of medical marijuana by the office of cannabis regulation prior
19 to January 1, 2019.

20 (c) Notwithstanding any other provision of this chapter, only a holder of a compassion
21 center license in good standing with the office of cannabis regulation prior to July 1, 2019, may
22 be issued or hold a marijuana cultivation license, and a marijuana processor license, and
23 marijuana retail license, inclusive, at the same time before to January 1, 2023.

24 (d) Notwithstanding any other provision of the general laws, a licensed compassion
25 center that also holds a license as a marijuana retailer, marijuana cultivator, or marijuana
26 processor shall be exempt from the requirements of § 21-28.6-3(5), and shall not be required to
27 register as a not for profit corporation under chapter 6 of title 7 of the general laws, provided they
28 maintain operation and licensure as a licensed marijuana retailer, marijuana cultivator, or
29 marijuana processor. The office of cannabis regulation may promulgate regulations or issue
30 guidance to facilitate the transition from a not for profit corporation to a for profit corporation or
31 other entity including but not limited to the requirement that the compassion center must update
32 and/or resubmit licensing and application documents which reflect this transfer.

33 **21-28.11-15. Establishment of marijuana trust fund.**

34 (a) There is created with the general fund a restricted receipt accounts collectively known

1 as the “marijuana trust fund”, otherwise known as the “adult use marijuana licensing” or “adult
2 use marijuana licensing program” accounts. Taxes collected pursuant to § 44-49.1 and fees
3 collected pursuant to 21-28.11 shall be deposited into this account. The state share of trust fund
4 revenue will be used to fund programs and activities related to program administration; revenue
5 collection and enforcement; substance use disorder prevention for adults and youth; education
6 and public awareness campaigns; treatment and recovery support services; public health
7 monitoring, research, data collection, and surveillance; law enforcement training and technology
8 improvements including grants to local law enforcement; and such other related uses that may be
9 deemed necessary by the office of management and budget. The restricted receipt account will be
10 housed within the budgets of the departments of business regulation, health, revenue and public
11 safety, and the executive office of health and human services. All amounts deposited into the
12 marijuana trust fund shall be exempt from the indirect cost recovery provisions of § 35-4-27. The
13 allocation of the marijuana trust fund shall be:

14 (1) Twenty-five percent (25%) of trust fund revenue to the departments of business
15 regulation, health, revenue and public safety, and the executive office of health and human
16 services, except that in fiscal year 2020 the office of management and budget may allocate up to
17 an additional three million eight hundred thousand dollars (\$3,800,000) from trust fund revenues
18 to these agencies:

19 (2) Fifteen percent (15%) of trust fund revenue to cities and towns; and

20 (3) Sixty percent (60%) of trust fund revenue to the general fund.

21 (b) All revenue allocated to cities and towns under subsection (a)(2) shall be distributed
22 at least quarterly by the division of taxation and department of business regulation, credited and
23 paid by the state treasurer to the city or town based on the following allocation:

24 (1) One-quarter based in an equal distribution to each city or town in the state;

25 (2) One-quarter based on the share of total licensed marijuana cultivators, licensed
26 marijuana processors, and licensed marijuana retailers found in each city or town at the end of the
27 quarter that corresponds to the distribution, with licensed marijuana retailers assigned a weight
28 twice that of the other license types; and

29 (3) One-half based on the volume of sales of adult use marijuana products that occurred
30 in each city or town in the quarter of the distribution.

31 (c) The division of taxation and the department of business regulation shall jointly
32 promulgate regulations to effectuate the distribution under subsection (a)(2).

33 **21-28.11-16. Transfer of revenue to the marijuana trust fund.**

34 The department of business regulation shall transfer all revenue collected pursuant to this

1 [chapter, including penalties or forfeitures, interest, costs of suit and fines, to the marijuana trust](#)
2 [fund established by § 21-28.11-15.](#)

3 **21-28.11-17. Severability.**

4 [If any provision of this chapter or its application thereof to any person or](#)
5 [circumstance is held invalid, such invalidity shall not affect other provisions or](#)
6 [applications of this chapter, which can be given effect without the invalid provision or](#)
7 [application, and to this end the provisions of this chapter are declared to be severable.](#)

8 SECTION 8. Sections 31-27-2, 31-27-2.1 and 31-27-2.9 of the General Laws in Chapter
9 31-27 entitled "Motor Vehicle Offenses" are hereby amended to read as follows:

10 **31-27-2. Driving under influence of liquor or drugs.**

11 (a) Whoever drives or otherwise operates any vehicle in the state while under the
12 influence of any intoxicating liquor, drugs, toluene, or any controlled substance as defined in
13 chapter 28 of title 21, or any combination of these, shall be guilty of a misdemeanor, except as
14 provided in subsection (d)(3), and shall be punished as provided in subsection (d).

15 (b)(1) Any person charged under subsection (a), whose blood alcohol concentration is
16 eight one-hundredths of one percent (.08%) or more by weight, as shown by a chemical analysis
17 of a blood, breath, or urine sample, shall be guilty of violating subsection (a). This provision shall
18 not preclude a conviction based on other admissible evidence, [including the testimony of a drug](#)
19 [recognition expert or evaluator, certified pursuant to training approved by the Rhode Island](#)
20 [Department of Transportation Office on Highway Safety.](#) Proof of guilt under this section may
21 also be based on evidence that the person charged was under the influence of intoxicating liquor,
22 drugs, toluene, or any controlled substance defined in chapter 28 of title 21, or any combination
23 of these, to a degree that rendered the person incapable of safely operating a vehicle. The fact that
24 any person charged with violating this section is, or has been, legally entitled to use alcohol or a
25 drug shall not constitute a defense against any charge of violating this section.

26 (2) Whoever drives, or otherwise operates, any vehicle in the state with a blood presence
27 of any scheduled controlled substance as defined within chapter 28 of title 21, as shown by
28 analysis of a blood or urine sample, shall be guilty of a misdemeanor and shall be punished as
29 provided in subsection (d).

30 (c) In any criminal prosecution for a violation of subsection (a), evidence as to the
31 amount of intoxicating liquor, toluene, or any controlled substance as defined in chapter 28 of
32 title 21, or any combination of these, in the defendant's blood at the time alleged as shown by a
33 chemical analysis of the defendant's breath, blood, [saliva](#) or urine or other bodily substance, shall
34 be admissible and competent, provided that evidence is presented that the following conditions

1 have been complied with:

2 (1) The defendant has consented to the taking of the test upon which the analysis is made.
3 Evidence that the defendant had refused to submit to the test shall not be admissible unless the
4 defendant elects to testify.

5 (2) A true copy of the report of the test result was mailed within seventy-two (72) hours
6 of the taking of the test to the person submitting to a breath test.

7 (3) Any person submitting to a chemical test of blood, urine, [saliva](#) or other body fluids
8 shall have a true copy of the report of the test result mailed to him or her within thirty (30) days
9 following the taking of the test.

10 (4) The test was performed according to methods and with equipment approved by the
11 director of the department of health of the state of Rhode Island and by an authorized individual.

12 (5) Equipment used for the conduct of the tests by means of breath analysis had been
13 tested for accuracy within thirty (30) days preceding the test by personnel qualified as
14 hereinbefore provided, and breathalyzer operators shall be qualified and certified by the
15 department of health within three hundred sixty-five (365) days of the test.

16 (6) The person arrested and charged with operating a motor vehicle while under the
17 influence of intoxicating liquor, toluene, or any controlled substance as defined in chapter 28 of
18 title 21 or any combination of these in violation of subsection (a), was afforded the opportunity to
19 have an additional chemical test. The officer arresting or so charging the person shall have
20 informed the person of this right and afforded him or her a reasonable opportunity to exercise this
21 right, and a notation to this effect is made in the official records of the case in the police
22 department. Refusal to permit an additional chemical test shall render incompetent and
23 inadmissible in evidence the original report.

24 (d)(1)(i) Every person found to have violated subsection (b)(1) shall be sentenced as
25 follows: for a first violation whose blood alcohol concentration is eight one-hundredths of one
26 percent (.08%), but less than one-tenth of one percent (.1%), by weight, or who has a blood
27 presence of any scheduled controlled substance as defined in subsection (b)(2), shall be subject to
28 a fine of not less than one hundred dollars (\$100), nor more than three hundred dollars (\$300);
29 shall be required to perform ten (10) to sixty (60) hours of public community restitution, and/or
30 shall be imprisoned for up to one year. The sentence may be served in any unit of the adult
31 correctional institutions in the discretion of the sentencing judge and/or shall be required to attend
32 a special course on driving while intoxicated or under the influence of a controlled substance;
33 provided, however, that the court may permit a servicemember or veteran to complete any court-
34 approved counseling program administered or approved by the Veterans' Administration, and his

1 or her driver's license shall be suspended for thirty (30) days up to one hundred eighty (180) days.
2 The sentencing judge or magistrate may prohibit that person from operating a motor vehicle that
3 is not equipped with an ignition interlock system as provided in § 31-27-2.8.

4 (ii) Every person convicted of a first violation whose blood alcohol concentration is one-
5 tenth of one percent (.1%) by weight or above, but less than fifteen hundredths of one percent
6 (.15%), or whose blood alcohol concentration is unknown, shall be subject to a fine of not less
7 than one hundred (\$100) dollars, nor more than four hundred dollars (\$400), and shall be required
8 to perform ten (10) to sixty (60) hours of public community restitution and/or shall be imprisoned
9 for up to one year. The sentence may be served in any unit of the adult correctional institutions in
10 the discretion of the sentencing judge. The person's driving license shall be suspended for a
11 period of three (3) months to twelve (12) months. The sentencing judge shall require attendance
12 at a special course on driving while intoxicated or under the influence of a controlled substance
13 and/or alcoholic or drug treatment for the individual; provided, however, that the court may
14 permit a servicemember or veteran to complete any court-approved counseling program
15 administered or approved by the Veterans' Administration. The sentencing judge or magistrate
16 may prohibit that person from operating a motor vehicle that is not equipped with an ignition
17 interlock system as provided in § 31-27-2.8.

18 (iii) Every person convicted of a first offense whose blood alcohol concentration is
19 fifteen hundredths of one percent (.15%) or above, or who is under the influence of a drug,
20 toluene, or any controlled substance as defined in subsection (b)(1), shall be subject to a fine of
21 five hundred dollars (\$500) and shall be required to perform twenty (20) to sixty (60) hours of
22 public community restitution and/or shall be imprisoned for up to one year. The sentence may be
23 served in any unit of the adult correctional institutions in the discretion of the sentencing judge.
24 The person's driving license shall be suspended for a period of three (3) months to eighteen (18)
25 months. The sentencing judge shall require attendance at a special course on driving while
26 intoxicated or under the influence of a controlled substance and/or alcohol or drug treatment for
27 the individual; provided, however, that the court may permit a servicemember or veteran to
28 complete any court-approved counseling program administered or approved by the Veterans'
29 Administration. The sentencing judge or magistrate shall prohibit that person from operating a
30 motor vehicle that is not equipped with an ignition interlock system as provided in § 31-27-2.8.

31 (2)(i) Every person convicted of a second violation within a five-year (5) period with a
32 blood alcohol concentration of eight one-hundredths of one percent (.08%) or above, but less than
33 fifteen hundredths of one percent (.15%), or whose blood alcohol concentration is unknown, or
34 who has a blood presence of any controlled substance as defined in subsection (b)(2), and every

1 person convicted of a second violation within a five-year (5) period, regardless of whether the
2 prior violation and subsequent conviction was a violation and subsequent conviction under this
3 statute or under the driving under the influence of liquor or drugs statute of any other state, shall
4 be subject to a mandatory fine of four hundred dollars (\$400). The person's driving license shall
5 be suspended for a period of one year to two (2) years, and the individual shall be sentenced to
6 not less than ten (10) days, nor more than one year, in jail. The sentence may be served in any
7 unit of the adult correctional institutions in the discretion of the sentencing judge; however, not
8 less than forty-eight (48) hours of imprisonment shall be served consecutively. The sentencing
9 judge shall require alcohol or drug treatment for the individual; provided, however, that the court
10 may permit a servicemember or veteran to complete any court-approved counseling program
11 administered or approved by the Veterans' Administration and shall prohibit that person from
12 operating a motor vehicle that is not equipped with an ignition interlock system as provided in §
13 31-27-2.8.

14 (ii) Every person convicted of a second violation within a five-year (5) period whose
15 blood alcohol concentration is fifteen hundredths of one percent (.15%) or above, by weight as
16 shown by a chemical analysis of a blood, breath, or urine sample, or who is under the influence of
17 a drug, toluene, or any controlled substance as defined in subsection (b)(1), shall be subject to
18 mandatory imprisonment of not less than six (6) months, nor more than one year; a mandatory
19 fine of not less than one thousand dollars (\$1,000); and a mandatory license suspension for a
20 period of two (2) years from the date of completion of the sentence imposed under this
21 subsection. The sentencing judge shall require alcohol or drug treatment for the individual;
22 provided, however, that the court may permit a servicemember or veteran to complete any court
23 approved counseling program administered or approved by the Veterans' Administration. The
24 sentencing judge or magistrate shall prohibit that person from operating a motor vehicle that is
25 not equipped with an ignition interlock system as provided in § 31-27-2.8

26 (3)(i) Every person convicted of a third or subsequent violation within a five-year (5)
27 period with a blood alcohol concentration of eight one-hundredths of one percent (.08%) or
28 above, but less than fifteen hundredths of one percent (.15%), or whose blood alcohol
29 concentration is unknown or who has a blood presence of any scheduled controlled substance as
30 defined in subsection (b)(2), regardless of whether any prior violation and subsequent conviction
31 was a violation and subsequent conviction under this statute or under the driving under the
32 influence of liquor or drugs statute of any other state, shall be guilty of a felony and be subject to
33 a mandatory fine of four hundred (\$400) dollars. The person's driving license shall be suspended
34 for a period of two (2) years to three (3) years, and the individual shall be sentenced to not less

1 than one year and not more than three (3) years in jail. The sentence may be served in any unit of
2 the adult correctional institutions in the discretion of the sentencing judge; however, not less than
3 forty-eight (48) hours of imprisonment shall be served consecutively. The sentencing judge shall
4 require alcohol or drug treatment for the individual; provided, however, that the court may permit
5 a servicemember or veteran to complete any court-approved counseling program administered or
6 approved by the Veterans' Administration, and shall prohibit that person from operating a motor
7 vehicle that is not equipped with an ignition interlock system as provided in § 31-27-2.8.

8 (ii) Every person convicted of a third or subsequent violation within a five-year (5) period
9 whose blood alcohol concentration is fifteen hundredths of one percent (.15%) above by weight
10 as shown by a chemical analysis of a blood, breath, or urine sample, or who is under the influence
11 of a drug, toluene, or any controlled substance as defined in subsection (b)(1), shall be subject to
12 mandatory imprisonment of not less than three (3) years, nor more than five (5) years; a
13 mandatory fine of not less than one thousand dollars (\$1,000), nor more than five thousand
14 dollars (\$5,000); and a mandatory license suspension for a period of three (3) years from the date
15 of completion of the sentence imposed under this subsection. The sentencing judge shall require
16 alcohol or drug treatment for the individual. The sentencing judge or magistrate shall prohibit that
17 person from operating a motor vehicle that is not equipped with an ignition interlock system as
18 provided in § 31-27-2.8.

19 (iii) In addition to the foregoing penalties, every person convicted of a third or
20 subsequent violation within a five-year (5) period, regardless of whether any prior violation and
21 subsequent conviction was a violation and subsequent conviction under this statute or under the
22 driving under the influence of liquor or drugs statute of any other state, shall be subject, in the
23 discretion of the sentencing judge, to having the vehicle owned and operated by the violator
24 seized and sold by the state of Rhode Island, with all funds obtained by the sale to be transferred
25 to the general fund.

26 (4) Whoever drives or otherwise operates any vehicle in the state while under the
27 influence of any intoxicating liquor, drugs, toluene, or any controlled substance as defined in
28 chapter 28 of title 21, or any combination of these, when his or her license to operate is
29 suspended, revoked, or cancelled for operating under the influence of a narcotic drug or
30 intoxicating liquor, shall be guilty of a felony punishable by imprisonment for not more than three
31 (3) years and by a fine of not more than three thousand dollars (\$3,000). The court shall require
32 alcohol and/or drug treatment for the individual; provided, the penalties provided for in this
33 subsection (d)(4) shall not apply to an individual who has surrendered his or her license and
34 served the court-ordered period of suspension, but who, for any reason, has not had his or her

1 license reinstated after the period of suspension, revocation, or suspension has expired; provided,
2 further, the individual shall be subject to the provisions of subdivision (d)(2)(i), (d)(2)(ii),
3 (d)(3)(i), (d)(3)(ii), or (d)(3)(iii) regarding subsequent offenses, and any other applicable
4 provision of this section.

5 (5)(i) For purposes of determining the period of license suspension, a prior violation shall
6 constitute any charge brought and sustained under the provisions of this section or § 31-27-2.1.

7 (ii) Any person over the age of eighteen (18) who is convicted under this section for
8 operating a motor vehicle while under the influence of alcohol, other drugs, or a combination of
9 these, while a child under the age of thirteen (13) years was present as a passenger in the motor
10 vehicle when the offense was committed shall be subject to immediate license suspension
11 pending prosecution. Any person convicted of violating this section shall be guilty of a
12 misdemeanor for a first offense and may be sentenced to a term of imprisonment of not more than
13 one year and a fine not to exceed one thousand dollars (\$1,000). Any person convicted of a
14 second or subsequent offense shall be guilty of a felony offense and may be sentenced to a term
15 of imprisonment of not more than five (5) years and a fine not to exceed five thousand dollars
16 (\$5,000). The sentencing judge shall also order a license suspension of up to two (2) years,
17 require attendance at a special course on driving while intoxicated or under the influence of a
18 controlled substance, and alcohol or drug education and/or treatment. The individual may also be
19 required to pay a highway assessment fee of no more than five hundred dollars (\$500) and the
20 assessment shall be deposited in the general fund.

21 (6)(i) Any person convicted of a violation under this section shall pay a highway
22 assessment fine of five hundred dollars (\$500) that shall be deposited into the general fund. The
23 assessment provided for by this subsection shall be collected from a violator before any other
24 fines authorized by this section.

25 (ii) Any person convicted of a violation under this section shall be assessed a fee of
26 eighty-six dollars (\$86).

27 (7)(i) If the person convicted of violating this section is under the age of eighteen (18)
28 years, for the first violation he or she shall be required to perform ten (10) to sixty (60) hours of
29 public community restitution and the juvenile's driving license shall be suspended for a period of
30 six (6) months, and may be suspended for a period up to eighteen (18) months. The sentencing
31 judge shall also require attendance at a special course on driving while intoxicated or under the
32 influence of a controlled substance and alcohol or drug education and/or treatment for the
33 juvenile. The juvenile may also be required to pay a highway assessment fine of no more than
34 five hundred dollars (\$500) and the assessment imposed shall be deposited into the general fund.

1 (ii) If the person convicted of violating this section is under the age of eighteen (18)
2 years, for a second or subsequent violation regardless of whether any prior violation and
3 subsequent conviction was a violation and subsequent under this statute or under the driving
4 under the influence of liquor or drugs statute of any other state, he or she shall be subject to a
5 mandatory suspension of his or her driving license until such time as he or she is twenty-one (21)
6 years of age and may, in the discretion of the sentencing judge, also be sentenced to the Rhode
7 Island training school for a period of not more than one year and/or a fine of not more than five
8 hundred dollars (\$500).

9 (8) Any person convicted of a violation under this section may undergo a clinical
10 assessment at the community college of Rhode Island's center for workforce and community
11 education. Should this clinical assessment determine problems of alcohol, drug abuse, or
12 psychological problems associated with alcoholic or drug abuse, this person shall be referred to
13 an appropriate facility, licensed or approved by the department of behavioral healthcare,
14 developmental disabilities and hospitals, for treatment placement, case management, and
15 monitoring. In the case of a servicemember or veteran, the court may order that the person be
16 evaluated through the Veterans' Administration. Should the clinical assessment determine
17 problems of alcohol, drug abuse, or psychological problems associated with alcohol or drug
18 abuse, the person may have their treatment, case management, and monitoring administered or
19 approved by the Veterans' Administration.

20 (e) Percent by weight of alcohol in the blood shall be based upon milligrams of alcohol
21 per one hundred (100) cubic centimeters of blood.

22 (f)(1) There is established an alcohol and drug safety unit within the division of motor
23 vehicles to administer an alcohol safety action program. The program shall provide for placement
24 and follow-up for persons who are required to pay the highway safety assessment. The alcohol
25 and drug safety action program will be administered in conjunction with alcohol and drug
26 programs licensed by the department of behavioral healthcare, developmental disabilities and
27 hospitals.

28 (2) Persons convicted under the provisions of this chapter shall be required to attend a
29 special course on driving while intoxicated or under the influence of a controlled substance,
30 and/or participate in an alcohol or drug treatment program, [which course and programs must meet](#)
31 [the standards established by the Rhode Island department of behavioral healthcare, developmental](#)
32 [disabilities and hospitals](#); provided, however, that the court may permit a servicemember or
33 veteran to complete any court-approved counseling program administered or approved by the
34 Veterans' Administration. The course shall take into consideration any language barrier that may

1 exist as to any person ordered to attend, and shall provide for instruction reasonably calculated to
2 communicate the purposes of the course in accordance with the requirements of the subsection.
3 Any costs reasonably incurred in connection with the provision of this accommodation shall be
4 borne by the person being retrained. A copy of any violation under this section shall be forwarded
5 by the court to the alcohol and drug safety unit. In the event that persons convicted under the
6 provisions of this chapter fail to attend and complete the above course or treatment program, as
7 ordered by the judge, then the person may be brought before the court, and after a hearing as to
8 why the order of the court was not followed, may be sentenced to jail for a period not exceeding
9 one year.

10 (3) The alcohol and drug safety action program within the division of motor vehicles
11 shall be funded by general revenue appropriations.

12 (g) The director of the health department of the state of Rhode Island is empowered to
13 make and file with the secretary of state regulations that prescribe the techniques and methods of
14 chemical analysis of the person's body fluids or breath and the qualifications and certification of
15 individuals authorized to administer this testing and analysis.

16 (h) Jurisdiction for misdemeanor violations of this section shall be with the district court
17 for persons eighteen (18) years of age or older and to the family court for persons under the age
18 of eighteen (18) years. The courts shall have full authority to impose any sentence authorized and
19 to order the suspension of any license for violations of this section. All trials in the district court
20 and family court of violations of the section shall be scheduled within thirty (30) days of the
21 arraignment date. No continuance or postponement shall be granted except for good cause shown.
22 Any continuances that are necessary shall be granted for the shortest practicable time. Trials in
23 superior court are not required to be scheduled within thirty (30) days of the arraignment date.

24 (i) No fines, suspensions, assessments, alcohol or drug treatment programs, course on
25 driving while intoxicated or under the influence of a controlled substance, public community
26 restitution, or jail provided for under this section can be suspended.

27 (j) An order to attend a special course on driving while intoxicated that shall be
28 administered in cooperation with a college or university accredited by the state, shall include a
29 provision to pay a reasonable tuition for the course in an amount not less than twenty-five dollars
30 (\$25.00), and a fee of one hundred seventy-five dollars (\$175), which fee shall be deposited into
31 the general fund.

32 (k) For the purposes of this section, any test of a sample of blood, breath, or urine for the
33 presence of alcohol that relies in whole or in part upon the principle of infrared light absorption is
34 considered a chemical test.

1 (l) If any provision of this section, or the application of any provision, shall for any
2 reason be judged invalid, such a judgment shall not affect, impair, or invalidate the remainder of
3 the section, but shall be confined in this effect to the provision or application directly involved in
4 the controversy giving rise to the judgment.

5 (m) For the purposes of this section, "servicemember" means a person who is presently
6 serving in the armed forces of the United States, including the Coast Guard, a reserve component
7 thereof, or the National Guard. "Veteran" means a person who has served in the armed forces,
8 including the Coast Guard of the United States, a reserve component thereof, or the National
9 Guard, and has been discharged under other than dishonorable conditions.

10 **31-27-2.1. Refusal to submit to chemical test.**

11 (a) Any person who operates a motor vehicle within this state shall be deemed to have
12 given his or her consent to chemical tests of his or her breath, blood, [saliva](#) and/or urine for the
13 purpose of determining the chemical content of his or her body fluids or breath. No more than
14 two (2) complete tests, one for the presence of intoxicating liquor and one for the presence of
15 toluene or any controlled substance, as defined in § 21-28-1.02(8), shall be administered at the
16 direction of a law enforcement officer having reasonable grounds to believe the person to have
17 been driving a motor vehicle within this state while under the influence of intoxicating liquor,
18 toluene, or any controlled substance, as defined in chapter 28 of title 21, or any combination of
19 these. The director of the department of health is empowered to make and file, with the secretary
20 of state, regulations that prescribe the techniques and methods of chemical analysis of the
21 person's body fluids or breath and the qualifications and certification of individuals authorized to
22 administer the testing and analysis.

23 (b) If a person, for religious or medical reasons, cannot be subjected to blood tests, the
24 person may file an affidavit with the division of motor vehicles stating the reasons why he or she
25 cannot be required to take blood tests and a notation to this effect shall be made on his or her
26 license. If that person is asked to submit to chemical tests as provided under this chapter, the
27 person shall only be required to submit to chemical tests of his or her breath, [saliva](#) or urine.
28 When a person is requested to submit to blood tests, only a physician or registered nurse, or a
29 medical technician certified under regulations promulgated by the director of the department of
30 health, may withdraw blood for the purpose of determining the alcoholic content in it. This
31 limitation shall not apply to the taking of breath, [saliva](#) or urine specimens. The person tested
32 shall be permitted to have a physician of his or her own choosing, and at his or her own expense,
33 administer chemical tests of his or her breath, [saliva](#) blood, and/or urine in addition to the tests
34 administered at the direction of a law enforcement officer. If a person, having been placed under

1 arrest, refuses upon the request of a law enforcement officer to submit to the tests, as provided in
2 § 31-27-2, none shall be given, but a judge or magistrate of the traffic tribunal or district court
3 judge or magistrate, upon receipt of a report of a law enforcement officer: that he or she had
4 reasonable grounds to believe the arrested person had been driving a motor vehicle within this
5 state under the influence of intoxicating liquor, toluene, or any controlled substance, as defined in
6 chapter 28 of title 21, or any combination of these; that the person had been informed of his or her
7 rights in accordance with § 31-27-3; that the person had been informed of the penalties incurred
8 as a result of noncompliance with this section; and that the person had refused to submit to the
9 tests upon the request of a law enforcement officer; shall promptly order that the person's
10 operator's license or privilege to operate a motor vehicle in this state be immediately suspended,
11 however, said suspension shall be subject to the hardship provisions enumerated in § 31-27-2.8.
12 A traffic tribunal judge or magistrate, or a district court judge or magistrate, pursuant to the terms
13 of subsection (c), shall order as follows:

14 (1) Impose, for the first violation, a fine in the amount of two hundred dollars (\$200) to
15 five hundred dollars (\$500) and shall order the person to perform ten (10) to sixty (60) hours of
16 public community restitution. The person's driving license in this state shall be suspended for a
17 period of six (6) months to one year. The traffic tribunal judge or magistrate shall require
18 attendance at a special course on driving while intoxicated or under the influence of a controlled
19 substance and/or alcohol or drug treatment for the individual. The traffic tribunal judge or
20 magistrate may prohibit that person from operating a motor vehicle that is not equipped with an
21 ignition interlock system as provided in § 31-27-2.8.

22 (2) Every person convicted of a second violation within a five-year (5) period, except
23 with respect to cases of refusal to submit to a blood test, shall be guilty of a misdemeanor; shall
24 be imprisoned for not more than six (6) months; shall pay a fine in the amount of six hundred
25 dollars (\$600) to one thousand dollars (\$1,000); perform sixty (60) to one hundred (100) hours of
26 public community restitution; and the person's driving license in this state shall be suspended for
27 a period of one year to two (2) years. The judge or magistrate shall require alcohol and/or drug
28 treatment for the individual. The sentencing judge or magistrate shall prohibit that person from
29 operating a motor vehicle that is not equipped with an ignition interlock system as provided in §
30 31-27-2.8.

31 (3) Every person convicted for a third or subsequent violation within a five-year (5)
32 period, except with respect to cases of refusal to submit to a blood test, shall be guilty of a
33 misdemeanor; and shall be imprisoned for not more than one year; fined eight hundred dollars
34 (\$800) to one thousand dollars (\$1,000); shall perform not less than one hundred (100) hours of

1 public community restitution; and the person's operator's license in this state shall be suspended
2 for a period of two (2) years to five (5) years. The sentencing judge or magistrate shall prohibit
3 that person from operating a motor vehicle that is not equipped with an ignition interlock system
4 as provided in § 31-27-2.8. The judge or magistrate shall require alcohol or drug treatment for
5 the individual. Provided, that prior to the reinstatement of a license to a person charged with a
6 third or subsequent violation within a three-year (3) period, a hearing shall be held before a judge
7 or magistrate. At the hearing, the judge or magistrate shall review the person's driving record, his
8 or her employment history, family background, and any other pertinent factors that would
9 indicate that the person has demonstrated behavior that warrants the reinstatement of his or her
10 license.

11 (4) For a second violation within a five-year (5) period with respect to a case of a refusal
12 to submit to a blood test, a fine in the amount of six hundred dollars (\$600) to one thousand
13 dollars (\$1,000); the person shall perform sixty (60) to one hundred (100) hours of public
14 community restitution; and the person's driving license in this state shall be suspended for a
15 period of two (2) years. The judicial officer shall require alcohol and/or drug treatment for the
16 individual. The sentencing judicial officer shall prohibit that person from operating a motor
17 vehicle that is not equipped with an ignition interlock system as provided in § 31-27-2.8. Such a
18 violation with respect to refusal to submit to a chemical blood test shall be a civil offense.

19 (5) For a third or subsequent violation within a five-year (5) period with respect to a case
20 of a refusal to submit to a blood test, a fine in the amount of eight hundred dollars (\$800) to one
21 thousand dollars (\$1,000); the person shall perform not less than one hundred (100) hours of
22 public community restitution; and the person's driving license in this state shall be suspended for
23 a period of two (2) to five (5) years. The sentencing judicial officer shall prohibit that person from
24 operating a motor vehicle that is not equipped with an ignition interlock system as provided in §
25 31-27-2.8. The judicial officer shall require alcohol and/or drug treatment for the individual. Such
26 a violation with respect to refusal to submit to a chemical test of blood shall be a civil offense.
27 Provided, that prior to the reinstatement of a license to a person charged with a third or
28 subsequent violation within a three-year (3) period, a hearing shall be held before a judicial
29 officer. At the hearing, the judicial officer shall review the person's driving record, his or her
30 employment history, family background, and any other pertinent factors that would indicate that
31 the person has demonstrated behavior that warrants the reinstatement of their license.

32 (6) For purposes of determining the period of license suspension, a prior violation shall
33 constitute any charge brought and sustained under the provisions of this section or § 31-27-2.

34 (7) In addition to any other fines, a highway safety assessment of five hundred dollars

1 (\$500) shall be paid by any person found in violation of this section, the assessment to be
2 deposited into the general fund. The assessment provided for by this subsection shall be collected
3 from a violator before any other fines authorized by this section.

4 (8) In addition to any other fines and highway safety assessments, a two-hundred-dollar
5 (\$200) assessment shall be paid by any person found in violation of this section to support the
6 department of health's chemical testing programs outlined in § 31-27-2(4), that shall be deposited
7 as general revenues, not restricted receipts.

8 (9) No fines, suspensions, assessments, alcohol or drug treatment programs, course on
9 driving while intoxicated or under the influence of a controlled substance, or public community
10 restitution provided for under this section can be suspended.

11 (c) Upon suspending or refusing to issue a license or permit as provided in subsection (a),
12 the traffic tribunal or district court shall immediately notify the person involved in writing, and
13 upon his or her request, within fifteen (15) days, shall afford the person an opportunity for a
14 hearing as early as practical upon receipt of a request in writing. Upon a hearing, the judge may
15 administer oaths and may issue subpoenas for the attendance of witnesses and the production of
16 relevant books and papers. If the judge finds after the hearing that:

17 (1) The law enforcement officer making the sworn report had reasonable grounds to
18 believe that the arrested person had been driving a motor vehicle within this state while under the
19 influence of intoxicating liquor, toluene, or any controlled substance, as defined in chapter 28 of
20 title 21, or any combination of these;

21 (2) The person, while under arrest, refused to submit to the tests upon the request of a law
22 enforcement officer;

23 (3) The person had been informed of his or her rights in accordance with § 31-27-3; and

24 (4) The person had been informed of the penalties incurred as a result of noncompliance
25 with this section, the judge shall sustain the violation. The judge shall then impose the penalties
26 set forth in subsection (b). Action by the judge must be taken within seven (7) days after the
27 hearing or it shall be presumed that the judge has refused to issue his or her order of suspension.

28 (d) For the purposes of this section, any test of a sample of blood, breath, or urine for the
29 presence of alcohol that relies, in whole or in part, upon the principle of infrared light absorption
30 is considered a chemical test.

31 (e) If any provision of this section, or the application of any provision, shall, for any
32 reason, be judged invalid, the judgment shall not affect, impair, or invalidate the remainder of the
33 section, but shall be confined in this effect to the provisions or application directly involved in the
34 controversy giving rise to the judgment.

1 **31-27-2.9. Administration of chemical test.**

2 (a) Notwithstanding any provision of § 31-27-2.1, if an individual refuses to consent to a
3 chemical test as provided in § 31-27-2.1, and a peace officer, as defined in § 12-7-21, has
4 probable cause to believe that the individual has violated one or more of the following sections:
5 31-27-1, 31-27-1.1, 31-27-2.2, or 31-27-2.6 and that the individual was operating a motor vehicle
6 under the influence of any intoxicating liquor, toluene or any controlled substance as defined in
7 chapter 21-28, or any combination thereof, a chemical test may be administered without the
8 consent of that individual provided that the peace officer first obtains a search warrant authorizing
9 administration of the chemical test. The chemical test shall determine the amount of the alcohol
10 or the presence of a controlled substance in that person's blood, [saliva](#) or breath.

11 (b) The chemical test shall be administered in accordance with the methods approved by
12 the director of the department of health as provided for in subdivision 31-27-2(c)(4). The
13 individual shall be afforded the opportunity to have an additional chemical test as established in
14 subdivision 31-27-2(c)(6).

15 (c) Notwithstanding any other law to the contrary, including, but not limited to, chapter
16 5-37.3, any health care provider who, as authorized by the search warrant in subsection (a):

17 (i) Takes a blood, [saliva](#) or breath sample from an individual; or

18 (ii) Performs the chemical test; or

19 (iii) Provides information to a peace officer pursuant to subsection (a) above and who
20 uses reasonable care and accepted medical practices shall not be liable in any civil or criminal
21 proceeding arising from the taking of the sample, from the performance of the chemical test or
22 from the disclosure or release of the test results.

23 (d) The results of a chemical test performed pursuant to this section shall be admissible as
24 competent evidence in any civil or criminal prosecution provided that evidence is presented in
25 compliance with the conditions set forth in subdivisions 31-27-2(c)(3), 31-27-2(c)(4) and 31-27-
26 2(c)(6).

27 (e) All chemical tests administered pursuant to this section shall be audio and video
28 recorded by the law enforcement agency which applied for and was granted the search warrant
29 authorizing the administration of the chemical test.

30 SECTION 9. Sections 44-49-1, 44-49-2, 44-49-4, 44-49-5, 44-49-7, 44-49-8, 44-49-9,
31 44-49-9.1, 44-49-10, 44-49-11 and 44-49-12 of the General Laws in Chapter 44-49 entitled
32 "Taxation of Marijuana and Controlled Substances" are hereby amended to read as follows:

33 **44-49-1. Short title.**

34 This chapter shall be known as the "~~Marijuana and~~ Controlled Substances Taxation Act".

1 **44-49-2. Definitions.**

2 (a) "Controlled substance" means any drug or substance, whether real or counterfeit, as
3 defined in § 21-28-1.02(8), that is held, possessed, transported, transferred, sold, or offered to be
4 sold in violation of Rhode Island laws. "Controlled substance" does not include marijuana.

5 (b) "Dealer" means a person who in violation of Rhode Island law manufactures,
6 produces, ships, transports, or imports into Rhode Island or in any manner acquires or possesses
7 ~~more than forty two and one half (42.5) grams of marijuana, or~~ seven (7) or more grams of any
8 controlled substance, or ten (10) or more dosage units of any controlled substance which is not
9 sold by weight. A quantity of ~~marijuana or~~ a controlled substance is measured by the weight of
10 the substance whether pure or impure or dilute, or by dosage units when the substance is not sold
11 by weight, in the dealer's possession. A quantity of a controlled substance is dilute if it consists of
12 a detectable quantity of pure controlled substance and any excipients or fillers.

13 ~~(c) "Marijuana" means any marijuana, whether real or counterfeit, as defined in § 21-28-~~
14 ~~1.02(30), that is held, possessed, transported, transferred, sold, or offered to be sold in violation of~~
15 ~~Rhode Island laws.~~

16 **44-49-4. Rules.**

17 The tax administrator may adopt rules necessary to enforce this chapter. The tax
18 administrator shall adopt a uniform system of providing, affixing, and displaying official stamps,
19 official labels, or other official indicia for ~~marijuana and~~ controlled substances on which a tax is
20 imposed.

21 **44-49-5. Tax payment required for possession.**

22 No dealer may possess any ~~marijuana or~~ controlled substance upon which a tax is
23 imposed under this chapter unless the tax has been paid on the ~~marijuana or~~ a controlled
24 substance as evidenced by a stamp or other official indicia.

25 **44-49-7. Pharmaceuticals.**

26 Nothing in this chapter shall require persons lawfully in possession of marijuana or a
27 controlled substance to pay the tax required under this chapter.

28 **44-49-8. Measurement.**

29 For the purpose of calculating this tax, a quantity of ~~marijuana or~~ a controlled substance
30 is measured by the weight of the substance whether pure or impure or dilute, or by dosage units
31 when the substance is not sold by weight, in the dealer's possession. A quantity of a controlled
32 substance is dilute if it consists of a detectable quantity of pure controlled substance and any
33 excipients or fillers.

34 **44-49-9. Tax rate.**

1 A tax is imposed on ~~marijuana and~~ controlled substances as defined in § 44-49-2 at the
2 following rates:

3 ~~(1) On each gram of marijuana, or each portion of a gram, three dollars and fifty cents~~
4 ~~(\$3.50); and~~

5 ~~(2)~~(1) On each gram of controlled substance, or portion of a gram, two hundred dollars
6 (\$200); or

7 ~~(3)~~(2) On each ten (10) dosage units of a controlled substance that is not sold by weight,
8 or portion of the dosage units, four hundred dollars (\$400).

9 **44-49-9.1. Imposition of tax, interest and liens.**

10 (a) Any law enforcement agency seizing ~~marijuana and/or~~ controlled substances as
11 defined in § 44-49-2 in the quantities set forth in that section shall report to the division of
12 taxation no later than the twenty-fifth (25th) of each month, the amount of all ~~marijuana and~~
13 controlled substances seized during the previous month and the name and address of each dealer
14 from whom the ~~marijuana and~~ controlled substances were seized.

15 (b) The tax administrator shall assess the dealer for any tax due at the rate provided by §
16 44-49-9. The tax shall be payable within fifteen (15) days after its assessment and, if not paid
17 when due, shall bear interest from the date of its assessment at the rate provided in § 44-1-7 until
18 paid.

19 (c) The tax administrator may file a notice of tax lien upon the real property of the dealer
20 located in this state immediately upon mailing a notice of assessment to the dealer at the address
21 listed in the report of the law enforcement agency. The tax administrator may discharge the lien
22 imposed upon the filing of a bond satisfactory to the tax administrator in an amount equal to the
23 tax, interest and penalty imposed under this chapter.

24 **44-49-10. Penalties -- Criminal provisions.**

25 (a) Penalties. Any dealer violating this chapter is subject to a penalty of one hundred
26 percent (100%) of the tax in addition to the tax imposed by § 44-49-9. The penalty will be
27 collected as part of the tax.

28 (b) Criminal penalty; sale without affixed stamps. In addition to the tax penalty imposed,
29 a dealer distributing or possessing ~~marijuana or~~ controlled substances without affixing the
30 appropriate stamps, labels, or other indicia is guilty of a crime and, upon conviction, may be
31 sentenced to imprisonment for not more than five (5) years, or to payment of a fine of not more
32 than ten thousand dollars (\$10,000), or both.

33 (c) Statute of limitations. An indictment may be found and filed, or a complaint filed,
34 upon any criminal offense specified in this section, in the proper court within six (6) years after

1 the commission of this offense.

2 **44-49-11. Stamp price.**

3 Official stamps, labels, or other indicia to be affixed to all ~~marijuana-or~~ controlled
4 substances shall be purchased from the tax administrator. The purchaser shall pay one hundred
5 percent (100%) of face value for each stamp, label, or other indicia at the time of the purchase.

6 **44-49-12. Payment due.**

7 (a) Stamps affixed. When a dealer purchases, acquires, transports, or imports into this
8 state ~~marijuana-or~~ controlled substances on which a tax is imposed by § 44-49-9, and if the
9 indicia evidencing the payment of the tax have not already been affixed, the dealer shall have
10 them permanently affixed on the ~~marijuana-or~~ controlled substance immediately after receiving
11 the substance. Each stamp or other official indicia may be used only once.

12 (b) Payable on possession. Taxes imposed upon ~~marijuana-or~~ controlled substances by
13 this chapter are due and payable immediately upon acquisition or possession in this state by a
14 dealer.

15 SECTION 10. Title 44 of the General Laws entitled "TAXATION" is hereby amended by
16 adding thereto the following chapter:

17 **44-49.1-1. Short title.**

18 [This chapter shall be known as the "Cannabis Taxation Act."](#)

19 **44-49.1-2. Definitions.**

20 [As used in this chapter, unless the context clearly indicates otherwise, the following](#)
21 [words and phrases shall have the following meanings:](#)

22 [\(1\) "Administrator" means the tax administrator.](#)

23 [\(2\) "Department of business regulation" means the office of cannabis regulation with the](#)
24 [department of business regulation or its successor agency.](#)

25 [\(3\) "Cannabis" means all parts of the plant of the genus marijuana, also known as](#)
26 [marijuana sativa L, whether growing or not; the seeds thereof; the resin extracted from any](#)
27 [part of the plant; and every compound, manufacture, salt, derivative, mixture, or preparation](#)
28 [of the plant, its seeds, or resin regardless of cannabinoid content or cannabinoid potency](#)
29 [including "marijuana", and "industrial hemp" or "industrial hemp products" which satisfy the](#)
30 [requirements of this chapter.](#)

31 [\(4\) "Cannabidiol" or "CBD" means cannabidiol \(CBD\) derived from a hemp plant as](#)
32 [defined in § 2-26-3\(7\), not including products derived from exempt cannabis plant material as](#)
33 [defined in C.F.R. § 1308.35.](#)

34 [\(5\) "Licensee" means any licensed cultivator, licensed processor, and licensed retailer, as](#)

1 defined below.

2 (6) “Licensed cultivator” means a person who has been licensed by the department of
3 business regulation to cultivate marijuana pursuant to chapters 28.6 or 28.11 of title 21.

4 (7) “Licensed processor” means a person who has been licensed by the department of
5 business regulation to process marijuana pursuant to chapters 28.6 or 28.11 of title 21.

6 (8) “Licensed retailer” means a compassion center who has been licensed by the
7 department of business regulation pursuant to chapter 28.6 of title 21, or a a marijuana retailer
8 who has been licensed by the department of business regulation pursuant to chapter 28.11 of title
9 21.

10 (9) “Licensed marijuana cultivator” means a person who has been licensed to cultivate
11 marijuana by the department of business regulation pursuant to chapter 28.11 of title 21.

12 (10) “Licensed marijuana processor” means a person who has been licensed to process
13 marijuana by the by the department of business regulation pursuant to chapter 28.11 of title 21.

14 (11) “Licensed marijuana retailer” means a person who has been licensed to sell
15 marijuana by the department of business regulation pursuant to chapter 28.11 of title 21.

16 (12) “Marijuana” has the meaning given that term in § 21-28-1.02(30).

17 (13) “Marijuana flower” means the flower or bud from a marijuana plant.

18 (14) “Marijuana products” means any form of marijuana, including concentrated
19 marijuana and products that are comprised of marijuana and other ingredients that are intended
20 for use or consumption, such as, but not limited to, extracts, infusions, edible products, ointments,
21 and tinctures, as further defined in regulations promulgated by the department of business
22 regulation.

23 (15) “Marijuana trim” means any part of the marijuana plant other than marijuana flower.

24 (16) “Hemp products” or “industrial hemp products” means all products made from the
25 plants, including, but not limited to, concentrated oil, cloth, cordage, fiber, food, fuel, hemp-
26 derived consumable CBD products, paint, paper, construction materials, plastics, seed, seed meal,
27 seed oil, and certified for cultivation., which satisfy the requirements of chapter 26 of title 2.

28 (17) “Hemp-derived consumable CBD product” means any product meant for ingestion,
29 including but not limited to concentrates, extracts, and cannabis-infused products, which contains
30 cannabidiol (CBD) derived from a hemp plant as defined in § 2-26-3(7), not including products
31 derived from exempt cannabis plant material as defined in C.F.R. § 1308.35.

32 (18) “Licensed CBD distributor” means a person licensed to distribute hemp-derived
33 consumable CBD products pursuant to chapter 26 of title 2.

34 (19) “Licensed CBD retailer” means a person licensed to sell hemp-derived consumable

1 CBD products pursuant to chapter 26 of title 2.

2 (20) "Person" means any individual, including an employee or agent, firm, fiduciary,
3 partnership, corporation, trust, or association, however formed.

4 (21) "Transfer" means the change of possession of marijuana between the operations of a
5 licensed cultivator and either a licensed processor or licensed retailer, even if any of those
6 licenses are held by the same person. Transfers do not have to include compensation and do not
7 have to involve the physical relocation of marijuana to be taxable under this chapter.

8 **44-49.1-3. Cultivator, retailer licenses required.**

9 Each person engaging in the business of cultivating marijuana, selling marijuana
10 products, or selling hemp-derived consumable CBD products in this state, shall secure a license
11 from the department of business regulation before engaging in that business, or continuing to
12 engage in it. A separate application and license is required for each place of business operated by
13 the retailer. A licensee shall notify the department of business regulation and tax administrator
14 simultaneously within thirty (30) days in the event that it changes its principal place of business.
15 A separate license is required for each type of business if the applicant is engaged in more than
16 one of the activities required to be licensed by this section.

17 **44-49.1-4. Marijuana cultivator excise tax.**

18 (a) An excise tax is imposed on all marijuana cultivated by licensed cultivators pursuant
19 to chapter 28.6 of title 21 and chapter 28.11 of title 21. The rate of taxation is as follows:

20 (1) Three dollars (\$3.00) for every dried ounce of marijuana trim and a proportionate tax
21 at the like rate on all fractional parts of an ounce thereof, and

22 (2) Ten dollars (\$10.00) for every dried ounce of marijuana flower and a proportionate
23 tax at the like rate on all fractional parts of an ounce thereof.

24 (b) Marijuana trim and marijuana flower that has not reach a dried state will be taxed
25 using equivalent amounts as established by regulations promulgated by the department of taxation
26 and the department of business regulation.

27 (c) The excise tax is assessed and levied upon the sale or transfer of marijuana by a
28 licensed cultivator to any other licensee.

29 (d) This section is effective as of October 1, 2019.

30 **44-49.1-5. Adult use marijuana retail excise tax.**

31 (a) An excise tax is imposed on all marijuana sold by licensed marijuana retailers
32 pursuant to chapter 28.11 of title 21 at a rate of ten percent (10%) of the gross sales of marijuana
33 products. This excise tax is in addition to taxes imposed by chapter 18 of title 44.

34 (b) Any marijuana retailer shall collect the taxes imposed by this section from any

1 purchaser to whom the sale of marijuana products is made and shall remit to the state the tax
2 levied by this section.

3 (c) The marijuana retailer shall add the tax imposed by this chapter to the sale price or
4 charge, and when added the tax constitutes a part of the price or charge, is a debt from the
5 consumer or user to the retailer, and is recoverable at law in the same manner as other debts;
6 provided, that the amount of tax that the retailer collects from the consumer or user is as follows:

<u>Amount of Fair Market Value, as Tax</u>	
<u>\$.01 to \$.09 inclusive</u>	<u>No Tax</u>
<u>.10 to .19 inclusive</u>	<u>.01</u>
<u>.20 to .29 inclusive</u>	<u>.02</u>
<u>.30 to .39 inclusive</u>	<u>.03</u>
<u>.40 to .49 inclusive</u>	<u>.04</u>
<u>.50 to .59 inclusive</u>	<u>.05</u>
<u>.60 to .69 inclusive</u>	<u>.06</u>
<u>.70 to .79 inclusive</u>	<u>.07</u>
<u>.80 to .89 inclusive</u>	<u>.08</u>
<u>.90 to .99 inclusive</u>	<u>.09</u>
<u>.100 to .109 inclusive</u>	<u>.10</u>

19 and where the amount of the sale is more than one dollar and nine cents (\$1.09) the
20 amount of the tax is computed at the rate of ten percent (10%)

21 (d) It shall be deemed a violation of this section for a marijuana retailer to fail to
22 separately state the tax imposed in this section and instead include it in the sale price of marijuana
23 products. The tax levied in this article shall be imposed in addition to all other taxes imposed
24 by the state, or any municipal corporation or political subdivision of any of the foregoing.

25 **44-49.1-6. Hemp-derived consumable CBD products tax.**

26 (a) A tax is imposed on all hemp-derived consumable CBD products sold, or held for
27 sale in the state by any person, the payment of the tax to be accomplished according to a
28 mechanism established by the tax administrator. The tax imposed by this section shall be as
29 follows at the rate of eighty percent (80%) of the wholesale cost of hemp-derived consumable
30 CBD products.

31 (b) Any licensed CBD retailer who purchases hemp-derived consumable CBD products
32 from a distributor who does not possess a valid Rhode Island distributor's license shall, with
33 respect to the storage or use of which a tax is imposed by this section shall, within five (5) days
34 after coming into possession of the hemp-derived consumable CBD products in this state, file a

1 return with the tax administrator in a form prescribed by the tax administrator. The return shall be
2 accompanied by a payment of the amount of the tax shown on the form to be due. Records
3 required under this section shall be preserved on the premises described in the relevant license in
4 such a manner as to ensure permanency and accessibility for inspection at reasonable hours by
5 authorized personnel of the administrator.

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

7 (d) This section shall be effective commencing on the first month following thirty (30)
8 days after promulgation of the final regulations issued by the department of business regulation
9 that establish the CBD distributor and CBD retailer licenses.

10 **44-49.1-7. Returns.**

11 (a) Every licensed cultivator shall, on or before the twentieth (20th) day of the month
12 following the sale or transfer of marijuana, make a return to the tax administrator for taxes due
13 under § 44-49.1-4. Licensed cultivators shall file their returns on a form as prescribed by the tax
14 administrator.

15 (b) Every licensed marijuana retailer shall, on or before the twentieth (20th) day of the
16 month following the sale of marijuana products, make a return to the tax administrator for taxes
17 due under § 44-49.1-5. Licensed retailers shall file their returns on a form as prescribed by the tax
18 administrator.

19 (c) If for any reason an marijuana retailer fails to collect the tax imposed § 44-49.1-5
20 from the purchaser, the purchaser shall file a return and pay the tax directly to the state, on or
21 before the date required by subsection (b) of this section.

22 (d) Every licensed CBD distributor shall, on or before the tenth (10th) day of the month
23 following the sale of hemp-derived consumable CBD products, make a return to the tax
24 administrator for taxes due under § 44-49.1-6. Licensed CBD retailers shall file their returns on a
25 form as prescribed by the tax administrator.

26 (e) There is created with the general fund a restricted receipt account to be known as the
27 “marijuana cash use surcharge” account. Surcharge collected pursuant to subsection (f) shall be
28 deposited into this account and be used to finance costs associated with processing and handling
29 cash payments for taxes paid under this chapter. The restricted receipt account will be housed
30 within the budget of the department of revenue. All amounts deposited into the marijuana cash
31 use surcharge account shall be exempt from the indirect cost recovery provisions of § 35-4-27.

32 (f) Any licensee who makes a payment in cash for taxes due under this chapter, or taxes
33 due under chapters 18 or 67 of this title, shall pay a ten percent (10%) penalty on the amount of
34 that payment to the division of taxation. Payment of a tax return with less than one thousand

1 dollars (\$1,000) in taxes due per month, on average, shall not be subject to the penalty.

2 (g) Notwithstanding any other provision of law, the name of the licensee and the amount
3 of tax paid under this chapter shall be available to the public for inspection by any person.

4 **44-49.1-8. Sale of contraband products prohibited.**

5 (a) No person shall sell, offer for sale, display for sale, or possess with intent to sell any
6 contraband marijuana, marijuana products, or hemp-derived consumable CBD products.

7 (b) Any marijuana, marijuana products, or hemp-derived consumable CBD products
8 exchanged in which one of the two entities does not have a license or exchanged between a non-
9 licensed entity and a consumer shall be considered contraband.

10 (c) Any marijuana, marijuana products, or hemp-derived consumable CBD products for
11 which applicable taxes have not been paid as specified in title 44 shall be considered contraband.

12 (d) Failure to comply with the provisions of this chapter may result in the imposition of
13 the applicable civil penalties in title 44; however, the possession of marijuana, marijuana
14 products, or hemp-derived consumable CBD products as described in this chapter do not
15 constitute contraband for purposes of imposing a criminal penalty under chapter 28 of title 21.

16 **44-49.1-9. Recordkeeping.**

17 (a) Each licensee shall maintain copies of invoices or equivalent documentation for, or
18 itemized for, each of its facilities for each involving the sale or transfer of marijuana, marijuana
19 products, or hemp-derived consumable CBD products. All records and invoices required under
20 this section must be safely preserved for three (3) years in a manner to insure permanency and
21 accessibility for inspection by the administrator or his or her authorized agents.

22 (b) Records required under this section shall be preserved on the premises described in
23 the relevant license in such a manner as to ensure permanency and accessibility for inspection at
24 reasonable hours by authorized personnel of the administrator. With the tax administrator's
25 permission, persons with multiple places of business may retain centralized records but shall
26 transmit duplicates of the invoices or the equivalent documentation to each place of business
27 within twenty-four (24) hours upon the request of the administrator or his or her designee.

28 (c) Any person who fails to submit the reports required in this chapter or by the tax
29 administrator under this chapter, or who makes any incomplete, false, or fraudulent report, or who
30 refuses to permit the tax administrator or his or her authorized agent to examine any books,
31 records, papers, or stocks of marijuana, marijuana products, or hemp-derived consumable CBD
32 products as provided in this chapter, or who refuses to supply the tax administrator with any other
33 information which the tax administrator requests for the reasonable and proper enforcement of the
34 provisions of this chapter, shall be guilty of a misdemeanor punishable by imprisonment up to

1 one (1) year, or a fine of not more than five thousand dollars (\$5,000), or both, for the first
2 offense, and for each subsequent offense, shall be fined not more than ten thousand dollars
3 (\$10,000), or be imprisoned not more than five (5) years, or both.

4 **44-49.1-10. Inspections and investigations.**

5 (a) The tax administrator or his or her duly authorized agent shall have authority to enter
6 and inspect, without a warrant during normal business hours, and with a warrant during
7 nonbusiness hours, the facilities and records of any licensee.

8 (b) In any case where the administrator or his or her duly authorized agent, or any police
9 officer of this state, has knowledge or reasonable grounds to believe that any vehicle is
10 transporting marijuana, marijuana products, or hemp-derived consumable CBD products in
11 violation of this chapter, the administrator, such agent, or such police officer, is authorized to stop
12 such vehicle and to inspect the same for contraband marijuana, marijuana products, or hemp-
13 derived consumable CBD products.

14 (c) For the purpose of determining the correctness of any return, determining the amount
15 of tax that should have been paid, determining whether or not the licensee should have made a
16 return or paid taxes, or collecting any taxes under this chapter, the tax administrator may
17 examine, or cause to be examined, any books, papers, records, or memoranda, that may be
18 relevant to making those determinations, whether the books, papers, records, or memoranda, are
19 the property of or in the possession of the dealer of another person. The tax administrator may
20 require the attendance of any person having knowledge or information that may be relevant,
21 compel the production of books, papers, records, or memoranda by persons required to attend,
22 take testimony on matters material to the determination, and administer oaths or affirmations.
23 Upon demand of the tax administrator or any examiner or investigator, the court administrator of
24 any court shall issue a subpoena for the attendance of a witness or the production of books,
25 papers, records, and memoranda. The tax administrator may also issue subpoenas. Disobedience
26 of subpoenas issued under this chapter is punishable by the superior court of the district in which
27 the subpoena is issued, or, if the subpoena is issued by the tax administrator, by the superior court
28 or the county in which the party served with the subpoena is located, in the same manner as
29 contempt of superior court.

30 **44-49.1-11. Suspension or revocation of license.**

31 The tax administrator may request the department of business regulation to, and upon
32 such request the department shall be authorized to, suspend or revoke any license under this
33 chapter for failure of the licensee to comply with any provision of this chapter or with any
34 provision of any other law or ordinance relative to the sale or transfer of marijuana, marijuana

1 products, or hemp-derived consumable CBD products.

2 **44-49.1-12. Seizure and destruction.**

3 Any marijuana, marijuana products, or hemp-derived consumable CBD products found in
4 violation of this chapter shall be declared to be contraband goods and may be seized by the tax
5 administrator, his or her agents, or employees, or by any deputy sheriff, or police officer when
6 directed by the tax administrator to do so, without a warrant. For the purposes of seizing and
7 destroying contraband marijuana, employees of the department of business regulation may act as
8 agents of the tax administrator. The seizure and/or destruction of any marijuana, marijuana
9 products, or hemp-derived consumable CBD products under the provisions of this section does
10 not relieve any person from a fine or other penalty for violation of this chapter. The tax
11 administrator may promulgate rules and regulations for the destruction of contraband goods
12 pursuant to this section. These rules and regulations may be promulgated jointly with the
13 department of business regulation.

14 **44-49.1-13. Penalties.**

15 (a) Failure to file tax returns or to pay tax. In the case of failure:

16 (1) To file. The tax return on or before the prescribed date, unless it is shown that the
17 failure is due to reasonable cause and not due to willful neglect, an addition to tax shall be made
18 equal to ten percent (10%) of the tax required to be reported. For this purpose, the amount of tax
19 required to be reported shall be reduced by an amount of the tax paid on or before the date
20 prescribed for payment and by the amount of any credit against the tax which may properly be
21 claimed upon the return;

22 (2) To pay. The amount shown as tax on the return on or before the prescribed date for
23 payment of the tax unless it is shown that the failure is due to reasonable cause and not due to
24 willful neglect, there shall be added to the amount shown as tax on the return ten percent (10%)
25 of the amount of the tax.

26 (b) Negligence. If any part of a deficiency is due to negligence or intentional disregard of
27 the Rhode Island General Laws or rules or regulations under this chapter (but without intent to
28 defraud), five percent (5%) of that part of the deficiency shall be added to the tax.

29 (c) Fraud. If any part of a deficiency is due to fraud, fifty percent (50%) of that part of
30 the deficiency shall be added to the tax. This amount shall be in lieu of any other additional
31 amounts imposed by subsections (a) and (b) of this section.

32 (d) Failure to collect and pay over tax. Any person required to collect, truthfully account
33 for, and pay over any tax under this title who willfully fails to collect the tax or truthfully account
34 for and pay over the tax or willfully attempts in any manner to evade or defeat the tax or the

1 payment thereof, shall, in addition to other penalties provided by law, be liable to a civil penalty
2 equal to the total amount of the tax evaded, or not collected, or not accounted for and paid over.

3 (e) Additions and penalties treated as tax. The additions to the tax and civil penalties
4 provided by this section shall be paid upon notice and demand and shall be assessed, collected,
5 and paid in the same manner as taxes.

6 (f) Bad checks. If any check or money order in payment of any amount receivable under
7 this title is not duly paid, in addition to any other penalties provided by law, there shall be paid as
8 a penalty by the person who tendered the check, upon notice and demand by the tax administrator
9 or his or her delegate, in the same manner as tax, an amount equal to one percent (1%) of the
10 amount of the check, except that if the amount of the check is less than five hundred dollars
11 (\$500), the penalty under this section shall be five dollars (\$5.00). This subsection shall not apply
12 if the person tendered the check in good faith and with reasonable cause to believe that it would
13 be duly paid.

14 (g) Misuse of Trust Funds. Any retailer and any officer, agent, servant, or employee of
15 any corporate retailer responsible for either the collection or payment of the tax, who appropriates
16 or converts the tax collected to his or her own use or to any use other than the payment of the tax
17 to the extent that the money required to be collected is not available for payment on the due date
18 as prescribed in this chapter, shall upon conviction for each offense be fined not more than ten
19 thousand dollars (\$10,000), or be imprisoned for one year, or by both fine and imprisonment,
20 both fine and imprisonment to be in addition to any other penalty provided by this chapter.

21 (h) Whoever fails to pay any tax imposed by § 44-49.1-4 or § 44-49.1-6 at the time
22 prescribed by law or regulations, shall, in addition to any other penalty provided in this chapter,
23 be liable for a penalty of one thousand dollars (\$1,000) or not more than five (5) times the tax due
24 but unpaid, whichever is greater.

25 (i) When determining the amount of a penalty sought or imposed under this section,
26 evidence of mitigating or aggravating factors, including history, severity, and intent, shall be
27 considered.

28 **44-49.1-14. Claim for refund.**

29 Whenever the tax administrator determines that any person is entitled to a refund of any
30 moneys paid by a person under the provisions of this chapter, or whenever a court of competent
31 jurisdiction orders a refund of any moneys paid, the general treasurer shall, upon certification by
32 the tax administrator and with the approval of the director of administration, pay the refund from
33 any moneys in the treasury not appropriated without any further act or resolution making
34 appropriation for the refund. No refund is allowed unless a claim is filed with the tax

1 administrator within three (3) years from the fifteenth (15th) day after the close of the month for
2 which the overpayment was made.

3 **44-49.1-15. Hearings and appeals.**

4 (a) Any person aggrieved by any action under this chapter of the tax administrator or his
5 or her authorized agent for which a hearing is not elsewhere provided may apply to the tax
6 administrator, in writing, within thirty (30) days of the action for a hearing, stating the reasons
7 why the hearing should be granted and the manner of relief sought. The tax administrator shall
8 notify the applicant of the time and place fixed for the hearing. After the hearing, the tax
9 administrator may make the order in the premises as may appear to the tax administrator just and
10 lawful and shall furnish a copy of the order to the applicant. The tax administrator may, by notice
11 in writing, at any time, order a hearing on his or her own initiative and require the taxpayer or any
12 other individual whom the tax administrator believes to be in possession of information
13 concerning any manufacture, importation, or sale of cigarettes to appear before the tax
14 administrator or his or her authorized agent with any specific books of account, papers, or other
15 documents, for examination relative to the hearing.

16 (b) Appeals from administrative orders or decisions made pursuant to any provisions of
17 this chapter shall be to the sixth division district court pursuant to chapter 8 of title 8. The
18 taxpayer's right to appeal under this section shall be expressly made conditional upon prepayment
19 of all taxes, interest, and penalties, unless the taxpayer moves for and is granted an exemption
20 from the prepayment requirement pursuant to § 8-8-26.

21 **44-49.1-16. Disclosure of information to the office of cannabis regulation.**

22 Notwithstanding any other provision of law, the tax administrator may make available to
23 an officer or employee of the office of cannabis regulation of the Rhode Island department of
24 business regulation, any information that the administrator may consider proper contained in tax
25 reports or returns or any audit or the report of any investigation made with respect to them, filed
26 pursuant to the tax laws of this state, to whom disclosure is necessary for the purposes ensuring
27 compliance with state law and regulations.

28 **44-49.1-17. Transfer of revenue to the marijuana trust fund.**

29 (a) The division of taxation shall transfer all collections from marijuana cultivator excise
30 tax and the adult use marijuana retail excise tax, including penalties or forfeitures, interest, costs
31 of suit and fines, to the marijuana trust fund established by § 21-28.11-18.

32 (b) The division of taxation shall transfer all collections remitted by licensed retailers
33 pursuant to § 44-18-18 due to the net revenue of marijuana products. The tax administrator may
34 base this transfer on an estimate of the net revenue of marijuana products derived from any other

1 [tax data collected under title 44 or data shared by the department of business regulation.](#)

2 **44-49.1-18. Rules and regulations.**

3 [The tax administrator is authorized to promulgate rules and regulations to carry out the](#)
4 [provisions, policies, and purposes of this chapter.](#)

5 **44-49.1-19. Severability.**

6 [If any provision of this chapter or the application of this chapter to any person or](#)
7 [circumstances is held invalid, that invalidity shall not affect other provisions or applications of](#)
8 [the chapter that can be given effect without the invalid provision or application, and to this end](#)
9 [the provisions of this chapter are declared to be severable.](#)

10 SECTION 11. This article shall take effect upon passage.

11 **ARTICLE 21**

12 **RELATING TO EFFECTIVE DATE**

13 SECTION 1. This act shall take effect as of July 1, 2019, except as otherwise provided
14 herein.

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

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