AN ACT
RELATING TO MAKING APPROPRIATIONS FOR THE SUPPORT OF THE STATE FOR THE FISCAL YEAR ENDING JUNE 30, 2015

Introduced By: Representative Raymond E. Gallison

Date Introduced: January 16, 2014

Referred To: House Finance

(Governor)

It is enacted by the General Assembly as follows:

ARTICLE 1
RELATING TO MAKING APPROPRIATIONS FOR THE SUPPORT OF FY 2015

ARTICLE 2
RELATING TO STATE AID

ARTICLE 3
RELATING TO RESTRICTED RECEIPT ACCOUNTS

ARTICLE 4
RELATING TO DEBT MANAGEMENT ACT JOINT RESOLUTIONS

ARTICLE 5
RELATING TO CAPITAL DEVELOPMENT PROGRAM

ARTICLE 6
RELATING TO RESOURCE RECOVERY CORPORATION

ARTICLE 7
RELATING TO REGIONAL GREENHOUSE GAS INITIATIVE ACT

ARTICLE 8
RELATING TO UNDERGROUND ECONOMY AND EMPLOYEE MISCLASSIFICATION ACT

ARTICLE 9
RELATING TO GOVERNMENT REFORM

ARTICLE 10
RELATING TO MAKING REVISED APPROPRIATIONS IN SUPPORT OF FY 2014

ARTICLE 11
RELATING TO EMPLOYMENT

ARTICLE 12
RELATING TO REVENUES

ARTICLE 13
RELATING TO STATE LOTTERY

ARTICLE 14
RELATING TO GOVERNMENT REORGANIZATION

ARTICLE 15
RELATING TO HEALTH AND HUMAN SERVICES
1 ARTICLE 16....... RELATING TO HEALTH CARE
2 ARTICLE 17....... RELATING TO HOSPITAL UNCOMPENSATED CARE
3 ARTICLE 18....... RELATING TO MEDICAL ASSISTANCE
4 ARTICLE 19....... RELATING TO MEDICAL ASSISTANCE RECOVERIES
5 ARTICLE 20....... RELATING TO BOARD OF EDUCATION
6 ARTICLE 21....... RELATING TO TRANSPORTATION
7 ARTICLE 22....... RELATING TO EDUCATION
8 ARTICLE 23....... RELATING TO EFFECTIVE DATE

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LC003615/SUB A
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### ARTICLE 1 AS AMENDED

**RELATING TO MAKING APPROPRIATIONS FOR THE SUPPORT OF FY 2015**

**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, 2015. 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

<table>
<thead>
<tr>
<th>Category</th>
<th>General Revenues</th>
<th>Office of Digital Excellence</th>
<th>Total – Central Management</th>
</tr>
</thead>
<tbody>
<tr>
<td>Central Management</td>
<td></td>
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<tr>
<td>General Revenues</td>
<td>1,594,772</td>
<td>908,192</td>
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<td>Legal Services</td>
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<td>General Revenues</td>
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<td>Accounts and Control</td>
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<tr>
<td>General Revenues</td>
<td>3,973,748</td>
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#### Office of Management and Budget

<table>
<thead>
<tr>
<th>Category</th>
<th>General Revenues</th>
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<tr>
<td>General Revenues</td>
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<td>61,374</td>
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<td>Total – Office of Management and Budget</td>
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#### Purchasing

<table>
<thead>
<tr>
<th>Category</th>
<th>General Revenues</th>
<th>Other Funds</th>
<th>Total – Purchasing</th>
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<tr>
<td>General Revenues</td>
<td>2,670,956</td>
<td>308,496</td>
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<td>Total – Purchasing</td>
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#### Auditing

<table>
<thead>
<tr>
<th>Category</th>
<th>General Revenues</th>
<th>Federal Funds</th>
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<tr>
<td>General Revenues</td>
<td>1,434,565</td>
<td>766,793</td>
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#### Human Resources

<table>
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<tr>
<th>Category</th>
<th>General Revenues</th>
<th>Federal Funds</th>
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<td>General Revenues</td>
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<td>Federal Funds</td>
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<td>Description</td>
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<td>Facilities Management</td>
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<td>Total – Facilities Management</td>
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<td>Capital Projects and Property Management General Revenues</td>
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<td>Information Technology</td>
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<td>Total – Library and Information Services</td>
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<td>28</td>
<td>Federal Highway – PL Systems Planning</td>
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<td>29</td>
<td>Air Quality Modeling</td>
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<td>Total – Planning</td>
<td>20,891,914</td>
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<td>31</td>
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<td>32</td>
<td>General Revenues</td>
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<td>33</td>
<td>Rhode Island Commerce Corporation</td>
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<tr>
<td>34</td>
<td>RICC – Airport Impact Aid</td>
<td>1,025,000</td>
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</table>
Sixty percent (60%) of the first $1,000,000 appropriated for airport impact aid shall be distributed to each airport serving more than 1,000,000 passengers based upon its percentage of the total passengers served by all airports serving more than 1,000,000 passengers. Forty percent (40%) of the first $1,000,000 shall be distributed based on the share of landings during the calendar year 2014 at North Central Airport, Newport-Middletown Airport, Block Island Airport, Quonset Airport, T.F. Green Airport and Westerly Airport, respectively. The Rhode Island Commerce Corporation shall make an impact payment to the towns or cities in which the airport is located based on this calculation. Each community upon which any parts of the above airports are located shall receive at least $25,000.

<table>
<thead>
<tr>
<th>Description</th>
<th>Amount</th>
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</thead>
<tbody>
<tr>
<td>RICC – EPScore (Research Alliance)</td>
<td>1,150,000</td>
</tr>
<tr>
<td>Innovative Matching Grants</td>
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<tr>
<td>Miscellaneous Grants</td>
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<tr>
<td>Slater Centers of Excellence</td>
<td>150,000</td>
</tr>
<tr>
<td>Torts – Courts/Awards</td>
<td>400,000</td>
</tr>
<tr>
<td>Current Care/Health Information Exchange</td>
<td>225,000</td>
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<tr>
<td>I-195 Commission</td>
<td>301,000</td>
</tr>
<tr>
<td>RI Film and Television Office</td>
<td>310,312</td>
</tr>
<tr>
<td>State Employees/Teachers Retiree Health Subsidy</td>
<td>2,321,057</td>
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<tr>
<td>Resource Sharing and State Library Aid</td>
<td>8,773,398</td>
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<tr>
<td>Library Construction Aid</td>
<td>2,331,589</td>
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<tr>
<td>Federal Funds</td>
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<td>Restricted Receipts</td>
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<td>Rhode Island Capital Plan Funds</td>
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<tr>
<td>Statehouse Renovations</td>
<td>3,000,000</td>
</tr>
<tr>
<td>DoIT Enterprise Operations Center</td>
<td>250,000</td>
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<tr>
<td>Cranston Street Armory</td>
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<tr>
<td>Cannon Building</td>
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<tr>
<td>Zambarano Building Rehabilitation</td>
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<tr>
<td>Pastore Center Rehab DOA Portion</td>
<td>3,150,000</td>
</tr>
<tr>
<td>Old State House</td>
<td>1,445,000</td>
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<tr>
<td>State Office Building</td>
<td>1,700,000</td>
</tr>
<tr>
<td>Old Colony House</td>
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</tr>
<tr>
<td>William Powers Building</td>
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<td>Project Description</td>
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<tr>
<td>1</td>
<td>Fire Code Compliance State Buildings</td>
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<td>2</td>
<td>Pastore Center Fire Code Compliance</td>
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<td>3</td>
<td>Pastore Center Utility Systems Upgrade</td>
</tr>
<tr>
<td>4</td>
<td>Replacement of Fueling Tanks</td>
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<td>5</td>
<td>Environmental Compliance</td>
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<td>6</td>
<td>Big River Management Area</td>
</tr>
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<td>7</td>
<td>Pastore Center Building Demolition</td>
</tr>
<tr>
<td>8</td>
<td>Washington County Government Center</td>
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<td>9</td>
<td>Chapin Health Laboratory</td>
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<td>10</td>
<td>Pastore Center Parking</td>
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<td>11</td>
<td>Pastore Center Water Tanks</td>
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<td>Pastore Cottages Rehabilitation</td>
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<td>Ladd Center Building Demolition</td>
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<td>14</td>
<td>I-195 Commission</td>
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<td>15</td>
<td>RI Convention Center Authority</td>
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<td>16</td>
<td>Dunkin Donuts Center</td>
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<td>17</td>
<td>Mathias</td>
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<td>18</td>
<td>Pastore Center Power Plant</td>
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<tr>
<td>19</td>
<td>Harrington Hall Renovations</td>
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<tr>
<td>20</td>
<td>McCoy Stadium</td>
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<tr>
<td>21</td>
<td>Veterans Memorial Auditorium</td>
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<td>22</td>
<td>Virks Building Renovations</td>
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<td>23</td>
<td>Total – General</td>
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<td>24</td>
<td><strong>Debt Service Payments</strong></td>
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<tr>
<td>25</td>
<td>General Revenues</td>
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<tr>
<td>26</td>
<td>Out of the general revenue appropriations for debt service, the General Treasurer is authorized to make payments for the I-195 Redevelopment District Commission loan up to the maximum debt service due in accordance with the loan agreement.</td>
</tr>
<tr>
<td>27</td>
<td>Federal Funds</td>
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<td>28</td>
<td>Restricted Receipts</td>
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<td>29</td>
<td>Other Funds</td>
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<td>30</td>
<td>Transportation Debt Service</td>
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<td>31</td>
<td>Investment Receipts – Bond Funds</td>
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<td>COPS – DLT Building – TDI</td>
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<td>Total - Debt Service Payments</td>
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<td><strong>Energy Resources</strong></td>
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<td><strong>Rhode Island Health Benefits Exchange Federal Funds</strong></td>
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<td><strong>Construction Permitting, Approvals and Licensing</strong></td>
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<td>Total – Construction Permitting, Approvals and Licensing</td>
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<td><strong>Office of Diversity, Equity &amp; Opportunity</strong></td>
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<td>General Revenues</td>
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<td>Total – Office of Diversity, Equity &amp; Opportunity</td>
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<td><strong>Statewide Personnel Adjustments</strong></td>
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<td>General Revenues</td>
<td>(3,420,118)</td>
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<td>Federal Funds</td>
<td>(1,859,816)</td>
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<td>Restricted Receipts</td>
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<td>Other Funds</td>
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<td>Total – Statewide Personnel Adjustments</td>
<td>(8,285,691)</td>
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<td>Grand Total – Administration</td>
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<td><strong>Business Regulation</strong></td>
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<td><strong>Central Management</strong></td>
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<td>Office of the Health Insurance Commissioner</td>
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<td>Total – Office of the Health Insurance Commissioner</td>
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<td>7</td>
<td>Board of Accountancy General Revenues</td>
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<td>Commercial Licensing, Racing &amp; Athletics</td>
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<td>10</td>
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<td>Total – Commercial Licensing, Racing &amp; Athletics</td>
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<td>Boards for Design Professionals General Revenues</td>
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<td>Grand Total – Business Regulation</td>
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<td>16</td>
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<td>19</td>
<td>Rhode Island Capital Plan Fund</td>
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<td>21</td>
<td>Center General Asset Protection</td>
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<td>Other Funds</td>
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<td>28</td>
<td>Total – Workforce Development Services</td>
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<td>Workforce Regulation and Safety</td>
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<td>Income Support</td>
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<td>31</td>
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<td>32</td>
<td>Federal Funds</td>
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<td>33</td>
<td>Restricted Receipts</td>
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<td>34</td>
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Children, Youth, and Families

Central Management

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Children's Behavioral Health Services

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Art1
RELATING TO MAKING APPROPRIATIONS FOR THE SUPPORT OF FY 2015
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Art1
RELATING TO MAKING APPROPRIATIONS FOR THE SUPPORT OF FY 2015
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<td>117,893,777</td>
</tr>
<tr>
<td>10</td>
<td>Federal Funds – Stimulus</td>
<td>10,571,598</td>
</tr>
<tr>
<td>11</td>
<td>Restricted Receipts</td>
<td>340,431</td>
</tr>
<tr>
<td>12</td>
<td><strong>Other Funds</strong></td>
<td></td>
</tr>
<tr>
<td>13</td>
<td>Rhode Island Capital Plan Fund</td>
<td></td>
</tr>
<tr>
<td>14</td>
<td>Blind Vending Facilities</td>
<td>165,000</td>
</tr>
<tr>
<td>15</td>
<td>Intermodal Surface Transportation Fund</td>
<td>4,162,981</td>
</tr>
<tr>
<td>16</td>
<td><strong>Total – Individual and Family Support</strong></td>
<td>157,546,872</td>
</tr>
<tr>
<td>17</td>
<td><strong>Veterans' Affairs</strong></td>
<td></td>
</tr>
<tr>
<td>18</td>
<td>General Revenues</td>
<td>20,274,566</td>
</tr>
<tr>
<td>19</td>
<td>Federal Funds</td>
<td>7,481,344</td>
</tr>
<tr>
<td>20</td>
<td>Restricted Receipts</td>
<td>635,000</td>
</tr>
<tr>
<td>21</td>
<td><strong>Total – Veterans' Affairs</strong></td>
<td>28,390,910</td>
</tr>
<tr>
<td>22</td>
<td><strong>Health Care Eligibility</strong></td>
<td></td>
</tr>
<tr>
<td>23</td>
<td>General Revenues</td>
<td>8,226,587</td>
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<tr>
<td>24</td>
<td>Federal Funds</td>
<td>11,774,391</td>
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<tr>
<td>25</td>
<td><strong>Total – Health Care Eligibility</strong></td>
<td>20,000,978</td>
</tr>
<tr>
<td>26</td>
<td><strong>Supplemental Security Income Program</strong> General Revenues</td>
<td>18,579,280</td>
</tr>
<tr>
<td>27</td>
<td><strong>Rhode Island Works</strong></td>
<td></td>
</tr>
<tr>
<td>28</td>
<td>General Revenues</td>
<td></td>
</tr>
<tr>
<td>29</td>
<td>Child Care</td>
<td>9,668,635</td>
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<td>30</td>
<td>Federal Funds</td>
<td>77,040,945</td>
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<tr>
<td>31</td>
<td><strong>Total – Rhode Island Works</strong></td>
<td>86,709,580</td>
</tr>
<tr>
<td>32</td>
<td><strong>State Funded Programs</strong></td>
<td></td>
</tr>
<tr>
<td>33</td>
<td>General Revenues</td>
<td></td>
</tr>
<tr>
<td>34</td>
<td>General Public Assistance</td>
<td>1,616,000</td>
</tr>
</tbody>
</table>
Of this appropriation, $210,000 shall be used for hardship contingency payments.

Federal Funds 300,692,138
Total – State Funded Programs 302,308,138

**Elderly Affairs**

General Revenues

General Revenue 6,195,226
RIPAE 24,484
Care and Safety of the Elderly 958
Federal Funds 12,223,967
Restricted Receipts 299,336
Total – Elderly Affairs 18,743,971
Grand Total – Human Services 649,786,890

**Behavioral Health, Developmental Disabilities, and Hospitals**

**Central Management**

General Revenues 970,823
Federal Funds 539,262
Total – Central Management 1,510,085

**Hospital and Community System Support**

General Revenues 1,594,280
Restricted Receipts 934,379
Other Funds
Rhode Island Capital Plan Fund
Medical Center Rehabilitation 1,000,000
Community Facilities Fire Code 400,000
Total – Hospital and Community System Support 3,928,659

**Services for the Developmentally Disabled**

General Revenues 111,028,105
Federal Funds 112,976,682
Restricted Receipts 1,977,450
Other Funds
Rhode Island Capital Plan Funds
DD Private Waiver 507,286
Regional Center Repair/Rehabilitation 400,000
MR Community Facilities/Access to Independence 500,000
<table>
<thead>
<tr>
<th></th>
<th>Description</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Total – Services for the Developmentally Disabled</td>
<td>227,389,523</td>
</tr>
<tr>
<td>2</td>
<td><em>Behavioral Healthcare Services</em></td>
<td></td>
</tr>
<tr>
<td>3</td>
<td>General Revenues</td>
<td>1,980,322</td>
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<tr>
<td>4</td>
<td>Federal Funds</td>
<td>14,581,527</td>
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<tr>
<td>5</td>
<td>Substance Abuse Prevention Task Forces</td>
<td>900,000</td>
</tr>
<tr>
<td>6</td>
<td>NAMI of RI</td>
<td>128,000</td>
</tr>
<tr>
<td>7</td>
<td>Restricted Receipts</td>
<td>125,000</td>
</tr>
<tr>
<td>8</td>
<td>Other Funds</td>
<td></td>
</tr>
<tr>
<td>9</td>
<td>Rhode Island Capital Plan Funds</td>
<td></td>
</tr>
<tr>
<td>10</td>
<td>MH Community Facilities Repair</td>
<td>400,000</td>
</tr>
<tr>
<td>11</td>
<td>MH Housing Development Thresholds</td>
<td>800,000</td>
</tr>
<tr>
<td>12</td>
<td>Substance Abuse Asset Protection</td>
<td>100,000</td>
</tr>
<tr>
<td>13</td>
<td>Total – Behavioral Healthcare Services</td>
<td>19,014,849</td>
</tr>
<tr>
<td>14</td>
<td><em>Hospital and Community Rehabilitative Services</em></td>
<td></td>
</tr>
<tr>
<td>15</td>
<td>General Revenues</td>
<td>51,963,343</td>
</tr>
<tr>
<td>16</td>
<td>Federal Funds</td>
<td>52,031,533</td>
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<tr>
<td>17</td>
<td>Restricted Receipts</td>
<td>6,571,834</td>
</tr>
<tr>
<td>18</td>
<td>Other Funds</td>
<td></td>
</tr>
<tr>
<td>19</td>
<td>Rhode Island Capital Plan Funds</td>
<td></td>
</tr>
<tr>
<td>20</td>
<td>Zambarano Buildings and Utilities</td>
<td>150,000</td>
</tr>
<tr>
<td>21</td>
<td>BHDDH Administrative Buildings</td>
<td>2,000,000</td>
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<tr>
<td>22</td>
<td>MR Community Facilities</td>
<td>950,000</td>
</tr>
<tr>
<td>23</td>
<td>Total - Hospital and Community Rehabilitative Services</td>
<td>113,666,710</td>
</tr>
<tr>
<td>24</td>
<td>Grand Total – Behavioral Health, Developmental Disabilities, and Hospitals</td>
<td>365,509,826</td>
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<tr>
<td>25</td>
<td><em>Office of the Child Advocate</em></td>
<td></td>
</tr>
<tr>
<td>26</td>
<td>General Revenues</td>
<td>611,817</td>
</tr>
<tr>
<td>27</td>
<td>Federal Funds</td>
<td>50,000</td>
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<tr>
<td>28</td>
<td>Grand Total – Office of the Child Advocate</td>
<td>661,817</td>
</tr>
<tr>
<td>29</td>
<td><em>Commission on the Deaf and Hard of Hearing</em></td>
<td></td>
</tr>
<tr>
<td>30</td>
<td>General Revenues</td>
<td>394,279</td>
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<tr>
<td>31</td>
<td>Restricted Receipts</td>
<td>80,000</td>
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<tr>
<td>32</td>
<td>Grand Total – Com on Deaf and Hard of Hearing</td>
<td>474,279</td>
</tr>
<tr>
<td>33</td>
<td><em>Governor’s Commission on Disabilities</em></td>
<td></td>
</tr>
<tr>
<td></td>
<td>Description</td>
<td>Amount</td>
</tr>
<tr>
<td>---</td>
<td>--------------------------------------------------</td>
<td>--------------</td>
</tr>
<tr>
<td>1</td>
<td>General Revenues</td>
<td>358,275</td>
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<tr>
<td>2</td>
<td>Federal Funds</td>
<td>141,350</td>
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<td>3</td>
<td>Restricted Receipts</td>
<td>9,177</td>
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<tr>
<td>4</td>
<td>Other Funds</td>
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</tr>
<tr>
<td>5</td>
<td>RICAP - Handicapped Accessibility</td>
<td>1,000,000</td>
</tr>
<tr>
<td>6</td>
<td>Grand Total – Governor's Commission on Disabilities</td>
<td>1,508,802</td>
</tr>
<tr>
<td>7</td>
<td><strong>Office of the Mental Health Advocate</strong> General Revenues</td>
<td>495,010</td>
</tr>
<tr>
<td>8</td>
<td><strong>Elementary and Secondary Education</strong></td>
<td></td>
</tr>
<tr>
<td>9</td>
<td>Administration of the Comprehensive Education Strategy</td>
<td></td>
</tr>
<tr>
<td>10</td>
<td>General Revenues</td>
<td>20,418,574</td>
</tr>
<tr>
<td>11</td>
<td>Federal Funds</td>
<td></td>
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<tr>
<td>12</td>
<td>Federal Funds</td>
<td>192,750,465</td>
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<tr>
<td>13</td>
<td>Federal Funds – Stimulus</td>
<td>7,727,747</td>
</tr>
<tr>
<td>14</td>
<td>RTTT LEA Share</td>
<td>6,379,521</td>
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<tr>
<td>15</td>
<td>Restricted Receipts</td>
<td>1,269,741</td>
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<tr>
<td>16</td>
<td>HRIC Adult Education Grants</td>
<td>3,500,000</td>
</tr>
<tr>
<td>17</td>
<td>Other Funds</td>
<td></td>
</tr>
<tr>
<td>18</td>
<td>Rhode Island Capital Plan Funds</td>
<td></td>
</tr>
<tr>
<td>19</td>
<td>State-Owned Cranston</td>
<td>400,000</td>
</tr>
<tr>
<td>20</td>
<td>State-Owned Warwick</td>
<td>950,000</td>
</tr>
<tr>
<td>21</td>
<td>State-Owned Woonsocket</td>
<td>1,844,364</td>
</tr>
<tr>
<td>22</td>
<td>Total – Administration of the Comprehensive Education Strategy</td>
<td>235,240,412</td>
</tr>
<tr>
<td>23</td>
<td><strong>Davies Career and Technical School</strong></td>
<td></td>
</tr>
<tr>
<td>24</td>
<td>General Revenues</td>
<td>12,240,174</td>
</tr>
<tr>
<td>25</td>
<td>Federal Funds</td>
<td></td>
</tr>
<tr>
<td>26</td>
<td>Federal Funds</td>
<td>1,319,532</td>
</tr>
<tr>
<td>27</td>
<td>Federal Funds – Stimulus</td>
<td>42,099</td>
</tr>
<tr>
<td>28</td>
<td>Restricted Receipts</td>
<td>4,050,538</td>
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<tr>
<td>29</td>
<td>Other Funds</td>
<td></td>
</tr>
<tr>
<td>30</td>
<td>Rhode Island Capital Plan Funds</td>
<td></td>
</tr>
<tr>
<td>31</td>
<td>Davies HVAC</td>
<td>1,237,345</td>
</tr>
<tr>
<td>32</td>
<td>Davies Asset Protection</td>
<td>194,962</td>
</tr>
<tr>
<td>33</td>
<td>Total – Davies Career and Technical School</td>
<td>19,084,650</td>
</tr>
</tbody>
</table>
1. **General Revenues**: $5,929,824
2. **Federal Funds**: $221,056
3. **Federal Funds – Stimulus**: $55,514
4. **Restricted Receipts**: $558,248
5. **Other Funds**: $59,000
6. **Total – RI School for the Deaf**: $6,823,642

### Metropolitan Career and Technical School

<table>
<thead>
<tr>
<th>Description</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>General Revenues</strong></td>
<td>$10,501,360</td>
</tr>
<tr>
<td><strong>Other Funds</strong></td>
<td>$59,000</td>
</tr>
</tbody>
</table>

### Rhode Island Capital Plan Funds

<table>
<thead>
<tr>
<th>Description</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>MET Asset Protection</strong></td>
<td>$100,000</td>
</tr>
<tr>
<td><strong>MET School HVAC</strong></td>
<td>$1,160,657</td>
</tr>
<tr>
<td><strong>Total – Metropolitan Career and Technical School</strong></td>
<td>$11,762,017</td>
</tr>
</tbody>
</table>

### Education Aid

<table>
<thead>
<tr>
<th>Description</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>General Revenues</strong></td>
<td>$758,820,708</td>
</tr>
<tr>
<td><strong>Restricted Receipts</strong></td>
<td>$17,575,445</td>
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<tr>
<td><strong>Other Funds</strong></td>
<td>$300,000</td>
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<tr>
<td><strong>Total – Education Aid</strong></td>
<td>$776,696,153</td>
</tr>
</tbody>
</table>

#### Central Falls School District

<table>
<thead>
<tr>
<th>Description</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>General Revenues</strong></td>
<td>$39,010,583</td>
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</table>

#### Housing Aid

<table>
<thead>
<tr>
<th>Description</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>General Revenues</strong></td>
<td>$67,949,504</td>
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</table>

#### Teachers’ Retirement

<table>
<thead>
<tr>
<th>Description</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>General Revenues</strong></td>
<td>$89,529,396</td>
</tr>
</tbody>
</table>

### Grand Total – Elementary and Secondary Education

<table>
<thead>
<tr>
<th>Description</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Grand Total – Elementary and Secondary Education</strong></td>
<td>$1,246,096,357</td>
</tr>
</tbody>
</table>

### Public Higher Education

#### Office of Postsecondary Commissioner

<table>
<thead>
<tr>
<th>Description</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>General Revenues</strong></td>
<td>$4,566,270</td>
</tr>
<tr>
<td><strong>Federal Funds</strong></td>
<td>$5,092,287</td>
</tr>
<tr>
<td><strong>Total – Office of Postsecondary Commissioner</strong></td>
<td>$9,658,557</td>
</tr>
</tbody>
</table>

#### University of Rhode Island

<table>
<thead>
<tr>
<th>Description</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>General Revenue</strong></td>
<td>$69,292,680</td>
</tr>
</tbody>
</table>

The University of Rhode Island shall maintain tuition charges in the 2014 – 2015 academic year at the same level as the 2013 – 2014 academic year. The University shall not decrease internal student financial aid in the 2014 – 2015 academic year below the level of the
2013 – 2014 academic year. The President of the institution shall report, prior to the commencement of the 2014-2015 academic year, to the chair of the Rhode Island Board of Education that such tuition charges and student aid levels have been achieved at the start of FY 2015 as prescribed above.

| Debt Service                      | 20,903,400 |
| State Crime Laboratory            | 1,035,888  |
| Other Funds                       |            |
| University and College Funds      | 612,113,492|
| Debt – Dining Services            | 1,110,746  |
| Debt – Education and General      | 3,180,567  |
| Debt – Health Services            | 136,814    |
| Debt – Housing Loan Funds         | 10,625,414 |
| Debt – Memorial Union             | 314,538    |
| Debt – Ryan Center                | 2,798,531  |
| Debt – Alton Jones Services       | 103,078    |
| Debt – Parking Authority          | 949,029    |
| Debt – Sponsored Research         | 94,572     |
| Debt – URI Energy Conservation    | 2,460,718  |
| Rhode Island Capital Plan Funds   |            |
| Asset Protection                  | 7,520,000  |
| Fire and Safety Protection        | 3,250,000  |
| Nursing Education Center          | 700,000    |
| Electric Substation               | 7,000,000  |
| Total – University of Rhode Island| 743,589,467|

Notwithstanding the provisions of section 35-3-15 of the general laws, all unexpended or unencumbered balances as of June 30, 2015 relating to the University of Rhode Island are hereby reappropriated to fiscal year 2016.

Rhode Island College

General Revenues

42,911,103

Rhode Island College shall maintain tuition charges in the 2014 – 2015 academic year at the same level as the 2013 – 2014 academic year. The College shall not decrease internal student financial aid in the 2014 – 2015 academic year below the level of the 2013 – 2014 academic year.

The President of the institution shall report, prior to the commencement of the 2014-2015
academic year, to the chair of the Rhode Island Board of Education that such tuition charges and
student aid levels have been achieved at the start of FY 2015 as prescribed above.

### Debt Service

<table>
<thead>
<tr>
<th>Description</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Debt Service</td>
<td>4,450,296</td>
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</table>

### Other Funds

<table>
<thead>
<tr>
<th>Description</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>University and College Funds</td>
<td>112,190,914</td>
</tr>
<tr>
<td>Debt – Education and General</td>
<td>883,664</td>
</tr>
<tr>
<td>Debt – Housing</td>
<td>2,054,108</td>
</tr>
<tr>
<td>Debt – Student Center and Dining</td>
<td>172,600</td>
</tr>
<tr>
<td>Debt – Student Union</td>
<td>234,963</td>
</tr>
<tr>
<td>Debt – G.O. Debt Service</td>
<td>1,641,626</td>
</tr>
</tbody>
</table>

### Rhode Island Capital Plan Funds

<table>
<thead>
<tr>
<th>Description</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Asset Protection</td>
<td>2,963,548</td>
</tr>
<tr>
<td>Infrastructure Modernization</td>
<td>3,871,317</td>
</tr>
<tr>
<td>Total – Rhode Island College</td>
<td>171,374,139</td>
</tr>
</tbody>
</table>

Notwithstanding the provisions of section 35-3-15 of the general laws, all unexpended or
unencumbered balances as of June 30, 2015 relating to Rhode Island College are hereby
reappropriated to fiscal year 2016.

### Community College of Rhode Island

<table>
<thead>
<tr>
<th>Description</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>General Revenues</td>
<td>45,882,495</td>
</tr>
<tr>
<td>Debt Service</td>
<td>1,912,779</td>
</tr>
<tr>
<td>Restricted Receipts</td>
<td>644,000</td>
</tr>
</tbody>
</table>

### Other Funds

<table>
<thead>
<tr>
<th>Description</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>University and College Funds</td>
<td>102,754,282</td>
</tr>
<tr>
<td>Debt – Bookstore</td>
<td>27,693</td>
</tr>
<tr>
<td>CCRI Debt Service – Energy Conservation</td>
<td>807,475</td>
</tr>
<tr>
<td>Rhode Island Capital Plan Funds</td>
<td></td>
</tr>
</tbody>
</table>
1 Asset Protection 2,138,305
2 Knight Campus Renewal 2,000,000
3 Total – Community College of RI 156,167,029

4 Notwithstanding the provisions of section 35-3-15 of the general laws, all unexpended or
5 unencumbered balances as of June 30, 2015 relating to the Community College of Rhode Island
6 are hereby reappropriated to fiscal year 2016.

7 Grand Total – Public Higher Education 1,080,789,192

8 **RI State Council on the Arts**

9 General Revenues
10 Operating Support 428,501
11 Grants 1,054,574
12 Federal Funds 799,348
13 Other Funds
14 Art for Public Facilities 632,536
15 Grand Total – RI State Council on the Arts 2,914,959

16 **RI Atomic Energy Commission**

17 General Revenues 913,197
18 Other Funds
19 URI Sponsored Research 257,977
20 RICAP - RINSC Asset Protection 100,000
21 Grand Total – RI Atomic Energy Commission 1,271,174

22 **RI Higher Education Assistance Authority**

23 General Revenues
24 Authority Operations and Other Grants 147,000
25 Federal Funds
26 Federal Funds 10,680,967
27 WaytoGoRI Portal 650,000
28 Guaranty Agency Reserve Fund 4,134,726
29 The $4,134,726 expended from the Guaranty Agency Reserve Fund shall be used for RIHEAA
30 need-based scholarships and grants.
31 Other Funds
32 Tuition Savings Program – Needs Based Grants and Work Opportunities 8,000,000
33 Tuition Savings Program – Administration 334,268
34 Grand Total – RI Higher Education Assistance Authority 23,946,961
<table>
<thead>
<tr>
<th></th>
<th>RI Historical Preservation and Heritage Commission</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>2</td>
<td>General Revenues</td>
<td>1,320,610</td>
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<td>3</td>
<td>Federal Funds</td>
<td>2,183,588</td>
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<tr>
<td>4</td>
<td>Restricted Receipts</td>
<td>434,910</td>
</tr>
<tr>
<td>5</td>
<td>Other Funds</td>
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</tr>
<tr>
<td>6</td>
<td>RIDOT Project Review</td>
<td>70,868</td>
</tr>
<tr>
<td>7</td>
<td>RICAP - Eisenhower House Asset Protection</td>
<td>1,900,000</td>
</tr>
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Art1
RELATING TO MAKING APPROPRIATIONS FOR THE SUPPORT OF FY 2015
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<td>Grand Total – Environmental Management</td>
<td>103,811,527</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th></th>
<th>Project Description</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>17</td>
<td>Coastal Resources Management Council</td>
<td>4,959,681</td>
</tr>
<tr>
<td>18</td>
<td>General Revenues</td>
<td>2,185,538</td>
</tr>
<tr>
<td>19</td>
<td>Federal Funds</td>
<td>1,774,143</td>
</tr>
<tr>
<td>20</td>
<td>Restricted Receipts</td>
<td>250,000</td>
</tr>
<tr>
<td>21</td>
<td>Rhode Island Capital Plan Funds</td>
<td></td>
</tr>
<tr>
<td>22</td>
<td>South Coast Restoration Project</td>
<td>450,000</td>
</tr>
<tr>
<td>23</td>
<td>Shoreline Change Beach SAMP</td>
<td>300,000</td>
</tr>
<tr>
<td>24</td>
<td>Grand Total – Coastal Resources Mgmt. Council</td>
<td>4,959,681</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th></th>
<th>Project Description</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>25</td>
<td>Total – Transportation</td>
<td>10,970,706</td>
</tr>
<tr>
<td>26</td>
<td>Management and Budget</td>
<td>2,242,961</td>
</tr>
<tr>
<td>27</td>
<td>Federal Funds</td>
<td>325,726,490</td>
</tr>
<tr>
<td>28</td>
<td>Other Funds</td>
<td>9,199,986</td>
</tr>
<tr>
<td>29</td>
<td>Gasoline Tax</td>
<td>1,770,720</td>
</tr>
<tr>
<td>30</td>
<td>Total – Central Management</td>
<td></td>
</tr>
</tbody>
</table>

Of these federal funds, $1,790,000 is appropriated to the Public Rail Corporation from
CMAQ federal funds for the payment of liability insurance.

Federal Funds – Stimulus 17,188,279
Restricted Receipts 12,352,761
Other Funds

Gasoline Tax 68,064,896
Land Sale Revenue 21,300,002
Rhode Island Capital Funds
RIPTA Land and Buildings 223,529
Highway Project Match Plan 27,650,000
Total - Infrastructure Engineering – GARVEE 472,505,957

Infrastructure Maintenance

Other Funds
Gasoline Tax 30,790,922
Non-Land Surplus Property 10,000
Outdoor Advertising 150,000
Rhode Island Capital Plan Funds
Maintenance Facilities Improvements 500,000
Salt Storage Facilities 1,000,000
Portsmouth Facility 500,000
Maintenance Equipment Replacement 2,500,000
Train Station Maintenance and Repairs 200,000
Cooperative Maintenance Facility DOT/RIPTA 3,500,000
Mass Transit Preliminary Conceptual Design 250,000
Total – Infrastructure Maintenance 39,400,922
Grand Total – Transportation 525,120,546

Statewide Totals

General Revenues 3,445,169,968
Federal Funds 3,086,526,049
Restricted Receipts 283,055,536
Other Funds 1,965,443,788
Statewide Grand Total 8,780,195,341

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

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

SECTION 4. From the appropriation for contingency shall be paid such sums as may be
required at the discretion of the Governor to fund expenditures for which appropriations may not
exist. Such contingency funds may also be used for expenditures in the several departments and
agencies where appropriations are insufficient, or where such requirements are due to unforeseen
conditions or are non-recurring items of an unusual nature. Said appropriations may also be used
for the payment of bills incurred due to emergencies or to any offense against public peace and
property, in accordance with the provisions of Titles 11 and 45 of the General Laws of 1956, as
amended. All expenditures and transfers from this account shall be approved by the Governor.

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

<table>
<thead>
<tr>
<th>Account</th>
<th>Expenditure Limit</th>
</tr>
</thead>
<tbody>
<tr>
<td>State Assessed Fringe Benefit Internal Service Fund</td>
<td>37,123,794</td>
</tr>
<tr>
<td>Administration Central Utilities Internal Service Fund</td>
<td>14,244,902</td>
</tr>
<tr>
<td>State Central Mail Internal Service Fund</td>
<td>5,617,173</td>
</tr>
<tr>
<td>State Telecommunications Internal Service Fund</td>
<td>4,080,029</td>
</tr>
<tr>
<td>State Automotive Fleet Internal Service Fund</td>
<td>13,733,063</td>
</tr>
<tr>
<td>Surplus Property Internal Service Fund</td>
<td>2,500</td>
</tr>
<tr>
<td>Health Insurance Internal Service Fund</td>
<td>250,127,757</td>
</tr>
<tr>
<td>Other Post-Employment Benefits Fund</td>
<td>63,934,483</td>
</tr>
<tr>
<td>Capital Police Internal Service Fund</td>
<td>1,060,301</td>
</tr>
<tr>
<td>Corrections Central Distribution Center Internal Service Fund</td>
<td>6,739,558</td>
</tr>
<tr>
<td>Correctional Industries Internal Service Fund</td>
<td>7,704,793</td>
</tr>
<tr>
<td>Secretary of State Record Center Internal Service Fund</td>
<td>882,436</td>
</tr>
</tbody>
</table>
SECTION 6. The General Assembly may provide a written “statement of legislative intent” signed by the chairperson of the House Finance Committee and by the chairperson of the Senate Finance Committee to show the intended purpose of the appropriations contained in Section 1 of this Article. The statement of legislative intent shall be kept on file in the House Finance Committee and in the Senate Finance Committee.

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

SECTION 7. Appropriation of Temporary Disability Insurance Funds -- There is hereby appropriated pursuant to sections 28-39-5 and 28-39-8 of the Rhode Island General Laws all funds required to be disbursed for the benefit payments from the Temporary Disability Insurance Fund and Temporary Disability Insurance Reserve Fund for the fiscal year ending June 30, 2015.

SECTION 8. Appropriation of Employment Security Funds -- There is hereby appropriated pursuant to section 28-42-19 of the Rhode Island General Laws all funds required to be disbursed for benefit payments from the Employment Security Fund for the fiscal year ending June 30, 2015.

SECTION 9. Appropriation of Lottery Division Funds – There is hereby appropriated to the Lottery Division any funds required to be disbursed by the Lottery Division for the purposes of paying commissions or transfers to the prize fund for the fiscal year ending June 30, 2015.

SECTION 10. Departments and agencies listed below may not exceed the number of full-time equivalent (FTE) positions shown below in any pay period. Full-time equivalent positions do not include seasonal or intermittent positions whose scheduled period of employment does not exceed twenty-six consecutive weeks or whose scheduled hours do not exceed nine hundred and twenty-five (925) hours, excluding overtime, in a one-year period. Nor do they include individuals engaged in training, the completion of which is a prerequisite of employment.

Provided, however, that the Governor or designee, Speaker of the House of Representatives or designee, and the President of the Senate or designee may authorize an adjustment to any limitation. Prior to the authorization, the State Budget Officer shall make a detailed written recommendation to the Governor, the Speaker of the House, and the President of the Senate. A copy of the recommendation and authorization to adjust shall be transmitted to the chairman of the House Finance Committee, Senate Finance Committee, the House Fiscal Advisor and the Senate Fiscal Advisor.
State employees whose funding is from non-state general revenue funds that are time limited shall receive limited term appointment with the term limited to the availability of non-state general revenue funding source.

### FY 2015 FTE POSITION AUTHORIZATION

<table>
<thead>
<tr>
<th>Departments and Agencies</th>
<th>Full-Time Equivalent</th>
</tr>
</thead>
<tbody>
<tr>
<td>Administration</td>
<td>710.7</td>
</tr>
<tr>
<td>Business Regulation</td>
<td>94.0</td>
</tr>
<tr>
<td>Labor and Training</td>
<td>410.0</td>
</tr>
<tr>
<td>Revenue</td>
<td>505.0</td>
</tr>
<tr>
<td>Legislature</td>
<td>298.5</td>
</tr>
<tr>
<td>Office of the Lieutenant Governor</td>
<td>8.0</td>
</tr>
<tr>
<td>Office of the Secretary of State</td>
<td>57.0</td>
</tr>
<tr>
<td>Office of the General Treasurer</td>
<td>83.0</td>
</tr>
<tr>
<td>Board of Elections</td>
<td>11.0</td>
</tr>
<tr>
<td>Rhode Island Ethics Commission</td>
<td>12.0</td>
</tr>
<tr>
<td>Office of the Governor</td>
<td>45.0</td>
</tr>
<tr>
<td>Commission for Human Rights</td>
<td>14.5</td>
</tr>
<tr>
<td>Public Utilities Commission</td>
<td>50.0</td>
</tr>
<tr>
<td>Office of Health and Human Services</td>
<td>184.0</td>
</tr>
<tr>
<td>Children, Youth, and Families</td>
<td>670.5</td>
</tr>
<tr>
<td>Health</td>
<td>491.3</td>
</tr>
<tr>
<td>Human Services</td>
<td>959.1</td>
</tr>
<tr>
<td>Behavioral Health, Developmental Disabilities, and Hospitals</td>
<td>1,422.4</td>
</tr>
<tr>
<td>Office of the Child Advocate</td>
<td>6.0</td>
</tr>
<tr>
<td>Commission on the Deaf and Hard of Hearing</td>
<td>3.0</td>
</tr>
<tr>
<td>Governor's Commission on Disabilities</td>
<td>4.0</td>
</tr>
<tr>
<td>Office of the Mental Health Advocate</td>
<td>3.7</td>
</tr>
<tr>
<td>Elementary and Secondary Education</td>
<td>154.9</td>
</tr>
<tr>
<td>School for the Deaf</td>
<td>60.0</td>
</tr>
<tr>
<td>Davies Career and Technical School</td>
<td>126.0</td>
</tr>
<tr>
<td>Office of Postsecondary Commissioner</td>
<td>12.8</td>
</tr>
<tr>
<td>Provided that 1.0 of the total authorization would be available only for positions that are supported by third-party funds.</td>
<td></td>
</tr>
<tr>
<td>University of Rhode Island</td>
<td>2,456.5</td>
</tr>
</tbody>
</table>
Provided that 573.8 of the total authorization would be available only for positions that are supported by third-party funds.

Rhode Island College  
923.6

Provided that 82.0 of the total authorization would be available only for positions that are supported by third-party funds.

Community College of Rhode Island  
854.1

Provided that 94.0 of the total authorization would be available only for positions that are supported by third-party funds.

Rhode Island State Council on the Arts  
6.0

RI Atomic Energy Commission  
8.6

Higher Education Assistance Authority  
22.0

Historical Preservation and Heritage Commission  
16.6

Office of the Attorney General  
236.1

Corrections  
1,419.0

Judicial  
723.3

Military Stuff  
85.0

Public Safety  
633.2

Office of the Public Defender  
93.0

Emergency Management  
32.0

Environmental Management  
399.0

Coastal Resources Management Council  
29.0

Transportation  
752.6

Total  
15,086.0

SECTION 11. The amounts reflected in this Article include the appropriation of Rhode Island Capital Plan funds for fiscal year 2015 and supersede appropriations provided for FY 2015 within Section 11 of Article 1 of Chapter 144 of the P.L. of 2013.

The following amounts are hereby appropriated out of any money in the State's Rhode Island Capital Plan Fund not otherwise appropriated to be expended during the fiscal years ending June 30, 2016, June 30, 2017, June 30, 2018, and June 30, 2019. These amounts supersede appropriations provided within Section 11 of Article 1 of Chapter 144 of the P.L. of 2013. 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 and such portions thereof as may be required by him or her upon receipt of properly authenticated vouchers.
<table>
<thead>
<tr>
<th>Project</th>
<th>June 30, 2016</th>
<th>June 30, 2017</th>
<th>June 30, 2018</th>
<th>June 30, 2019</th>
</tr>
</thead>
<tbody>
<tr>
<td>DOA-Big River Management Area</td>
<td>120,000</td>
<td>120,000</td>
<td>120,000</td>
<td>120,000</td>
</tr>
<tr>
<td>DOA-Cannon Building</td>
<td>150,000</td>
<td>150,000</td>
<td>300,000</td>
<td>300,000</td>
</tr>
<tr>
<td>DOA-Environmental Compliance</td>
<td>200,000</td>
<td>200,000</td>
<td>200,000</td>
<td>200,000</td>
</tr>
<tr>
<td>DOA-Fire Code Compliance –</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>State Buildings</td>
<td>500,000</td>
<td>500,000</td>
<td>500,000</td>
<td>500,000</td>
</tr>
<tr>
<td>DOA-Old State House</td>
<td>800,000</td>
<td>800,000</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>DOA-Pastore Center Buildings</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Demolition</td>
<td>1,025,000</td>
<td>975,000</td>
<td>1,200,000</td>
<td>0</td>
</tr>
<tr>
<td>DOA-Pastore Center - Fire Code</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>DOA-Pastore Medical Center</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Rehab</td>
<td>2,300,000</td>
<td>650,000</td>
<td>250,000</td>
<td>50,000</td>
</tr>
<tr>
<td>DOA-Utilities Upgrades</td>
<td>1,400,000</td>
<td>0</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>DOA-Statehouse Renovations</td>
<td>3,000,000</td>
<td>4,000,000</td>
<td>2,400,000</td>
<td>1,000,000</td>
</tr>
<tr>
<td>DOA-State Office Building</td>
<td>600,000</td>
<td>2,800,000</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>DOA-Washington County</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Government Center</td>
<td>475,000</td>
<td>350,000</td>
<td>350,000</td>
<td>0</td>
</tr>
<tr>
<td>DOA-William Powers</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Administration Building</td>
<td>180,000</td>
<td>925,000</td>
<td>440,000</td>
<td>500,000</td>
</tr>
<tr>
<td>DOA-Zambarano Utilities and Infrastructure</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Infrastructure</td>
<td>550,000</td>
<td>1,000,000</td>
<td>750,000</td>
<td>250,000</td>
</tr>
<tr>
<td>DLT-Center General Asset</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Protection</td>
<td>1,500,000</td>
<td>1,200,000</td>
<td>1,000,000</td>
<td>0</td>
</tr>
<tr>
<td>DHS- Blind Vending Facilities</td>
<td>165,000</td>
<td>165,000</td>
<td>165,000</td>
<td>165,000</td>
</tr>
<tr>
<td>BHDDH-Eleanor Slater Hospital</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Consolidation</td>
<td>0</td>
<td>0</td>
<td>10,000,000</td>
<td>10,000,000</td>
</tr>
<tr>
<td>ELSEC-Davies School Asset</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Protection</td>
<td>250,000</td>
<td>250,000</td>
<td>250,000</td>
<td>250,000</td>
</tr>
<tr>
<td>ELSEC-Met School Asset Protection</td>
<td>100,000</td>
<td>100,000</td>
<td>100,000</td>
<td>0</td>
</tr>
<tr>
<td>ELSEC-Warwick Career and Technical</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Technical</td>
<td>950,000</td>
<td>600,000</td>
<td>0</td>
<td>0</td>
</tr>
</tbody>
</table>
1. ELSEC-Woonsocket Career and Technical
   2. Higher Ed-Asset Protection-CCRI
   3. Higher Ed-Asset Protection-RIC
   4. Higher Ed-Asset Protection-URI
   5. Higher Ed-CCRI Knight Campus Renewal
   6. Higher Ed-RIC Infrastructure Modernization
   7. AG-Building Renovations and Repairs
   8. DOC-Asset Protection Protection
   9. Judiciary-Judicial Complexes Asset
   10. Military Staff-Armory of Mounted
   11. Commands
   12. Military Staff-Asset Protection
   13. EMA-Emergency Management
   14. Building
   15. DEM-Dam Repair
   16. DEM-Fort Adams Rehabilitation
   17. DEM-Fort Adams Sailing
   18. Improvements
   19. DEM-State Piers
   20. DEM-Newport Piers
   21. DEM-Recreation Facilities
   22. Improvements
   23. DOT-Highway Projects Match
   24. Plan
   25. DOT-Maintenance Facilities
   26. Asset Protection
   27. DOT-Salt Storage Facilities

Art1
RELATING TO MAKING APPROPRIATIONS FOR THE SUPPORT OF FY 2015
(Page 33 of 34)
Any unexpended and unencumbered funds from Rhode Island Capital Plan Fund project appropriations may be reappropriated at the recommendation of the Governor in the ensuing fiscal year and made available for the same purpose. However, any such reappropriations are subject to final approval by the General Assembly as part of the supplemental appropriations act. Any unexpended funds of less than five hundred dollars ($500) shall be reappropriated at the discretion of the State Budget Officer.

SECTION 13. For the Fiscal Year ending June 30, 2015, the Rhode Island Housing and Mortgage Finance Corporation shall provide from its resources such sums as appropriate in support of the Neighborhood Opportunities Program. The Corporation shall provide a report detailing the amount of funding provided to this program, as well as information on the number of units of housing provided as a result to the Director of Administration, the Chair of the Housing Resources Commission, the Chair of the House Finance Committee, the Chair of the Senate Finance Committee and the State Budget Officer.

SECTION 14. Notwithstanding any general laws to the contrary, the Office of the Attorney General shall transfer $600,000 from the mortgage fraud settlement to the Housing Resources Commission restricted receipts account.

SECTION 15. This article shall take effect as of July 1, 2014.
ARTICLE 2 AS AMENDED

RELATING TO STATE AID

SECTION 1. Sections 45-13.2-4 and 45-13.2-6 of the General Laws in Chapter 45-13.2 entitled "Municipal Incentive Aid" is hereby amended to read as follows:

45-13.2-4. State Aid Incentive Program appropriated. — There are hereby appropriated funds for a state aid program entitled "Municipal Incentive Aid Program." For fiscal year 2014, fiscal year 2015 and fiscal year 2016, the amount of five million dollars ($5,000,000) shall be appropriated, and an amount of ten million dollars ($10,000,000) will be requested for appropriation for fiscal year 2015 and for fiscal year 2016. Municipal Incentive Aid shall be administered and managed by the division of municipal finance within the department of revenue.

45-13.2-6. Distributions. — (a) Municipal Incentive Aid described in this chapter shall be distributed to eligible municipalities on the basis of the most recent population estimate for each municipality as a share of the total state population reported by the U.S. Department of Commerce, Bureau of the Census as of January 1 in the year of the payment. Such payments shall be made to eligible communities in March 2014, March 2015, and March 2016 of each year to the extent that funds are appropriated.

(b) For fiscal year 2014, municipalities shall be eligible to receive aid under this chapter if: (1) the municipality has no locally-administered pension; or (2) the municipality notified plan participants, beneficiaries and others pursuant to chapter 45-65, and submitted to the state's department of revenue a Funding Improvement Plan ("FIP"), pursuant to section 45-65-6, for every locally-administered pension plan in that municipality, and each FIP had been approved by the plan sponsor and the local governing body no later than June 1, 2013; or (3) there existed a locally-administered pension plan(s) in that municipality, but either: (i) no FIP was required pursuant to chapter 45-65; or (ii) a FIP is required pursuant to chapter 45-65, but, the due date for the FIP submission is after the March payment of state aid.

(c) For fiscal years year 2015 and 2016 and each fiscal year thereafter that municipal incentive aid is distributed to eligible municipalities under this chapter, municipalities shall be eligible to receive aid under this chapter, if: (1) the municipality has no locally-administered pension; or (2) the municipality has transitioned all locally-administered pension plans into MERS by June 30, 2014; or (3) the municipality had notified plan participants, beneficiaries and
others pursuant to chapter 45-65 and had submitted to the state's department of revenue a FIP, pursuant to chapter 45-65, for every locally-administered pension plan and each submitted FIP meets the guidelines of the Study Commission on Locally-Administered Pension Plans created pursuant to section 45-65-8 or otherwise applicable guidelines or regulations and each FIP has been approved by the plan sponsor and the local governing body; or (4) the municipality has implemented the original recommended FIP or an amended FIP pursuant to chapter 45-65 within one month after the close of the fiscal year and made the required funding payment (formerly referred to as Annually Required Contribution, or ARC) in compliance with the municipality's adopted FIP(s) and the funding guidelines established by the Pension Study Commission eighteen (18) months after an actuary has certified that a locally administered plan is in critical status for a plan year; and the FIPs are approved by the plan sponsor and the local governing body; or (5) there existed a locally-administered pension plan in that municipality, but either: (i) no FIP was required pursuant to chapter 45-65 and either: (A) the municipality is funding one hundred percent (100%) of its required funding payment; Annually Required Contribution (ARC) or (B) the municipality has a funded ratio of one hundred percent (100%) or greater; or (ii) FIP is required pursuant to chapter 45-65, however, the due date for the FIP submission or implementation is after the March payment of this municipal incentive aid.

(d) In any fiscal year that a municipality does not receive an appropriation under this chapter, the amount that would have been allocated to the municipality will be distributed in the month of May among the other eligible municipalities for that fiscal year, on the basis of the most recent population estimate for each municipality as a share of the total state population reported by the U.S. Department of Commerce, Bureau of the Census. For fiscal year 2014, and in any year thereafter that a municipality is not eligible to receive a distribution under this chapter, the distribution that said municipality would have received had it been eligible shall be reappropriated to the immediately following fiscal year, at which time the amount reappropriated shall be distributed to said municipality provided that said municipality has satisfied the eligibility requirements of both the prior fiscal year and the then current fiscal year. In the event that said municipality fails to satisfy the eligibility requirements for the prior and the then current fiscal year by the time that eligibility to receive distributions in the next fiscal year is determined, then the amount that would have been distributed to the municipality for said prior year will be distributed in the month of May among the municipalities that received a distribution in the prior fiscal year, with the share to be received by each municipality calculated in the same manner as distributions were calculated in the prior fiscal year.

SECTION 2. Section 45-13-5.1 of the General Laws in Chapter 45-13 entitled “State
45-13-5.1 General assembly appropriations in lieu of property tax from certain exempt private and state properties. — (a) In lieu of the amount of local real property tax on real property owned by any private nonprofit institution of higher education, or any nonprofit hospital facility, or any state owned and operated hospital, veterans’ residential facility, or correctional facility occupied by more than one hundred (100) residents which may have been or will be exempted from taxation by applicable state law, exclusive of any facility operated by the federal government, the state of Rhode Island, or any of its subdivisions, the general assembly shall annually appropriate for payment to the several cities and towns in which the property lies a sum equal to twenty-seven percent (27%) of all tax that would have been collected had the property been taxable.

(b) As used in this section, “private nonprofit institution of higher education” means any institution engaged primarily in education beyond the high school level, the property of which is exempt from property tax under any of the subdivisions, and “nonprofit hospital facility” means any nonprofit hospital licensed by the state and which is used for the purpose of general medical, surgical, or psychiatric care and treatment.

(c) The grant payable to any municipality under the provision of this section shall be equal to twenty-seven percent (27%) of the property taxes which, except for any exemption to any institution of higher education or general hospital facility, would have been paid with respect to that exempt real property on the assessment list in the municipality for the assessment date of December 31, 1986 and with respect to such exempt real property appearing on an assessment list in the municipality on succeeding assessment dates. Provided however that the grant paid for the fiscal year ending June 30, 2008 shall be based upon the assessment list in the municipality as of December 31, 2004.

(d) The state budget offices shall include the amount of the annual grant in the state budget for the fiscal year commencing July 1, 1988 and each fiscal year thereafter. The amount of the annual grant payable to each municipality in any year in accordance with this section shall be reduced proportionately in the event that the total of the annual grants in any year exceeds the amount appropriated that year for the purposes of this section.

(e) Distribution of appropriations shall be made by the state on or before July 31 of 1988 and each July 31 thereafter, or following verified receipt of a municipality’s assessment data for the following fiscal year’s payment, whichever is later, and the payments may be counted as a receivable by any city or town for a fiscal year ending the preceding June 30.

(f) Any act or omission by the state with respect to this chapter shall in no way diminish
the duty of any town or municipality to provide public safety or other ordinary services to the
properties or facilities of the type listed in subsection (a).

(g) Provided, that payments authorized pursuant to this section shall be reduced pro rata,
for that period of time that the municipality suspends or reduces essential services to eligible
facilities. For the purposes of this section "essential services" include, but are not to be limited to,
police, fire and rescue.

SECTION 3. This article shall take effect as of July 1, 2015 and section 1 of this article
shall apply retroactively to July 1, 2013.
ARTICLE 3

RELATING TO RESTRICTED RECEIPT ACCOUNTS

SECTION 1. Section 35-4-27 of the General Laws in Chapter 35-4 entitled "State Funds" is hereby amended to read as follows:

35-4-27. Indirect cost recoveries on restricted receipt accounts. — Indirect cost recoveries of ten percent (10%) of cash receipts shall be transferred from all restricted receipt accounts, to be recorded as general revenues in the general fund. However, there shall be no transfer from cash receipts with restrictions received exclusively: (1) from contributions from non-profit charitable organizations; (2) from the assessment of indirect cost recovery rates on federal grant funds; or (3) through transfers from state agencies to the department of administration for the payment of debt service. These indirect cost recoveries shall be applied to all accounts, unless prohibited by federal law or regulation, court order, or court settlement. The following restricted receipt accounts shall not be subject to the provisions of this section:

- Executive Office of Health and Human Services
- Organ Transplant Fund
- HIV Care Grant Drug Rebates
- Department of Human Services
- Veterans' home – Restricted account
- Veterans' home – Resident benefits
- Pharmaceutical Rebates Account
- Demand Side Management Grants
- Organ transplant fund
- Veteran's Cemetery Memorial Fund
- Donations- New Veterans' Home Construction
- Department of Health
- Providence Water Lead Grant
- Pandemic medications and equipment account
- Department of Behavioral Healthcare, Developmental Disabilities and Hospitals
- Eleanor Slater non-Medicaid third-party payor account
- Hospital Medicare Part D Receipts
RICLAS Group Home Operations
Commission on the Deaf and Hard of Hearing
Emergency and public communication access account
Department of Environmental Management
National heritage revolving fund
Environmental response fund II
Underground storage tanks registration fees
Rhode Island Historical Preservation and Heritage Commission
Historic preservation revolving loan fund
Historic Preservation loan fund – Interest revenue
Department of Public Safety
Forfeited property – Retained
Forfeitures – Federal
Forfeited property – Gambling
Donation – Polygraph and Law Enforcement Training
Rhode Island State Firefighter's League Training Account
Fire Academy Training Fees Account
Attorney General
Forfeiture of property
Federal forfeitures
Attorney General multi-state account
Forfeited property – Gambling
Department of Administration
Office of Management and Budget
Information Technology Investment Fund
Restore and replacement – Insurance coverage
Convention Center Authority rental payments
Investment Receipts – TANS
Car Rental Tax/Surcharge-Warwick Share

Housing Resources Commission Restricted Account
Legislature
Audit of federal assisted programs
Department of Children, Youth and Families
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. Violent Crimes Compensation – Refunds
8. Treasury Research Fellowship
9. Business Regulation
10. Banking Division Reimbursement Account
11. Office of the Health Insurance Commissioner Reimbursement Account
12. Securities Division Reimbursement Account
13. Commercial Licensing and Racing and Athletics Division Reimbursement Account
14. Insurance Division Reimbursement Account
15. Historic Preservation Tax Credit Account
16. Judiciary
17. Arbitration Fund Restricted Receipt Account
18. Third Party Grants
19. Department of Elementary and Secondary Education
20. Statewide Student Transportation Services Account
21. School for the Deaf Fee for Service Account
22. Davies Career and Technical School Local Education Aid Account
23. Department of Labor and Training
24. Job Development Fund – Title XII loans principal and interest
25. Department of Transportation
26. Rhode Island Highway Maintenance Account

SECTION 2. Section 30-24-6 of the General Laws in Chapter 30-24 entitled “Rhode Island Veterans' Home” is hereby amended to read as follows:

30-24-6. Acceptance of gifts – Veterans' home restricted account. – (a) The director of human services is hereby authorized and empowered to take and receive in the name of the state any grant, devise, gift, or bequest of real or personal property that may be made for the use and benefit of the Rhode Island veterans' home or the residents or purposes thereof. All money so received, and all money received under the provisions of §§ 30-24-9 and 30-24-10, shall be paid over to the general treasurer and shall be kept by him or her as a restricted account to be known as
the “veterans' home restricted account”. Use of the “veterans' home restricted account” funds may only be made upon prior approval of the house of representatives' finance committee and senate finance committee. The director may sell and dispose of any real or personal property received under this section, and any property received under § 30-24-9, and the proceeds of the sale shall be paid over to the general treasurer to be made a part of the restricted account. The restricted account shall be used for the improvement of social, recreational, and educational programs, including the purchase of educational and recreational supplies and equipment for the welfare of members and for operational expenses and capital improvements at the veterans' home and veterans' cemetery, as deemed necessary by the director of human services.

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

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

SECTION 3. Chapter 42-7.2 of the General Laws entitled "Office of Health and Human Services" is hereby amended by adding thereto the following section:

42-7.2-19. HIV Care Grant rebate account. – (a) There is hereby created within the executive office of health and human services a restricted receipt account to be known as the HIV Care Grant rebate account to receive and expend pharmaceutical rebates on HIV treatment and prevention services.

(b) All amounts deposited in the HIV Care Grant rebate account on or after July 1, 2014, shall be exempt from the indirect cost recovery provisions of § 35-4-27.

SECTION 4. This article shall take effect as of January 1, 2014.
ARTICLE 4 AS AMENDED

RELATING TO DEBT MANAGEMENT ACT JOINT RESOLUTIONS

SECTION 1. This article consists of joint resolutions that are submitted pursuant to Rhode Island General Laws § 35-18-1, et seq.

SECTION 2 Garrahy Courthouse Parking Project.

WHEREAS, given the prime geographic location of the Garrahy Courthouse surface parking lot site and its current limitations to adequately serve the Courthouse and surrounding buildings; and

WHEREAS, given the results of the Garrahy Courthouse Parking Garage Conceptual Analysis presented to a Special Legislative Commission for the Garrahy Parking Garage in January, 2014 which identifies development of the current site into a multi-level parking garage as a way to alleviate parking demand in the area and to spur economic activity; and

WHEREAS, the I-195 Redevelopment District Commission (“Commission”) has the principal responsibility for developing the surplus land from the relocation of Interstate 195 (“the Link”) to promote economic development through the best use of nearby freed-up parcels; and

WHEREAS, the Commission has indicated that adequate structured parking is essential to the development of the Link and that authorization for construction of a garage will assist it in attracting interest in parcels of land; and

WHEREAS, the State would enter into an agreement with the Convention Center Authority to develop, construct and operate a garage on the Garrahy Courthouse parking lot site; and

WHEREAS, the project costs associated with the construction of a garage is estimated at forty-five million dollars ($45,000,000) based on industry guidelines of $31,250 per parking space for 1,250 spaces, plus costs for build out of retail space on the first floor and costs associated with the financing. Debt service payments on the bonds are not expected to exceed seventy-eight million five hundred thousand dollars ($78,500,000) in the aggregate based on an average interest rate of six percent (6.0%), with annual debt service payments expected to be approximately three million, nine hundred twenty-five thousand dollars ($3,925,000) over a twenty (20) year term, now, therefore be it

RESOLVED, that the State is authorized to effectuate the development of the garage, to
lease or sell the surface lot adjacent to the Garrahy Courthouse to the Convention Center
Authority, to enter into a long-term parking lease for court employees and other state employees,
as appropriate, and to enter into appropriate agreements including financing arrangements that
would permit the development and operation of the garage by the Convention Center Authority;
and be it further

RESOLVED, that no debt shall be issued by the Convention Center Authority until such
time that the Commission certifies to the State and the Authority that it has entered into at least
three (3) purchase and sale agreements for parcels of land under its control, excluding parcels 6, 8
and 9; and be it further

RESOLVED, that the Department of Administration may advance from the Rhode Island
Capital Plan Fund ("Fund") an amount not to exceed five hundred thousand dollars ($500,000)
for preliminary architectural and engineering work on the planned garage, the sum of which shall
be repaid to the Fund upon issuance of the debt by the Convention Center Authority, and be it
further

RESOLVED, that the general assembly hereby authorizes the Convention Center
Authority to issue debt in accordance with its authority under Chapter 42-99 of the General Laws
in an amount not to exceed forty-five million dollars ($45,000,000) to finance the construction of
a parking garage at the current site of the Garrahy surface parking lot providing approximately
1,250 parking spaces and 13,800 square feet of retail space on the ground level; and further

RESOLVED, that this Joint Resolution shall take effect immediately upon its passage by
this General Assembly; and further

RESOLVED, that this Resolution shall apply to debt issued within five (5) years of the
date of passage of this Resolution.

SECTION 3. Rhode Island Airport Corporation.

WHEREAS, the Rhode Island Commerce Corporation is a public instrumentality of the
State of Rhode Island (the "State"), created by the General Assembly pursuant to Rhode Island
General Laws §§ 42-64-1 et seq. (as enacted, reenacted and amended, the "Act"); and

WHEREAS, the Act declares, in part, that new industrial, manufacturing, recreational,
and commercial facilities are required to attract and house new industries and thereby reduce the
hazards of unemployment; and that unaided efforts of private enterprises have not met and cannot
meet the needs of providing those facilities due to problems encountered in assembling suitable
building sites, lack of adequate public service, unavailability of private capital for development,
and the inability of private enterprise alone to plan, finance, and coordinate industrial,
recreational, and commercial development; and
WHEREAS, the Act further declares it to be the public policy of the state to furnish
proper and adequate airport facilities within the state and to encourage the integration of these
facilities so far as practicable; and

WHEREAS, in furtherance of these goals, it is the policy of the state to retain existing
industries and to induce, encourage and attract new industries through the acquisition,
construction, reconstruction and rehabilitation of industrial, manufacturing, recreational, and
commercial facilities, as well as transportation, residential, environmental, utility, public service,
institutional and civic and community facilities, and to develop sites for such facilities; and

WHEREAS, the Act has empowered the Rhode Island Commerce Corporation to
establish subsidiary corporations to exercise its powers and functions, or any of them, and,
pursuant to such power, the Rhode Island Commerce Corporation has established the Rhode
Island Airport Corporation to plan, develop, construct, finance, manage, and operate airport
facilities in the state; and

WHEREAS, the Act provides that the Rhode Island Airport Corporation shall have the
power to purchase, take, receive, lease or otherwise acquire, own, hold, improve, use and
otherwise deal in and with, real or personal property, or any interest therein, wherever situated;
and

WHEREAS, the Act also provides that the Rhode Island Airport Corporation shall have
the power to sell, mortgage, lease, exchange, transfer or otherwise dispose of or encumber any
project, (or in the case of a sale, to accept a purchase money mortgage in connection therewith) or
to grant options for any such purposes with respect to any real or personal property or interest
therein, all of the foregoing for such consideration as the Rhode Island Airport Corporation shall
determine. Any lease by the Rhode Island Airport Corporation to another party may be for such
part of the Rhode Island Airport Corporation's property, real or personal, for such period, upon
such terms or conditions, with or without an option on the part of the lessee to purchase any or all
of the leased property for such consideration, at or after the retirement of all indebtedness
incurred by the Rhode Island Airport Corporation on account thereof, as the Rhode Island Airport
Corporation shall determine; and

WHEREAS, the Act authorizes the Rhode Island Commerce Corporation to borrow
money and issue bonds for any of its corporate purposes; and

WHEREAS, pursuant to Rhode Island General Laws Sections 35-18-3 and 35-18-4, the
Rhode Island Commerce Corporation has requested the approval of the General Assembly of the
Rhode Island Commerce Corporation's issuance of airport revenue bonds (the "Bonds") for the
purpose of providing funds to the Rhode Island Airport Corporation for financing the various
capital projects including by way of example and not limitation runway and taxiway
improvements and facility developments on the premises, the provision of architectural,
engineering, surveying, construction management and other professional services necessary or
appropriate therefore, funding capitalized interest, costs of issuing the Bonds and related costs,
and the establishment of reserves for the project and the Bonds, including a debt service reserve
fund (the "Airport Project"); and

WHEREAS, the financing of the Airport Project will be accomplished through one or
more loan agreements having the Rhode Island Airport Corporation as borrower, such agreement
or agreements to require that the Rhode Island Airport Corporation make loan payments in an
amount equal to the debt service on the Bonds.

RESOLVED, the General Assembly hereby approves the Rhode Island Commerce
Corporation's issuance of the Bonds (as defined below) and notes in anticipation thereof. The
Bonds will be special obligations of the Rhode Island Commerce Corporation payable exclusively
from loan repayments under a loan agreement with the Rhode Island Airport Corporation and
from Bond proceeds, funds, accounts, and properties and the proceeds thereof pledged therefor,
and thus the Rhode Island Commerce Corporation's maximum liability will be limited to loan
repayments received under the loan agreement and the aggregate amount of such other funds,
accounts, properties, and proceeds.

RESOLVED, that the total amount of debt approved to be issued in the aggregate shall be
limited to not more than $60,000,000 (the "Bonds"). Total debt service on the Bonds is not
expected to exceed approximately $4,600,000 annually and approximately $135,000,000 in the
aggregate based on anticipated level annual payments, an estimated average interest rate of 6.25%
and a maturity of 30 years.

RESOLVED, the General Assembly hereby approves the Rhode Island Airport
Corporation's entering into the loan agreements described above. Payments under the loan
agreements shall be derived exclusively from project revenues and such other proceeds, funds,
accounts, projects and the proceeds thereof as the Rhode Island Airport Corporation may pledge
therefor.

RESOLVED, the Bonds or the amounts due under the loan agreements shall not
constitute indebtedness of the State or a debt for which the full faith and credit of the State is
pledged or a moral obligation thereof.

RESOLVED, that this resolution shall apply to debt issued within two (2) years of the
date of passage of this resolution.

SECTION 4. Rhode Island Refunding Bond Authority Bonds.
WHEREAS, the Rhode Island Depositors Economic Protection Corporation (“DEPCO”), was created by the General Assembly pursuant to the Rhode Island General Laws § 42-116-1 et seq.; and

WHEREAS, all of the remaining outstanding DEPCO Bonds have been defeased pursuant to various escrow agreements; and

WHEREAS, because of declines in interest rates, certain of the remaining outstanding DEPCO Bonds can be called and refunded with savings accruing to the State; and

WHEREAS, DEPCO can no longer issue refunding bonds since it was dissolved and terminated pursuant to the provisions of Rhode Island General Laws § 42-116-25; and

WHEREAS, the Rhode Island Refunding Bond Authority (the “Refunding Bond Authority”) was created by the General Assembly pursuant to Rhode Island General Laws § 35-8.1-1 et seq., initially to authorize the refunding of certain State General Obligation Bonds that could not otherwise be refunded without a new referendum; and

WHEREAS, the General Assembly desires to authorize the Refunding Bond Authority to refund certain DEPCO Bonds in order to accrue the benefits of savings to the State, now, therefore, be it

RESOLVED, the General Assembly approves the issuance of up to $35,000,000 in Bonds by the Refunding Bond Authority (the “Bonds”) to refund a portion of DEPCO’s remaining outstanding $138,835,000 Rhode Island Economic Protection Corporation Special Obligation Refunding Bonds, 1992 Series B, and the Refunding Bond Authority is authorized to proceed with the financing, provided that payment of the debt service on the Bonds shall be fully secured by non-callable direct obligations of the United States of America, or non-callable obligations fully guaranteed as to principal and interest by the United States of America, and

RESOLVED, savings accruing from the refunding shall be transferred to and shall vest in the State’s sinking fund established under Rhode Island General Laws § 35-8-1 et seq. and as provided in Rhode Island General Laws § 42-116-25, and

RESOLVED, the Governor is authorized to enter into agreements with the Refunding Bond Authority to effectuate the savings to the State. None of such agreements or the Bonds shall constitute indebtedness of the State or a debt for which the full faith and credit of the State is pledged or a moral obligation thereof, and

RESOLVED, that this joint resolution shall take effect immediately upon passage by the general assembly.

SECTION 5. Section 35-8.1-8 of the General Laws in Chapter 35-8.1 entitled “Refunding Bond Authority” is hereby amended to read as follows:
35-8.1-8. General powers. -- To carry out the purposes of this chapter, the authority has the power to:

1. Sue and be sued;
2. Adopt and have an official seal and alter the seal at its pleasure;
3. Make and alter bylaws, rules, and regulations for the conduct of its affairs and business;
4. Maintain an office at such place or places within the state as it may determine;
5. Acquire, hold, use, and dispose of its revenue income, funds, and moneys;
6. Acquire, purchase, hold, and use any property, real, personal or mixed, tangible or intangible, or any interest therein necessary or desirable for carrying out the purposes of the authority, and to mortgage, lease, or sell any of the property; and (without limitation of the foregoing) to lease as lessee, any property, real, personal, or mixed, or any interest therein to lease as lessor to the federal government, the state, and any municipality any project of the authority, and to sell, transfer, and convey to any lessee or to any other person upon such terms and conditions and for such considerations as the authority shall determine.
7. Borrow money, issue its bonds, provide for and secure the payment thereof, and provide for the rights of the holders thereof, and purchase, hold, and dispose of any of its bonds;
8. Lend money for its purposes, invest and reinvest its funds, and, at its option, take and hold property, real or personal, as security for the payment of funds so loaned and invested, except that at no time will the authority take and hold property of the state as security for the payment of funds so loaned;
9. Accept, in furtherance of its purposes, appropriations, gifts, or grants of property, funds, money, materials, labor, supplies, or services from the United States of America or the state or any other state or agencies or departments thereof, or from any governmental unit or any person, firm, or corporation, and to carry out the terms or provisions or make agreements with respect to those appropriations, gifts, or grants, and to do any and all things necessary, useful, desirable, or convenient in connection with the procurement, acceptance, or disposition of those appropriations, gifts, or grants;
10. Do and perform any acts and things authorized by this chapter under, through, or by means of its officers or consultants or by contracts with any person, firm, or corporation;
11. Make, enter into, and enforce all contracts or agreements necessary, convenient, or desirable for the purposes of the authority or pertaining to any loan to the state or to the performance of its duties and execution or carrying out of any of its powers under this chapter;
12. Purchase any bond or interest rate insurance and establish such credit or liquidity...
(13) Invest any funds or moneys of the authority in the same manner as permitted for
investment of funds belonging to the state or held in the state treasury; and
(14) Do all acts and things necessary, convenient, or desirable to carry out the powers
expressly granted or necessarily implied in this chapter;
(15) Acquire by purchase, lease, or otherwise, and to construct, improve, equip, furnish,
maintain, repair, and operate projects, and to establish rules and regulations for the use of any
project;
(16) Rent such space in such public facilities as from time to time may not be needed by
any governmental entity to any person for such other purposes as the authority may determine
and upon such terms and in such manner as the authority may determine;
(17) Employ, in its discretion, planning, architectural, or engineering consultants,
attorneys, accountants, construction, and financial experts, superintendents, managers, and such
other officers, employees and agents as may be necessary in its judgment, and to fix their
compensation;
(18) Fix and revise from time to time, subject to the provisions of this chapter, and to
charge and collect fees, rentals, and other charges for the use of the facilities of, or for the
services rendered by, the authority or projects thereof, at rates to be determined by the authority,
for the purpose of providing for the payment of the expenses of the authority, the acquisition,
construction, improvement, repair, equipping, furnishing, maintenance, and operation of its
facilities and properties, the payment of the principal of and interest on its obligations, and to
fulfill the terms and provisions of any agreements made with the purchasers or holders of any
obligations;
(19) Without limitation of the foregoing, to borrow money from, to receive, and accept
grants for or in aid of construction or acquisition of projects authorized under this chapter from,
and to enter into contracts, leases, or other transactions with, any federal agency; and to receive
and accept from the state or any municipality, and from any other source, aid or contributions of
either money, property, labor, or other things of value, to be held, used, and applied only for the
purposes for which the grants and contributions may be made;
(20) Combine for financing purposes any two (2) or more projects authorized to be
acquired or constructed under the provisions of this chapter;
(21) Be a promoter, partner, member, owner, associate, or manager of any partnership,
condominium, or other enterprise or venture;
(22) Acquire in the name of the authority by purchase or otherwise, on such terms and
conditions and in such manner as it may deem proper, or by the exercise of the rights of
condemnation in the manner hereinafter provided, such public or private lands, including public
parks, playgrounds, or reservations, or parts thereof or rights therein, rights of way, property,
rights, easements, and interests as it may deem necessary for carrying out the provisions of this
chapter; provided, however, that all public property damaged in carrying out the powers granted
by this chapter shall be restored or repaired and placed in its original condition as nearly as
practicable.

(23)(i) Issue bonds and notes of the type and for those projects and for those purposes
specified in any Joint Resolution of the general assembly enacted by the Rhode Island house of
representatives and the Rhode Island senate pursuant to section 18 of title 35 of the general laws
entitled "Rhode Island Public Corporation Debt Management Act," which project and purposes
specified in such Joint Resolution shall constitute a "project" within the meaning of this chapter;
and

(ii) To enter into such agreements, to deliver such instruments, and to take such other
actions as it shall deem necessary or desirable to effectuate the financing of such project.

SECTION 6. (a) The Tobacco Settlement Financing Corporation (the "Corporation"),
which was established pursuant to Rhode Island general laws chapter 42-133 (as amended and
supplemented, the "Tobacco Settlement Financing Corporation Act"), is authorized to raise
additional money pursuant to the Tobacco Settlement Financing Corporation Act through the
issuance of its bonds and to apply net bond proceeds:

(i) For payment to the state of Rhode Island in an amount at least equal to twenty million
dollars ($20,000,000);

(ii) For payment of the redemption price and/or the tender price of outstanding bonds of
the Corporation that are to be retired; and

(iii) To establish reserves to secure the bonds, and pay the costs of issuance of the bonds
and all other expenditures of the Corporation incident to and necessary to carry out the
Corporation's purposes and powers.

(b) To implement and effectuate the purposes of this act, the Governor, acting by and
through state general officers, state departments, agencies and the Corporation, is hereby
authorized and empowered to:

(1) Effectuate a transaction pursuant to the provisions of the Tobacco Settlement
Financing Corporation Act, which authorizes and governs the issuance of Bonds, as such term is
defined in the Tobacco Settlement Financing Corporation Act, for the purposes described in this
act;
(2) Cooperate with the Corporation in the amendment of existing bond documentation, which actions by the Corporation are hereby authorized in order to carry out the purposes described in this act, including facilitation of payment to the state of amounts in one or more installments, as a current payment of the state's residual interest in and to the "state's tobacco receipts", as such term is defined in the Tobacco Settlement Financing Corporation Act, including disputed amounts withheld from payment to the state and subsequently released to the state;

(3) Distribute the proceeds of amounts payable to the state pursuant to this act, provided that the allocation of funds shall be made by the general assembly pursuant to the annual appropriation process; and

(4) Take such additional actions, or enter into such additional agreements, as may be necessary or desirable to effectuate the purposes of this act.

(c) The Tobacco Settlement Financing Trust, a fund established pursuant to section 42-133-9, shall receive all amounts payable to the state pursuant to this act.

SECTION 7. The Corporation shall make the following transfers from the Tobacco Settlement Financing Trust:

(1) Five million dollars ($5,000,000) to the state general fund;
(2) Five million dollars ($5,000,000) to the municipal road and bridge revolving fund, established pursuant to § 24-18-4 of the Rhode Island general laws; and
(3) All remaining net bond proceeds to the information technology investment fund, established pursuant to § 42-11-2.5 of the Rhode Island general laws.

SECTION 8. Nursing Education Center for the University of Rhode Island College of Nursing and the Rhode Island College School of Nursing in the South Street Power Station Building (also referred to within as South Street Landing).

WHEREAS, the University of Rhode Island (the "University") and Rhode Island College (the "College") offer undergraduate, graduate, and certificate academic programs in Nursing through the University's College of Nursing and the College's School of Nursing with teaching, research, and outreach that benefits students seeking exceptional education and training in the nursing profession, as well as Rhode Island medical institutions and patient care settings where nurses practice; and

WHEREAS, the Board of Governors for Higher Education supported a Nursing Education Center, to be shared by the University and the College, in the Board's Capital Improvement Program in FY 2010; and

WHEREAS, the Rhode Island General Assembly requested in June 2010 that a feasibility study be performed to define the objectives of the project and to refine both the space
requirements, specific sites, and comparative development methods for the project, resulting in
the completion of the "Feasibility Study for a Rhode Island Nursing Education Center" in May
2011; and

WHEREAS, in that study, the University and the College examined both the Nursing
program needs to educate and train an increasing number of nurses to fulfill the future workforce
needs of the State and the conceptual design of a shared facility, including the availability of
technology rich, simulation-based instructional settings, preferably offering a "Smart Hospital"
configuration, for upper class undergraduate and graduate nursing education in the former
Jewelry District in downtown Providence, Rhode Island. This would meet those needs as an
alternative to two independent projects to renovate and expand existing buildings for the
University's College of Nursing and the College's School of Nursing, proposed by both programs
independently in FY 2010 on their respective main campuses in Kingston, Rhode Island and in
Providence, Rhode Island; and

WHEREAS, the location within the former Jewelry District was well supported for its
opportunities for collaboration and economic growth with proximity to the State's major medical
and hospital facilities, higher education institutions, access to multiple transportation modes, and
the State's and the City of Providence's desire to see development and business activity expand in
the area; and

WHEREAS, during the 2013 General Assembly Session, an opportunity emerged for the
realization of the Nursing Education Center in a co-tenancy with Brown University as part of a
private developer lease project, led by Commonwealth Ventures of Boston, Massachusetts, for
the former South Street Power Station Building in the core of the former Jewelry District.
Nonbinding resolutions were issued individually by the House and the Senate during the 2013
Legislative Session, encouraging and supporting the efforts of the Board of Education and the
Department of Administration to locate a Nursing Education Center at the South Street Power
Station Building in Providence; and

WHEREAS, the University, the College, and the Board of Education, together with the
Department of Administration, have worked as a collective team in the evaluation of the
planning, design, and structure of the developer's project, and in negotiation of the financial and
legal terms of the Lease Agreement; and

WHEREAS, the team, utilizing five hundred thousand dollars ($500,000) in Rhode Island
Capital Plan Fund financing, dedicated for professional services support to the Nursing Education
Center in the budget for FY 2014, has been supported by legal counsel, an owners' agent project
manager, and specialized consultants; and
WHEREAS, the team and its consultants have conducted its planning, design and
negotiating in consultation with Brown University; and

WHEREAS, at a meeting duly noticed on March 11, 2014, the State Properties
Committee provided approval to negotiate a lease for the Nursing Education Center at the former
South Street Power Station Building; and

WHEREAS, the Department of Administration has proposed a Lease (the "Proposed
Lease Agreement"), with a term of fifteen (15) years, with an option to extend the lease for a
period not to exceed two (2) years, for approximately one hundred thirty two thousand four
hundred forty-nine (132,449) square feet of space on the first, second, and a portion of the third
floor of the planned renovated and expanded former South Street Power Station Building for the
Nursing Education Center. The term of the Lease Agreement is anticipated to begin on July 1,
2016; and

WHEREAS, the Proposed Lease Agreement would require the Board of Education to pay:

(1) Base Rent for the proportionate share of the core building design, renovation and
construction expenses of fourteen dollars ($14.00) per square foot, or one million eight hundred
fifty five thousand dollars ($1,855,000) annually during the first five (5) years of the lease term;

(2) Tenant Improvement Rent for the anticipated cost of developer financing, design, and
construction of the Nursing Education Center space, presently estimated at eighteen dollars and
eighty-one cents ($18.81) per square foot per year, or an average of two million four hundred
ninety one thousand dollars ($2,491,000) annually for each year of the lease term, the exact
amount to be determined in accordance with a formula in the Lease Agreement; and

(3) Additional Rent for the proportionate share of the actual building operating,
maintenance, and metered utility expenses, estimated at twelve dollars and seventy-five cents
($12.75) per square foot, or one million six hundred eighty nine thousand dollars ($1,689,000) for
the first year following the commencement of occupancy; and

WHEREAS, the Base Rent under the Proposed Lease Agreement would increase to
fifteen dollars and twelve cents ($15.12) per square foot in years six (6) through ten (10), sixteen
dollars and thirty-three cents ($16.33) per square foot for years eleven (11) through fifteen (15),
and seventeen dollars and fifteen cents ($17.15) during the Option Period. During the Option
Period, the Tenant Improvement Rent would be reduced to zero dollars ($0.00). The Operating
Expense Rent and metered utilities would be adjusted annually, based on a reconciliation of
estimated costs and actual costs; and

WHEREAS, the Proposed Lease Agreement provides that, during lease year six (6) and
after the end of lease year twelve (12), the Board of Education would have an option to purchase, as a condominium unit, that portion of the building leased for the Nursing Education Center, exercise of such option and the financing thereof subject to General Assembly approval; and

WHEREAS, the State shall be responsible for paying the Base Rent and the Tenant Improvement Rent, and the Board of Education shall fairly apportion the Additional Rent between the University and the College; and

WHEREAS, the Proposed Lease Agreement provides that no rent is payable until:

(1) the renovation and construction of the South Street Landing Project is completed;

(2) the developer has secured a certificate of occupancy for the Building, including specifically the Nursing Education Center space; and

(3) the Nursing Education Center space is determined to be completed according to the project specifications and terms of the Proposed Lease Agreement; now, therefore, be it

RESOLVED, that this General Assembly hereby approves the Proposed Lease Agreement for the Nursing Education Center for the space in the former South Street Power Station Building for a term not to exceed seventeen (17) years and at a total cost not to exceed thirty four million six hundred forty-one thousand dollars ($34,641,000) for the Base Rent; and an amount not to exceed twenty-five million dollars ($25,000,000), plus the applicable interest and financing costs for the Tenant Improvement Rent; and Additional Rent for the proportionate share of operating and maintenance expenses and metered utilities; and be it further

RESOLVED, that this Joint Resolution shall take effect upon passage by the General Assembly; and be it further

RESOLVED, that the Secretary of State is hereby authorized and directed to transmit duly certified copies of this resolution to the Governor, the Chair of the Board of Education, the Director of Administration, the State Budget Officer, and the Chair of the State Properties Committee.

SECTION 9. Public Finance Debt Management Act Authorization for Alternative Direct State Financing of the Cost of the Tenant Improvements for the Nursing Education Center as an Alternative and Substitution for the Developer Financing Offered as part of the Lease Agreement.

WHEREAS, the Department of Administration's Proposed Lease Agreement grants to the Board of Education the right to finance the Tenant Improvements itself, without availing itself of the provision of developer financing as contemplated in the Proposed Lease Agreement, if such an alternative method is determined to be advantageous and in the best interest of Board of Education and the State; and

WHEREAS, the exercise of the Board of Education's option to finance the Tenant
Improvements will thereby eliminate Tenant Improvement Rent (encompassing construction and design costs) during the term of the Proposed Lease Agreement, provided that the proceeds of such financing are available to the developer no earlier than the rent commencement date in the Proposed Lease Agreement which is when the renovation and construction of the South Street Landing Project is completed and the developer has secured a certificate of occupancy for the Building, including specifically the Nursing Education Center space, and the Nursing Education Center space is determined to be completed according to the project specifications and terms of the Proposed Lease Agreement and no later than six (6) months thereafter; and

WHEREAS, the alternative Tenant Improvement project costs to be financed for the Nursing Education Center are anticipated not to exceed twenty-five million dollars ($25,000,000), plus costs associated with the issuance of such financing; and

WHEREAS, the term of such financing would not exceed fifteen (15) years, with provisions made in the structure of the financing to permit early payment of the outstanding amount of such financing, if the option to purchase in the Proposed Lease Agreement is approved and executed during either of the two (2) time periods when such an option is exercisable under the Lease Agreement; and

WHEREAS, because of the use of Federal Historic Preservation Tax Credits applicable to the Tenant Improvement work for the Nursing Education Center, taxable rate financing must be employed at a rate not expected to exceed eight percent (8.0%); and

WHEREAS, the resulting annual debt service associated with the state financing of the Nursing Education Center is expected not to exceed three million eight hundred three thousand dollars ($3,803,000) annually and forty eight million two hundred four thousand dollars ($48,204,000) for the duration of an up to fifteen (15) year term; now, therefore, be it

RESOLVED, that the General Assembly hereby approves alternative financing not to exceed twenty-five million five hundred thousand dollars ($25,500,000), including twenty-five million dollars ($25,000,000) for the estimated Tenant Improvement Project Costs and five hundred thousand dollars ($500,000) for the estimated cost of financing; and be it further

RESOLVED, that this Joint Resolution shall take effect immediately upon its passage by the General Assembly and shall be limited to debt issued prior to January 1, 2018.

SECTION 10. Public Finance Debt Management Act Authorization for the lease/purchase of Equipment, Fixtures and Furnishings Associated with the occupancy and conduct of Nursing Education Programs by the University and the College in the Nursing Education Center spaces in the South Street Landing Project.

WHEREAS, the University's College of Nursing and the College's Nursing School, and
personnel from both institutions who support networking and instructional technology have
worked closely with the developer's architectural team on the complement and configuration of
the instructional, simulation, and practice lab configuration of spaces through the schematic
design phase of the Nursing Education Center facilities, with the objective of achieving a
technology rich, realistic, high-caliber learning and training experience for nursing undergraduate
students, graduate students, and those practicing nurses seeking higher levels of certification and
training; and

WHEREAS, the manner in which the facilities are furnished and equipped is an
extremely important aspect of assuring that the completed and occupied Nursing Education
Center exceeds the educational and training expectations of students and faculty when it opens
and into the future with opportunities for expanded use by other higher education institutions,
hospitals, and medical institutions for medical students, pharmacy students, physician assistant
students, medical technician trainees, as well as nurses in a simulated "Smart Hospital" physician
offices, and home care settings; and

WHEREAS, the initial and continuing success of a teaching and learning center such as
this is highly dependent upon the quality and sophistication of the equipment, including
computerized mannequins, interactive audio/visual, realistic hospital beds with support systems,
and video recording systems to enable post training review and critique of experiential learning
experiences; fixtures; and furnishings that are acquired and deployed to outfit both the formal
teaching and simulation facilities, as well as the traditional classrooms, gathering, meeting and
faculty office spaces; and

WHEREAS, architects and consultants on the developer's design team focusing on the
Nursing Education Center have provided a detailed inventory and pricing analysis of the
equipment, fixtures, and furnishings, on a room-by-room basis, recommended to meet the
objectives of the shared Nursing Education Center; and

WHEREAS, the investment in technology, equipment, fixtures and furnishings is
projected to cost ten million fifty thousand dollars ($10,050,000) and the intent is to secure
lease/purchase financing through the issuance of certificates of participation in order to spread the
cost of that investment over ten (10) fiscal years, at an anticipated non-taxable interest rate
estimated not to exceed seven percent (7.0%); and

WHEREAS, the resulting annual debt service associated with the state financing of the
technology, equipment, fixtures and furnishing is expected not to exceed one million four
hundred ninety-seven thousand dollars ($1,497,000) annually and fourteen million nine hundred
fifty thousand dollars ($14,950,000) for the duration of the term of financing; now, therefore, be
RESOLVED, that the General Assembly hereby approves lease/purchase financing not to exceed ten million five hundred thousand dollars ($10,500,000), including ten million fifty thousand dollars ($10,050,000) for the estimated cost of technology, equipment, fixtures and furnishings and four hundred fifty thousand dollars ($450,000) for the estimated cost of financing; and be it further RESOLVED, that this Joint Resolution shall take effect immediately upon its passage by the General Assembly and shall be limited to debt issued prior to January 1, 2018.

SECTION 11. This article shall take effect upon passage.
ARTICLE 5 AS AMENDED

RELATING TO CAPITAL DEVELOPMENT PROGRAM

SECTION 1. Proposition to be submitted to the people. -- At the general election to be held on the Tuesday next after the first Monday in November 2014, there shall be submitted to the people for their approval or rejection the following proposition:

"Shall the action of the general assembly, by an act passed at the January 2014 session, authorizing the issuance of bonds, refunding bonds, and temporary notes of the state for the capital projects and in the amount with respect to each such project listed below be approved, and the issuance of bonds, refunding bonds, and temporary notes authorized in accordance with the provisions of said act?"

Project

(1) Higher Education Facilities $125,000,000

Approval of this question will allow the State of Rhode Island to issue general obligation bonds, refunding bonds, and temporary notes in an amount not to exceed one hundred twenty-five million dollars ($125,000,000) to construct a new College of Engineering building and undertake supporting renovations. The new building will anchor the northwest corner of the Engineering Quadrangle on the Kingston Campus and provide contemporary and state-of-the-art instructional and research facilities. As part of this project, outdated engineering buildings will be taken out of service and razed.

(2) Creative and Cultural Economy $35,000,000

Approval of this question will authorize the State of Rhode Island to issue general obligation bonds, refunding bonds, and temporary notes in an amount not to exceed thirty-five million dollars ($35,000,000) to fund capital improvement, preservation and renovation projects for public and nonprofit artistic, performance centers, historic sites, museums and cultural art centers located throughout the State of Rhode Island, to be allotted as follows:

(a) Cultural Arts and the Economy Grant Program $30,000,000

Provide funds for 1:1 matching grants for a new Cultural Arts and the Economy Grant program to be administered by the Rhode Island State Council on the Arts for capital improvement, preservation and renovation projects for public and nonprofit artistic, performance centers and cultural art centers located throughout the State of Rhode Island.
1. Trinity Repertory Company $4,647,750
   For the Lederer Theater and the Pell Chafee Performance Center, both in Providence, used for performance facilities, educational instruction, production and administration, including reimbursement of advances of up to $1,500,000 expended for ongoing fire code upgrades.

2. Rhode Island Philharmonic $2,390,250
   For the Carter Center for Music Education and Performance in East Providence, used for music teaching, learning, performance and administration.

3. Newport Performing Arts Center $4,216,800
   For the Opera House in Newport for use as a multi-cultural performing arts and educational facility.

4. United Theater/Westerly Land Trust $2,369,440
   For the United Theater in Westerly for use as space for performing arts, fine arts showcase, arts instruction, cinema, public television station and program administration.

5. The Chorus of Westerly $1,054,200
   For the George Kent Performance Hall in Westerly for music and arts performance, teaching and rehearsal space, administrative and community function space.

6. The Stadium Theater Conservatory in Woonsocket $2,108,400
   For set construction, costuming, rehearsal, voice, acting and dance studios and administrative spaces.

7. 2nd Story Theater $1,054,200
   For performance venues in Warren, including concessions studio/classroom space, set construction shop and administrative offices.

8. AS220 $2,108,400
   For AS220's facilities in Providence used for performing arts, dance studio, youth and adult education, gallery and artist live/work space.

9. WaterFire Providence $3,162,600
   To develop a 27,000 square foot historic warehouse in the Valley/Olneyville neighborhood into its headquarters, multi-use community arts center, visitor center, education center and arts and creative industries incubator.

10. Other funds to be allocated by RISCA $6,887,960
    For 1:1 matching grants to be allocated by the Rhode Island State Council on the Arts to 501(c)(3) nonprofit cultural organizations which lease or own their performance space, and for RISCA’s expenses in administering the program. In awarding such grants RISCA shall take into account financial need, the availability or actual expenditure of matching funds for the projects,
available gifts or grants for projects, the amount of square footage to be improved, the
geographical location and characteristics of audiences benefitted.

(b) State Preservation Grants Program $5,000,000
Provide funds to cities, towns and non-profit organizations to preserve, renovate and
improve public and nonprofit historic sites, museums, and cultural art centers located in historic
structures in the State of Rhode Island to be administered by the Rhode Island Historical
Preservation and Heritage Commission.

(3) Mass Transit Hub Infrastructure $35,000,000
Approval of this question will allow the State of Rhode Island to issue general obligation
bonds, refunding bonds, and temporary notes in an amount not to exceed thirty-five million
dollars ($35,000,000) to fund enhancements and renovations to mass transit hub infrastructure
throughout the State of Rhode Island to improve access to multiple intermodal sites, key
transportation, healthcare, and other locations.

(4) Clean Water, Open Space, and Healthy Communities $53,000,000
Approval of this question will allow the State of Rhode Island to issue general obligation
bonds, refunding bonds, and temporary notes in an amount not to exceed fifty-three million
dollars ($53,000,000) for environmental and recreational purposes, to be allotted as follows:

(a) Brownfield Remediation and Economic Development $5,000,000
Provides up to eighty percent (80%) matching grants to public, private, and/or non-profit
entities for brownfield remediation projects.

(b) Flood Prevention $3,000,000
To provide grants to public and/or non-profit entities for project design and construction
grants for repairing and/or removing dams, restoring and/or improving resiliency of vulnerable
coastal habitats, and restoring rivers and stream floodplains.

(c) Farmland Acquisition $3,000,000
Provides funds to protect the state’s working farms.

(d) Local Recreation Grants $4,000,000
Provides up to eighty percent (80%) matching grant funds to municipalities to acquire,
develop, or rehabilitate local recreational facilities to meet the growing needs for active
recreational facilities.

(e) Roger Williams Park Zoo $15,000,000
Provides funds for improvements and renovations to the Roger Williams Park Zoo.

(f) Roger Williams Park $3,000,000
Provides funds for improvements and renovations to the Roger Williams Park.
(g) Clean Water Finance Agency $20,000,000

Provides funds to finance water pollution abatement infrastructure projects.

SECTION 2. Ballot labels and applicability of general election laws. -- The secretary of state shall prepare and deliver to the state board of elections ballot labels for each of the projects provided for in section 1 hereof with the designations "approve" or "reject" provided next to the description of each such project to enable voters to approve or reject each such proposition. The general election laws, so far as consistent herewith, shall apply to this proposition.

SECTION 3. Approval of projects by people. -- If a majority of the people voting on the proposition provided for in section 1 hereof shall vote to approve the proposition as to any project provided for in section 1 hereof, said project shall be deemed to be approved by the people. The authority to issue bonds, refunding bonds and temporary notes of the state shall be limited to the aggregate amount for all such projects as set forth in the proposition provided for in section 1 hereof which has been approved by the people.

SECTION 4. Bonds for capital development program. -- The general treasurer is hereby authorized and empowered with the approval of the governor and in accordance with the provisions of this act, to issue from time to time capital development bonds in serial form in the name and on behalf of the state in amounts as may be specified from time to time by the governor in an aggregate principal amount not to exceed the total amount for all projects approved by the people and designated as "capital development loan of 2014 bonds" provided, however, that the aggregate principal amount of such capital development bonds and of any temporary notes outstanding at any one time issued in anticipation thereof pursuant to section 7 hereof shall not exceed the total amount for all such projects as have been approved by the people. All provisions in this act relating to "bonds" shall also be deemed to apply to "refunding bonds".

Capital development bonds issued under this act shall be in denominations of one thousand dollars ($1,000) each, or multiples thereof, and shall be payable in any coin or currency of the United States which at the time of payment shall be legal tender for public and private debts. These capital development bonds shall bear such date or dates, mature at specified time or times, but not beyond the end of the twentieth state fiscal year following the state fiscal year in which they are issued, bear interest payable semi-annually at a specified rate or different or varying rates, be payable at designated time or times at specified place or places, be subject to expressed terms of redemption or recall, with or without premium, be in a form, with or without interest coupons attached, carry such registration, conversion, reconversion, transfer, debt retirement, acceleration and other provisions as may be fixed by the general treasurer, with the approval of the governor, upon each issue of such capital development bonds at the time of each
Whenever the governor shall approve the issuance of such capital development bonds, he or she shall certify approval to the secretary of state; the bonds shall be signed by the general treasurer and countersigned by the manual or facsimile signature of the secretary of state and shall bear the seal of the state or a facsimile thereof. The approval of the governor shall be endorsed on each bond so approved with a facsimile of his or her signature.

SECTION 5. Refunding bonds for 2014 capital development program. -- The general treasurer is hereby authorized and empowered, with the approval of the governor and in accordance with the provisions of this act, to issue from time to time bonds to refund the 2014 capital development program bonds in the name and on behalf of the state, in amounts as may be specified from time to time by the governor in an aggregate principal amount not to exceed the total amount approved by the people, to be designated as "capital development program loan of 2014 refunding bonds" (hereinafter "refunding bonds").

The general treasurer with the approval of the governor shall fix the terms and form of any refunding bonds issued under this act in the same manner as the capital development bonds issued under this act, except that the refunding bonds may not mature more than twenty (20) years from the date of original issue of the capital development bonds being refunded.

The proceeds of the refunding bonds, exclusive of any premium and accrual interest and net the underwriters' cost, and cost of bond insurance, shall, upon their receipt, be paid by the general treasurer immediately to the paying agent for the capital development bonds which are to be called and prepaid. The paying agent shall hold the refunding bond proceeds in trust until they are applied to prepay the capital development bonds. While such proceeds are held in trust, they may be invested for the benefit of the state in obligations of the United States of America or the State of Rhode Island.

If the general treasurer shall deposit with the paying agent for the capital development bonds the proceeds of the refunding bonds or proceeds from other sources amounts that, when invested in obligations of the United States or the State of Rhode Island, are sufficient to pay all principal, interest, and premium, if any, on the capital development bonds until these bonds are called for prepayment, then such capital development bonds shall not be considered debts of the State of Rhode Island for any purpose from the date of deposit of such moneys with the paying agent. The refunding bonds shall continue to be a debt of the state until paid.

The term "bond" shall include "note", and the term "refunding bonds" shall include "refunding notes" when used in this act.

SECTION 6. Proceeds of capital development program. -- The general treasurer is directed to deposit the proceeds from the sale of capital development bonds issued under this act,
exclusive of premiums and accrued interest and net the underwriters’ cost, and cost of bond
insurance, in one or more of the depositories in which the funds of the state may be lawfully kept
in special accounts (hereinafter cumulatively referred to as “such capital development bond
fund”) appropriately designated for each of the projects set forth in section 1 hereof which shall
have been approved by the people to be used for the purpose of paying the cost of all such
projects so approved.

All monies in the capital development bond fund shall be expended for the purposes
specified in the proposition provided for in section 1 hereof under the direction and supervision of
the director of administration (hereinafter referred to as "director"). The director or his or her
designee shall be vested with all power and authority necessary or incidental to the purposes of
this act, including but not limited to, the following authority: (a) to acquire land or other real
property or any interest, estate or right therein as may be necessary or advantageous to
accomplish the purposes of this act; (b) to direct payment for the preparation of any reports, plans
and specifications, and relocation expenses and other costs such as for furnishings, equipment
designing, inspecting and engineering, required in connection with the implementation of any
projects set forth in section 1 hereof; (c) to direct payment for the costs of construction,
rehabilitation, enlargement, provision of service utilities, and razing of facilities, and other
improvements to land in connection with the implementation of any projects set forth in section 1
hereof; and (d) to direct payment for the cost of equipment, supplies, devices, materials and labor
for repair, renovation or conversion of systems and structures as necessary for 2014 capital
development program bonds or notes hereunder from the proceeds thereof. No funds shall be
expended in excess of the amount of the capital development bond fund designated for each
project authorized in section 1 hereof. With respect to the bonds and temporary notes described in
section 1, the proceeds shall be used for the following purposes:

Question 1 relating to bonds in the amount of one hundred twenty-five million dollars
($125,000,000) to be provided to the University of Rhode Island to construct a state-of-the-art
College of Engineering building and for supporting renovations and demolition of outdated
engineering buildings at the University of Rhode Island Kingston Campus.

Question 2 relating to bonds in the amount of thirty-five million dollars ($35,000,000) for
capital improvements, preservation and renovation projects for public and non-profit artistic,
performance centers, historic sites, museums and cultural arts centers to be allocated as follows:

(a) Cultural Arts and the Economy Grant Program $30,000,000

Provide funds for 1:1 matching grants for a new Cultural Arts and the Economy Grant
program to be administered by the Rhode Island State Council on the Arts for capital
improvement, preservation and renovation projects for public and nonprofit artistic, performance centers and cultural art centers located throughout the State of Rhode Island. Contracts for construction entered into on or after November 6, 2014 shall be in compliance with § 37-13-1 et seq. (prevailing wage); however, contracts entered into prior to November 6, 2014 shall not be subject to this requirement.

1. Trinity Repertory Company $4,647,750
   For the Lederer Theater and the Pell Chafee Performance Center, both in Providence, used for performance facilities, educational instruction, production and administration, including reimbursements of advances of up to $1,500,000 expended for ongoing fire code upgrades.

2. Rhode Island Philharmonic $2,390,250
   For the Carter Center for Music Education and Performance in East Providence, used for music teaching, learning, performance and administration.

3. Newport Performing Arts Center $4,216,800
   For the Opera House in Newport for use as a multi-cultural performing arts and educational facility.

4. United Theater/Westerly Land Trust $2,369,440
   For the United Theater in Westerly for use as space for performing arts, fine arts showcase, arts instruction, cinema, public television station and program administration.

5. The Chorus of Westerly $1,054,200
   For the George Kent Performance Hall in Westerly for music and arts performance, teaching and rehearsal space, administrative and community function space.

6. The Stadium Theater Conservatory in Woonsocket $2,108,400
   For set construction, costuming, rehearsal, voice, acting and dance studios and administrative spaces.

7. 2nd Story Theater $1,054,200
   For performance venues in Warren, including concessions studio/classroom space, set construction shop and administrative offices.

8. AS220 $2,108,400
   For AS220's facilities in Providence used for performing arts, dance studio, youth and adult education, gallery and artist live/work space.

9. WaterFire Providence $3,162,600
   To develop a 27,000 square foot historic warehouse in the Valley/Olneyville neighborhood into its headquarters, multi-use community arts center, visitor center, education center and arts and creative industries incubator.
10. Other funds to be allocated by RISCA $6,887,960

For 1:1 matching grants to be allocated by the Rhode Island State Council on the Arts to 501(c)(3) nonprofit cultural organizations which lease or own their performance space, and for RISCA’s expenses in administering the program. In awarding such grants RISCA shall take into account financial need, the availability or actual expenditure of matching funds for the projects, available gifts or grants for projects, the amount square footage to be improved, the geographical location and characteristics of audiences benefitted.

(c) State Preservation Grants Program $5,000,000

Provide funds to cities, towns and non-profit organizations to preserve, renovate and improve public and nonprofit historic sites, museums, and cultural art centers located in historic structures in the State of Rhode Island to be administered by the Rhode Island Historical Preservation and Heritage Commission.

Question 3 relating to bonds in the amount of thirty-five million dollars ($35,000,000) to be provided to the Department of Transportation to provide funding for enhancements and renovations to mass transit hub infrastructure throughout the State of Rhode Island to improve access to multiple intermodal sites, key transportation, healthcare, and other locations.

Question 4 relating to bonds in the amount of fifty-three million dollars ($53,000,000) for Clean Water, Open Space, and Healthy Communities programs to be allocated as follows:

(a) Brownfield Remediation for Economic Development $5,000,000

Provides up to eighty percent (80%) matching grants to public, private, and/or non-profit entities for brownfield remediation projects. Between 10,000 and 12,000 abandoned industrial sites, referred to as “brownfields,” lie idle in towns and cities across the state, much of it in prime commercial or industrial locations within the state’s urban services boundaries established by Land Use 2020. Cleanup, reinvestment and re-use of these sites creates and attracts jobs, protects the urban environment, removes hazards, prevents sprawl, and reduces the cost of stormwater flooding.

(b) Flood Prevention $3,000,000

Provides grants to public and/or non-profit entities for project design and construction grants for repairing and/or removing dams, restoring and/or improving resiliency of vulnerable coastal habitats, and restoring rivers and stream floodplains. These funds are expected to leverage significant matching funds to support local programs to improve community resiliency and public safety in the face of increased flooding, major storm events, and environmental degradation.

(c) Farmland Acquisition for Active Use $3,000,000

Provides funds to protect the state’s working farms. Through the State Land Acquisition
Program, the Department of Environmental Management will purchase farmland in danger of converting to non-agricultural use, then restrict and affordably sell or lease the land to qualified farmers. Funds from sale of the land to farmers will be returned to the program account for re-use in new projects. Funds provided under this section may also be used for the purchase of development rights to farms by the Agricultural Preservation Commission.

(d) Local Recreation Grants

Provides up to eighty percent (80%) matching grant funds to municipalities to acquire, develop, or rehabilitate local recreational facilities to meet the growing needs for active recreational facilities. All grant applications are evaluated and ranked by the State Recreation Resources Review Committee.

(e) Roger Williams Park Zoo

Provides funds to construct a new education center to meet the increased demand for education programs; to renovate and convert the existing education center into a world class reptile facility; for demolition of existing facilities and construction of a new tropical rainforest building to house rare and endangered animals and event space; or for other improvements to the Roger Williams Park Zoo.

(f) Roger Williams Park

Provides funds for construction and reconstruction of roads, bridges, sidewalks and walkways within Roger Williams Park.

(g) Capital for Clean Water

Provides funds to be administered by the Clean Water Finance Agency to finance water pollution abatement infrastructure projects. The Department of Environmental Management has compiled a list of more than $1.8 billion dollars of needed clean water infrastructure improvements from municipalities and the Narragansett Bay Commission. Projects range from wastewater treatment upgrades and stormwater quality improvements to combined sewer overflow abatement projects.

SECTION 7. Sale of bonds and notes. -- Any bonds or notes issued under the authority of this act shall be sold from time to time at not less than the principal amount thereof, in such mode and on such terms and conditions as the general treasurer, with the approval of the governor, shall deem to be for the best interests of the state.

Any premiums and accrued interest, net of the cost of bond insurance and underwriter’s discount, which may be received on the sale of the capital development bonds or notes shall become part of the Municipal Road and Bridge Revolving Fund of the state, unless directed by federal law or regulation to be used for some other purpose.
In the event that the amount received from the sale of the capital development bonds or notes exceeds the amount necessary for the purposes stated in section 6 hereof, the surplus may be used to the extent possible to retire the bonds as the same may become due, to redeem them in accordance with the terms thereof or otherwise to purchase them as the general treasurer, with the approval of the governor, shall deem to be for the best interests of the state.

Any bonds or notes issued under the provisions of this act and coupons on any capital development bonds, if properly executed by the manual or facsimile signatures of officers of the state in office on the date of execution shall be valid and binding according to their tenor, notwithstanding that before the delivery thereof and payment therefor, any or all such officers shall for any reason have ceased to hold office.

SECTION 8. Bonds and notes to be tax exempt and general obligations of the state. - All bonds and notes issued under the authority of this act shall be exempt from taxation in the state and shall be general obligations of the state, and the full faith and credit of the state is hereby pledged for the due payment of the principal and interest on each of such bonds and notes as the same shall become due.

SECTION 9. Investment of moneys in fund. -- All moneys in the capital development fund not immediately required for payment pursuant to the provisions of this act may be invested by the investment commission, as established by chapter 35-10, pursuant to the provisions of such chapter; provided, however, that the securities in which the capital development fund is invested shall remain a part of the capital development fund until exchanged for other securities; and provided further, that the income from investments of the capital development fund shall become a part of the general fund of the state and shall be applied to the payment of debt service charges of the state, unless directed by federal law or regulation to be used for some other purpose, or to the extent necessary, to rebate to the United States treasury any income from investments (including gains from the disposition of investments) of proceeds of bonds or notes to the extent deemed necessary to exempt (in whole or in part) the interest paid on such bonds or notes from federal income taxation.

SECTION 10. Appropriation. -- To the extent the debt service on these bonds is not otherwise provided, a sum sufficient to pay the interest and principal due each year on bonds and notes hereunder is hereby annually appropriated out of any money in the treasury not otherwise appropriated.

SECTION 11. Advances from general fund. -- The general treasurer is authorized from time to time with the approval of the director and the governor, in anticipation of the issue of notes or bonds under the authority of this act, to advance to the capital development bond fund for
the purposes specified in section 6 hereof, any funds of the state not specifically held for any
particular purpose; provided, however, that all advances made to the capital development bond
fund shall be returned to the general fund from the capital development bond fund forthwith upon
the receipt by the capital development fund of proceeds resulting from the issue of notes or bonds
to the extent of such advances.

SECTION 12. Federal assistance and private funds. -- In carrying out this act, the
director, or his or her designee, is authorized on behalf of the state, with the approval of the
governor, to apply for and accept any federal assistance which may become available for the
purpose of this act, whether in the form of loan or grant or otherwise, to accept the provision of
any federal legislation therefor, to enter into, act and carry out contracts in connection therewith,
to act as agent for the federal government in connection therewith, or to designate a subordinate
so to act. Where federal assistance is made available, the project shall be carried out in
accordance with applicable federal law, the rules and regulations thereunder and the contract or
contracts providing for federal assistance, notwithstanding any contrary provisions of state law.
Subject to the foregoing, any federal funds received for the purposes of this act shall be deposited
in the capital development bond fund and expended as a part thereof. The director or his or her
designee may also utilize any private funds that may be made available for the purposes of this
act.

SECTION 13. Effective Date. -- Sections 1, 2, 3, 11, and 12 of this article shall take
effect upon passage. The remaining sections of this article shall take effect when and if the state
board of elections shall certify to the secretary of state that a majority of the qualified electors
voting on the propositions contained in section 1 hereof have indicated their approval of all or any
projects thereunder.
ARTICLE 6

RELATING TO RESOURCE RECOVERY CORPORATION

SECTION 1. Section 23-19-13.5 of the General Laws in Chapter 23-19 entitled "Rhode Island Resource Recovery Corporation" is hereby amended to read as follows:

23-19-13.5. Interim rates. -- The municipal tipping fee charged by the resource recovery corporation shall be as follows:

(1) Thirty-two dollars ($32.00) per ton from July 1, 2011 to June 30, 2014, for any municipality that recycles between zero percent (0%) and twenty-four and ninety-nine hundredths percent (24.99%) of its solid waste at the Corporation's material recycling facility ("MRF") in Johnston.

(2) Thirty-one dollars ($31.00) per ton from July 1, 2011 to June 30, 2014, for any municipality that recycles between twenty-five percent (25%) and twenty-nine and ninety-nine hundredths percent (29.99%) of its solid waste at the Corporation's ("MRF") in Johnston.

(3) Thirty dollars ($30.00) per ton from July 1, 2011 to June 30, 2014, for any municipality that recycles between thirty percent (30%) and thirty-four and ninety-nine hundredths percent (34.99%) of its solid waste at the Corporation's ("MRF") in Johnston.

(4) Twenty-nine dollars ($29.00) per ton from July 1, 2011 to June 30, 2014, for any municipality that recycles thirty-five percent (35%) or more of its solid waste at the Corporation's ("MRF") in Johnston.

(5) The Corporation shall issue a rebate not later than September 1 of each year to those municipalities qualifying for a year-end tipping fee adjustment according to the municipality's actual recorded tonnage delivered to the MRF in Johnston, and in accordance with the provisions of the municipality's current-year signed solid waste and recycling services agreement with the corporation.

(6) The corporation shall provide a rate plan with its proposed budget to be submitted to the state on or before October 1, 2014 in accordance with § 23-19-37 of the Rhode Island general laws.

SECTION 2. This article shall take effect as of July 1, 2014.
ARTICLE 7

RELATING TO REGIONAL GREENHOUSE GAS INITIATIVE ACT

SECTION 1. Section 23-82-6 of the General Laws in Chapter 23-82 entitled "Implementation of the Regional Greenhouse Gas Initiative Act" is hereby amended to read as follows:

23-82-6. Use of auction or sale proceeds. — (a) The proceeds from the auction or sale of the allowances shall be used for the benefit of energy consumers through investment in the most cost-effective available projects that can reduce long-term consumer energy demands and costs. Such proceeds may be used only for the following purposes, in a proportion to be determined annually by the office in consultation with the council and the board:

1. Promotion of cost-effective energy efficiency and conservation in order to achieve the purposes of § 39-1-27.7;
2. Promotion of cost-effective renewable non-carbon emitting energy technologies in Rhode Island as defined in § 39-26-5 and to achieve the purposes of chapter 39-26 entitled "Renewable Energy Standard";
3. Cost-effective direct rate relief for consumers;
4. Direct rate relief for low-income consumers;
5. Reasonable compensation to an entity selected to administer the auction or sale; and
6. Reasonable costs of the department of environmental management and office of energy resources in administering this program, as well as other climate change, energy efficiency, and renewable program efforts of the department of environmental management and office of energy resources, which shall not in any year exceed three hundred thousand dollars ($300,000) or five percent (5%) ten percent (10%) of the proceeds from sale or auction of the allowances, whichever is less greater. Administrative funds not expended in any fiscal year shall remain in the administrative account to be used as needed in subsequent years. The office of energy resources shall have the ability to apply administrative funds not used in a fiscal year to achieve the purpose of this section. The funds deposited into the administrative funds account shall be exempt from the indirect cost recovery provisions of section 35-4-27.

(b) Any interest earned on the funds so generated must be credited to the fund. Funds not spent in any fiscal year shall remain in the fund to be used for future energy efficiency and carbon...
reduction programs.

(c) Annually, the office, in consultation with council and board, shall prepare a draft proposal on how the proceeds from the allowances shall be allocated. The draft proposal shall be designed to augment and coordinate with existing energy efficiency and renewable energy programs, and shall not propose use of auction proceeds for projects already funded under other programs. The proposal for allocation of proceeds in subsections 23-82-6(1), (2) and (3) shall be one that best achieves the purposes of the law, namely, lowering carbon emissions and minimizing costs to consumers over the long term. The office shall hold a public hearing and accept public comment on the draft proposal in accordance with chapter 42-35 (the "Administrative Procedure Act"). Once the proposal is final, the office shall authorize the disbursement of funds in accordance with the final plan.

(d) The office shall prepare, in consultation with council and board, a report by April 15th of each year describing the implementation and operation of RGGI, the revenues collected and the expenditures, including funds that were allocated to the energy efficiency and renewable energy programs, and the individuals, businesses and vendors that received funding, made under this section, the statewide energy efficiency and carbon reduction programs, and any recommendations for changes to law relating to the state's energy conservation or carbon reduction efforts. The report shall be made public and be posted electronically on the website of the office of energy resources and shall also be submitted to the general assembly.

SECTION 2. This article shall take effect as of July 1, 2014.
ARTICLE 8 AS AMENDED

RELATING TO UNDERGROUND ECONOMY AND EMPLOYEE MISCLASSIFICATION ACT

SECTION 1. Title 42 of the General Laws entitled "STATE AFFAIRS AND GOVERNMENT" is hereby amended by adding thereto the following chapter:

CHAPTER 155

UNDERGROUND ECONOMY AND EMPLOYEE MISCLASSIFICATION ACT

42-155-1. Short Title. -- This chapter shall be known as the "Underground Economy and Employee Misclassification Act".

42-155-2. Declaration of purpose. -- The general assembly finds and declares that this state's economy, its workers and its businesses are harmed by the existence of an illegal underground economy in which individuals and businesses conceal their activities from government licensing, regulatory and taxing authorities. The underground economy and, in particular, the practice of employee misclassification:

(a) exploits vulnerable workers and deprives them of legal benefits and protections;
(b) gives unlawful businesses an unfair competitive advantage over lawful businesses by illegally driving down violators' taxes, wages, and other overhead costs;
(c) defrauds the government of substantial tax revenues; and
(d) harms consumers who suffer at the hands of unlicensed businesses that fail to maintain minimum levels of skills and knowledge.

The creation of a task force has proven to be an effective mechanism for enhancing interagency cooperation and information sharing.

42-155-3. Task Force. -- There is hereby established a Task Force on the Underground Economy and Employee Misclassification. The Task Force shall consist of the following members or their designees:

(a) the director of labor and training or designee;
(b) the tax administrator or designee;
(c) the director of business regulation or designee;
(d) the head of the workforce regulation and safety division or designee;
(e) the attorney general or designee;
The director of labor and training shall chair the Task Force.

42-155-4. Duties and Responsibilities. -- The Task Force shall coordinate joint efforts to combat the underground economy and employee misclassification. The Task Force shall:

(a) Foster voluntary compliance with the law by educating business owners and employees about applicable requirements;

(b) Protect the health, safety and benefit rights of workers; and

(c) Restore competitive equality for law-abiding businesses.

42-155-5. Sharing of Information. -- Notwithstanding any other law or regulation to the contrary, the Task Force shall facilitate timely information sharing between and among Task Force members, including the establishment of protocols by which participating agencies will advise or refer to other agencies matters of potential interest.

44-155-6. Annual Report.-- No later than March 15, 2015 and every March 15th thereafter, the Task Force shall submit a report to the governor and the chairpersons of the house finance committee and senate finance committee summarizing the Task Force's activities during the preceding calendar year. The report shall, without limitation:

(a) Describe the Task Force's efforts and accomplishments during the year;

(b) Identify any administrative or legal barriers impeding the more effective operation of the Task Force, including any barriers to information sharing or joint action; and

(c) Propose appropriate administrative, legislative, or regulatory changes to strengthen the Task Force's operations and reduce or eliminate any barriers to those efforts.

SECTION 2. The article shall take effect upon passage.
ARTICLE 9 AS AMENDED

RELATING TO GOVERNMENT REFORM

SECTION 1. Section 35-6-1 of the General Laws in Chapter 35-6 entitled "Accounts and Control" is hereby amended to read as follows:

35-6-1. Controller -- Duties in general. -- (a) Within the department of administration there shall be a controller who shall be appointed by the director of administration pursuant to chapter 4 of title 36. The controller shall be responsible for accounting and expenditure control and shall be required to:

(1) Administer a comprehensive accounting and recording system which will classify the transactions of the state departments and agencies in accordance with the budget plan;

(2) Maintain control accounts for all supplies, materials, and equipment for all departments and agencies except as otherwise provided by law;

(3) Prescribe a financial, accounting, and cost accounting system for state departments and agencies;

(4) Preaudit all state receipts and expenditures;

(5) Prepare financial statements required by the several departments and agencies, by the governor, or by the general assembly;

(6) Approve the orders drawn on the general treasurer; provided, that the preaudit of all expenditures under authority of the legislative department and the judicial department by the state controller shall be purely ministerial, concerned only with the legality of the expenditure and availability of the funds, and in no event shall the state controller interpose his or her judgment regarding the wisdom or expediency of any item or items of expenditure;

(7) Prepare and timely file, on behalf of the state, any and all reports required by the United States, including, but not limited to, the internal revenue service, or required by any department or agency of the state, with respect to the state payroll; and

(8) Prepare a preliminary closing statement for each fiscal year. The controller shall forward the statement to the chairpersons of the house finance committee and the senate finance committee, with copies to the house fiscal advisor and the senate fiscal and policy advisor, by September 1 following the fiscal year ending the prior June 30 or thirty (30) days after enactment of the appropriations act, whichever is later. The report shall include but is not limited to:
(i) A report of all revenues received by the state in the completed fiscal year, together
with the estimates adopted for that year as contained in the final enacted budget, and together
with all deviations between estimated revenues and actual collections. The report shall also
include cash collections and accrual adjustments;
(ii) A comparison of actual expenditures with each of the actual appropriations,
including supplemental appropriations and other adjustments provided for in the Rhode Island
General Laws;
(iii) A statement of the opening and closing surplus in the general revenue account; and
(iv) A statement of the opening surplus, activity, and closing surplus in the state budget
reserve and cash stabilization account and the state bond capital fund.

(b) The controller shall provide supporting information on revenues, expenditures,
capital projects, and debt service upon request of the house finance committee chairperson, senate
finance committee chairperson, house fiscal advisor, or senate fiscal and policy advisor.

(c) Upon issuance of the audited annual financial statement, the controller shall provide a
report of the differences between the preliminary financial report and the final report as contained
in the audited annual financial statement.

(d) Upon issuance of the audited financial statement, the controller shall transfer all
general revenues received in the completed fiscal year net of transfer to the state budget reserve
and cash stabilization account as required by section 35-3-20 in excess of those estimates adopted
for that year as contained in the final enacted budget to the employees' retirement system of the
state of Rhode Island as defined in section 36-8-2.

(e) The controller shall create a special fund not part of the general fund and shall
deposit amounts equivalent to all deferred contributions under this act into that fund. Any
amounts remaining in the fund on June 15, 2010, shall be transferred to the general treasurer who
shall transfer such amounts into the retirement system as appropriate.

(f) The controller shall implement a direct deposit payroll system for state employees.

(i) There shall be no service charge of any type paid by the state employee at any time
which shall decrease the net amount of the employee's salary deposited to the financial institution
of the personal choice of the employee as a result of the use of direct deposit.

(ii) Employees hired after September 30, 2014, shall participate in the direct deposit
system. At the time the employee is hired, the employee shall identify a financial institution that
will serve as a personal depository agent for the employee.

(iii) No later than June 30, 2016, each employee hired before September 30, 2014, who is
not a participant in the direct deposit system, shall identify a financial institution that will serve as
a personal depository agent for the employee.

(iv) The controller shall promulgate rules and regulations as necessary for implementation and administration of the direct deposit system, which shall include limited exceptions to required participation.

SECTION 2. Section 36-7-2 of the General Laws in Chapter 36-7 entitled "Federal Old-Age and Survivors' Insurance" is hereby amended to read as follows:

36-7-2. Definitions. -- For the purposes of §§ 36-7-1 – 36-7-31, 36-7-33.1, and 36-7-35, the following terms shall have the meanings indicated unless different meanings are clearly expressed or required by the context:

(1) "Agency of the state" shall mean:

(i) All departments, divisions, agencies, and instrumentalities of the state which are not juristic entities, legally separate and distinct from the state;

(ii) Civilian employees of the Rhode Island national guard; or

(iii) Any instrumentality of the state such as fire districts, water districts, water authorities, sewer commissions and authorities, housing authorities, or other instrumentality of the state which are a juristic entity and legally separate and distinct from the state and if the employees of the instrumentality are not by virtue of their relation to juristic entity employees of the state. Without limiting the generality of the foregoing, examples of those agencies would be the Kent County water authority, the Providence housing authority, the Blackstone Valley sewer district commission, and other like instrumentalities of the state.

(2) "City or town" shall mean:

(i) Any city or town of the state of Rhode Island, inclusive of any department, division, agency, board, commission, or bureau thereof;

(ii) Any instrumentality of a city or town which is a juristic entity and legally separate and distinct from the city or town and if its employees are not by virtue of their relation to the juristic entity employees of the city or town; or

(iii) Any instrumentality of two or more citizens and/or towns which is a juristic entity as provided in subdivision (ii) hereof.

(3) "IRC" shall mean the Internal Revenue Code of 1986, as amended.

(4) "Coverage group" shall mean:

(i) All employees of the state other than those engaged in performing service in connection with a proprietary function;

(ii) All employees of a city or town other than those engaged in performing service in connection with a single proprietary function;
(iii) All employees of the state engaged in performing service in connection with a single proprietary function;
(iv) All employees of an agency of the state;
(v) All employees of a city or town of the state engaged in performing service in connection with a single proprietary function. If under the preceding sentence an employee would be included in more than one coverage group by reason of the fact that he or she performs service in connection with two (2) or more proprietary functions or in connection with both a proprietary function and a nonproprietary function, he or she shall be included in only one coverage group.
The determination of the coverage group in which the employee shall be included shall be made in such manner as may be specified in the agreement. Members of retirement systems shall constitute separate coverage groups as provided in § 36-7-10.

(5) "Employee" shall mean any officer or employee of any city, town, or agency of the state receiving salaries or wages for employment.

(6) "Employment" shall mean any service performed by an employee for wages as a member of a coverage group as herein defined, including service of an emergency nature, service in any class or classes of elective positions and service in part-time positions, but excluding the following:

(i) Service in a position the compensation for which is on a fee basis;
(ii) Service performed by election officials or election workers for calendar year 2003 in which the remuneration paid for that service is less than one thousand two hundred fifty dollars ($1,250), and for each calendar year after 2003 in which the remuneration paid is less than the adjusted amount in accordance with section 218(c)(8)(B) of the Social Security Act;
(iii) Service which under the federal Social Security Act may not be included in an agreement between the state and the secretary entered into under this chapter;
(iv) Service which, in the absence of an agreement entered into under §§ 36-7-1 – 36-7-31, would constitute "employment" as defined in the federal Social Security Act. Service which under the federal Social Security Act may be included in an agreement only upon certification by the governor in accordance with § 218(d)(3) of the federal Social Security Act, 42 U.S.C. § 418(d)(3), shall be included in the term "employment" if and when the governor issues, with respect to that service, a certificate to the secretary, pursuant to § 36-7-19.

(B) Notwithstanding any of the foregoing, if pursuant to § 141 of P.L. 92-603, 42 U.S.C. § 418, the state agreement with the federal government referred to in § 36-7-3 is modified appropriately at any time prior to January 1, 1974, the term "employment" with respect to any coverage group specified in the modification shall, effective after the effective date specified in
the modification, include services in designated part-time positions but not services performed in
the employ of a school, college, or university by a student who is enrolled and regularly attending
classes at that school, college, or university.

(7) "FARP" shall mean the FICA Alternative Retirement Income Security Program as
described in § 36-7-33.1.

(8) "FARP-eligible employee" shall mean any part-time, seasonal, or temporary
employee of the state of Rhode Island who is ineligible for participation in the Employees’
Retirement System of Rhode Island.

(9) "FARP part-time employee" shall mean an employee of the state of Rhode Island who
works less than twenty (20) hours or less per week, in accordance with IRC standards.

(10) "Federal Insurance Contributions Act" or "FICA" shall mean subchapter A of
chapter 9 of the federal Internal Revenue Code of 1939, subchapters A and B of chapter 21 of the
federal Internal Revenue Code of 1954, and subchapters A and B of chapter 21 of the federal
Internal Revenue Code of 1986 as those codes have been and may from time to time be amended;
and the term "employee tax" shall mean the tax imposed by § 1400 of the code of 1939, § 3101 of
the code of 1954, and § 3101 of the code of 1986.

(11) "Federal Social Security Act", 42 U.S.C. § 301 et seq., shall mean the act of
congress approved August 14, 1935, officially cited as the "Social Security Act", including any
amendments thereto, and any regulations, directives, or requirements interpretative or
implementive thereof.

(12) "Part-time employment" shall mean any employment by those who work on a
regularly scheduled basis regardless of hours.

(13) "Retirement board" shall mean the retirement board as provided in chapter 8 of this
title.

(14) "Secretary", except when used in the title "secretary of the treasury", shall mean the
secretary of health and human services and any individual to whom the secretary of health and
human services has delegated any of his or her functions under the federal Social Security Act, 42
U.S.C. § 301 et seq., with respect to coverage under that act of employees of states and their
political subdivisions.

(15) "Sick pay" shall mean the amount of any payment (including any amount paid by an
employer for insurance or annuities, or into a fund to provide for any sick pay) made to, or on
behalf of, an employee or any of his or her dependents under a plan or system established by an
employer which makes provision for his employees generally (or for his or her employees
generally and their dependents) or for a class or classes of his employees (or for a class or classes
of his employees and their dependents), on account of sickness or accident disability.

(16) "State" shall mean the state of Rhode Island.

(17) "Wages" or "salaries" shall mean all compensation received by an employee for employment as defined herein, including the cash value of all remuneration received by an employee in any medium other than cash, except that this term shall not include that part of the remuneration which, even if it were for "employment" within the meaning of the Federal Insurance Contributions Act, 26 U.S.C. § 3101 et seq., would not constitute "wages" within the meaning of that act.

SECTION 3. Sections 37-2.3-3 and 37-2.3-4 of the General Laws in Chapter 37-2.3 entitled "Government Oversight and Fiscal Accountability Review Act" are hereby amended to read as follows:

37-2.3-3. Definitions. -- As used in this chapter, the following terms shall have the following meanings:

(1) "Agency" includes any executive office, department, division, board, commission, or other office or officer in the executive branch of the government.

(2) "Person" includes an individual, institution, federal, state, or local governmental entity, or any other public or private entity.

(3) "Private contractor employee" includes a worker directly employed by a private contractor, as defined in this section, as well as an employee of a subcontractor or an independent contractor that provides supplies or services to a private contractor.

(4) "Privatization or privatization contract" means an agreement or combination or series of agreements by which a non-governmental person or entity agrees with an agency to provide services expected to result in a fiscal year expenditure of at least one hundred fifty thousand dollars ($150,000) (as of July 1 each year, the amount shall increase to reflect increases in the consumer price index calculated by the United States Bureau of Labor Statistics for all urban consumers nationally during the most recent twelve (12) month period for which data are available or more), which would contract services which are substantially similar to and in replacement of work normally performed by an employee of an agency as of June 30, 2007.

"Privatization" or "privatization contract" excludes:

(i) Contracts resulting from an emergency procurement;

(ii) Contracts with a term of one hundred eighty (180) days or less on a non-recurring basis;

(iii) Contracts to provide highly specialized or technical services not normally provided by state employees;
(iv) Any subsequent contract which: (a) renews or rebids a prior privatization contract which existed before June 30, 2007; or (b) renews or rebids a privatization contract that was subject to the provisions of this statute after its enactment; and

(v) An agreement to provide legal services or management consulting services.

(5) “Privatization contractor” is any vendor, contractor, consultant, subcontractor, independent contractor or private business owner that contracts with a state agency to perform services in accordance with the definition of a "privatization contract."

(6) "Services" includes, with respect to a private contractor, all aspects of the provision of services provided by a private contractor pursuant to a privatization contract, or any services provided by a subcontractor of a private contractor.

37-2-3-4. Fiscal monitoring of privatization contracts. - Each private contractor shall file a copy of each executed subcontract or amendment to the subcontract with the agency, which shall maintain the subcontract or amendment as a public record, as defined in the access to public records act.

(1) Audits. - Privatization contracts shall be subject to audit or review, as defined by the American Institute of Certified Public Accountants, by the office of the auditor general at the discretion of the auditor general. Any audit or review shall be conducted in compliance with generally accepted auditing standards.

(2) Access. - All privatization contracts shall include a contract provision specifying language that provides public access to the complete contract.

(3) Fiscal accountability. - As part of the budgetary process, each state agency shall provide an addendum to include in their submitted budget request a listing of all privatization contracts for the prior, current and subsequent fiscal years, the name of each contractor, subcontractor, duration of the contract provided and services provided, the total cost of each contract(s) for the prior year, and the projected number of privatization service contracts for the current and upcoming year, the total cost of each contract(s) for the prior year, the estimated costs of each contract(s) for the current and upcoming year. The addendum for each agency shall also contain a summary of contracted private contractor employees for each contract, reflected as full-time equivalent positions, their hourly wage rate, and the number of private contractor employees and consultants for the current and previous fiscal year. For the prior fiscal year, the listing shall include the name of each contractor; a description of the services provided; the amount expended for the fiscal year; the positions employed by title, if applicable; and the hourly wage paid by position, if applicable. For the current and upcoming fiscal years, the listing shall include the name of each contractor, if known at the time the listing is prepared; a description of the services provided; the amount expended for the fiscal year for the contractor; the number and title of positions employed by the contractor; and the hourly wage paid by position, if applicable.
to be provided; the amount budgeted for the contract in each fiscal year; the positions to be
employed by title, if known and applicable; and the hourly wage to be paid by position, if known
and applicable. Positions shall be reflected as full-time equivalent positions. The listings shall be
published annually online at the state's transparency portal or an equivalent website, available for
public inspection, no later than December 1 of each year.

SECTION 4. Section 42-90-1 of the General Laws in Chapter 42-90 entitled "Disclosure of Names of State Government Consultants" is hereby amended to read as follows:

42-90-1. Public disclosure required. — (a) All departments, commissions, boards, councils, other agencies in the government of the state and public corporations shall annually prepare and submit to the secretary of state quarterly a list containing:

(1) The name of any person privatization contractor, or vendor who performed legal, medical, accounting, engineering, or any other professional, technical or consultant service to the department, commission, board, council, agency or public corporation on a contractual basis during the previous quarter fiscal year; and

(2) The amount of compensation received by each consultant during the previous quarter fiscal year.

(b) All departments, commissions, boards, councils, other agencies in the government of the state and public corporations shall prepare and submit to the secretary of state budget office on an annual basis by October 1 a contracting report containing:

(1) Digital/Electronic copies Copies of all contracts or agreements by which a nongovernmental person or entity agrees with the department, commission, board, council, agency or public corporation to provide services, valued at one hundred thousand dollars ($100,000) or more, which are substantially similar to and in lieu of services heretofore provided, in whole or in part, by regular employees replacement of work normally performed by an employee of the department, commission, board, council, agency or public corporation; and

(2) A budget analysis of each contract reported pursuant to this subsection containing the cost of each contract for the prior, current and next year; and the number of private contractor employees reflected as full-time equivalent positions with their hourly wage rate, and costs of benefits for each job classification for the current and previous year.

(c) The secretary of state budget office shall compile, publish, and make available for public inspection all lists and contracting reports prepared in accordance with this chapter, post electronic/digital copies of all contracts and reports online using the state's transparency portal or
SECTION 5. Section 39-21.1-14 of the General Laws in Chapter 39-21.1 entitled "911 Emergency Telephone Number Act" is hereby amended to read as follows:

39-21.1-14. Funding. -- (a) A monthly surcharge of one dollar ($1.00) is hereby levied upon each residence and business telephone line or trunk or path and data, telephony, Internet, Voice Over Internet Protocol (VoIP) wireline, line, trunk or path in the state including PBX trunks and centrex equivalent trunks and each line or trunk serving, and upon each user interface number or extension number or similarly identifiable line, trunk, or path to or from a digital network (such as, but not exclusive of, integrated services digital network (ISDN), Flexpath or comparable digital private branch exchange, or connecting to or from a customer-based or dedicated telephone switch site (such as, but not exclusive of, a private branch exchange (PBX)), or connecting to or from a customer-based or dedicated central office (such as, but not exclusive of, a centrex system but exclusive of trunks and lines provided to wireless communication companies) that can access to, connect with or interface with the Rhode Island E-911 Uniform Emergency Telephone System (RI E-911). The surcharge shall be billed by each telecommunication services provider at the inception of services and shall be payable to the telecommunication services provider by the subscriber of the services. A monthly surcharge of one dollar ($1.00) is hereby levied effective July 1, 2002, on each wireless instrument, device or means including prepaid, cellular, telephony, Internet, Voice Over Internet Protocol (VoIP), satellite, computer, radio, communication, data or data only wireless lines or any other wireless instrument, device or means which has access to, connects with, or activates or interfaces or any combination thereof with the E 9-1-1 Uniform Emergency Telephone System. The surcharge shall be billed to the subscriber by each telecommunication services provider and shall be payable to the telecommunication services provider by the subscriber. Prepaid wireless telecommunications services shall not be included in this act, but shall be governed by chapter 21.2 of title 39. The E-911 Uniform Emergency Telephone System shall establish, by rule or regulation an appropriate funding mechanism to recover from the general body of ratepayers this surcharge.

(b) The amount of the surcharge shall not be subject to the tax imposed under chapter 18 of title 44 nor be included within the telephone common carrier's gross earnings for the purpose of computing the tax under chapter 13 of title 44.

(c) Each telephone common carrier and each telecommunication services provider shall establish a special account to which it shall deposit on a monthly basis the amounts collected as a
surcharge under this section.

(d) The money collected by each telecommunication services provider shall be transferred within sixty (60) days after its inception of wireline, wireless, prepaid, cellular, telephony, Voice Over Internet Protocol (VoIP), satellite, computer, Internet, or communications services in this state and every month thereafter, to the division of taxation, together with the accrued interest and shall be deposited in the general fund as general revenue. provided, however, that beginning July 1, 2015, ten (10) percent of such money collected shall be deposited in the Information Technology Investment Fund established pursuant to § 42-11-2.5. Any money not transferred in accordance with this paragraph shall be assessed interest at the rate set forth in section 44-1-7 from the date the money should have been transferred.

(e) Every billed subscriber-user shall be liable for any surcharge imposed under this section until it has been paid to the telephone common carrier or telecommunication services provider. Any surcharge shall be added to and may be stated separately in the billing by the telephone common carrier or telecommunication services provider and shall be collected by the telephone common carrier or telecommunication services provider.

(f) Each telephone common carrier and telecommunication services provider shall annually provide the E 9-1-1 uniform emergency telephone system division or any other agency that may replace it, with a list of amounts uncollected together with the names and addresses of its subscriber-users who can be determined by the telephone common carrier or telecommunication services provider to have not paid the surcharge.

(g) Included within, but not limited to, the purposes for which the money collected may be used are rent, lease, purchase, improve, construct, maintenance, repair, and utilities for the equipment and site or sites occupied by the E 9-1-1 uniform emergency telephone system; salaries, benefits, and other associated personnel costs; acquisition, upgrade or modification of PSAP equipment to be capable of receiving E 9-1-1 information, including necessary computer hardware, software, and data base provisioning, addressing, and non-recurring costs of establishing emergency services; network development, operation and maintenance; data-base development, operation, and maintenance; on-premise equipment maintenance and operation; training emergency service personnel regarding use of E 9-1-1; educating consumers regarding the operations, limitations, role and responsible use of E 9-1-1; reimbursement to telephone common carriers or telecommunication services providers of rates or recurring costs associated with any services, operation, administration or maintenance of E 9-1-1 services as approved by the division; reimbursement to telecommunication services providers or telephone common carriers of other costs associated with providing E 9-1-1 services, including the cost of the design,
(h) [Deleted by P.L. 2000, ch. 55, art. 28, section 1.]

(i) Nothing in this section shall be construed to constitute rate regulation of wireless communication services carriers, nor shall this section be construed to prohibit wireless communication services carriers from charging subscribers for any wireless service or feature.

(j) [Deleted by P.L. 2006, ch. 246, art. 4, section 1.]

SECTION 6. Section 42-11-2 of the General Laws in Chapter 42-11 entitled "Department of Administration" is hereby amended to read as follows:

42-11-2. Powers and duties of department. -- The department of administration shall have the following powers and duties:

(1) To prepare a budget for the several state departments and agencies, subject to the direction and supervision of the governor;

(2) To administer the budget for all state departments and agencies, except as specifically exempted by law;

(3) To devise, formulate, promulgate, supervise, and control accounting systems, procedures, and methods for the state departments and agencies, conforming to such accounting standards and methods as are prescribed by law;

(4) To purchase or to contract for the supplies, materials, articles, equipment, printing, and services needed by state departments and agencies, except as specifically exempted by law;

(5) To prescribe standard specifications for those purchases and contracts and to enforce compliance with specifications;

(6) To supervise and control the advertising for bids and awards for state purchases;

(7) To regulate the requisitioning and storage of purchased items, the disposal of surplus and salvage, and the transfer to or between state departments and agencies of needed supplies, equipment, and materials;

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

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

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

(11) To issue regulations to govern the protection and custody of the property of the
(12) To assign office and storage space and to rent and lease land and buildings for the use of the several state departments and agencies in the manner provided by law;

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

(14) To maintain and operate central duplicating and mailing service for the several state departments and agencies;

(15) To furnish the several departments and agencies of the state with other essential office services;

(16) To survey and examine the administration and operation of the state departments and agencies, submitting to the governor proposals to secure greater administrative efficiency and economy, to minimize the duplication of activities, and to effect a better organization and consolidation of functions among state agencies;

(17) To operate a merit system of personnel administration and personnel management as defined in section 36-3-3 in connection with the conditions of employment in all state departments and agencies within the classified service;

(18) To assign or reassign, with the approval of the governor, any functions, duties, or powers established by this chapter to any agency within the department;

(19) To establish, maintain, and operate a data processing center or centers, approve the acquisition and use of electronic data processing services by state agencies, furnish staff assistance in methods, systems and programming work to other state agencies, and arrange for and effect the centralization and consolidation of punch card and electronic data processing equipment and services in order to obtain maximum utilization and efficiency;

(20) To devise, formulate, promulgate, supervise, and control a comprehensive and coordinated statewide information system designed to improve the data base used in the management of public resources, to consult and advise with other state departments and agencies and municipalities to assure appropriate and full participation in this system, and to encourage the participation of the various municipalities of this state in this system by providing technical or other appropriate assistance toward establishing, within those municipalities, compatible information systems in order to obtain the maximum effectiveness in the management of public resources;

(i) The comprehensive and coordinated statewide information system may include a Rhode Island geographic information system of land-related economic, physical, cultural and natural resources.
(ii) In order to ensure the continuity of the maintenance and functions of the geographic information system, the general assembly may annually appropriate such sum as it may deem necessary to the department of administration for its support.

(21) To administer a statewide planning program including planning assistance to the state departments and agencies;

(22) To administer a statewide program of photography and photographic services;

(23) To negotiate with public or private educational institutions in the state, in cooperation with the department of health, for state support of medical education;

(24) To promote the expansion of markets for recovered material and to maximize their return to productive economic use through the purchase of materials and supplies with recycled content by the state of Rhode Island to the fullest extent practically feasible;

(25) To approve costs as provided in section 23-19-32; and

(26) To provide all necessary civil service tests for child protective investigators and social workers at least twice each year and to maintain an adequate hiring list for these positions at all times.

(27)(a) To prepare a report every three (3) months by all current property leases or rentals by any state or quasi-state agency to include the following information:

(i) Name of lessor;

(ii) Description of the lease (purpose, physical characteristics, and location);

(iii) Cost of the lease;

(iv) Amount paid to date;

(v) Date initiated;

(vi) Date covered by the lease.

(b) To prepare a report by October 31, 2014 of all current property owned by the state or leased by any state agency or quasi-state agency to include the following information:

(i) Total square feet for each building or leased space;

(ii) Total square feet for each building and space utilized as office space currently;

(iii) Location of each building or leased space;

(iv) Ratio and listing of buildings owned by the state versus leased;

(v) Total occupancy costs which shall include capital expenses, provided a proxy should be provided to compare properties that are owned versus leased by showing capital expenses on owned properties as a per square foot cost at industry depreciation rates;

(vi) Expiration dates of leases;

(vii) Number of workstations per building or leased space;
(viii) Total square feet divided by number of workstations;
(ix) Total number of vacant workstations;
(x) Percentage of vacant workstations versus total workstations available;
(xi) Date when an action is required by the state to renew or terminate a lease;
(xii) Strategic plan for leases commencing or expiring by June 30, 2016;
(xiii) Map of all state buildings which provides: cost per square foot to maintain, total number of square feet, total operating cost, date each lease expires, number of persons per building and total number of vacant seats per building; and
(xiv) Industry benchmark report which shall include total operating cost by full-time equivalent employee, total operating cost by square foot and total square feet divided by full-time equivalent employee.

(28) To provide by December 31, 1995 the availability of automatic direct deposit to any recipient of a state benefit payment, provided that the agency responsible for making that payment generates one thousand (1,000) or more such payments each month.

(29) To operate the Rhode Island division of sheriffs as provided in section 42-11-21.

(30) To encourage municipalities, school districts, and quasi-public agencies to achieve cost savings in health insurance, purchasing, or energy usage by participating in state contracts, or by entering into collaborative agreements with other municipalities, districts, or agencies. To assist in determining whether the benefit levels including employee cost sharing and unit costs of such benefits and costs are excessive relative to other municipalities, districts, or quasi-public agencies as compared with state benefit levels and costs.

SECTION 7. Section 42-11-2.5 of the General Laws in Chapter 42-11 entitled "Department of Administration" is hereby amended to read as follows:

**42-11-2.5. Information technology investment fund.** -- (a) All sums from the sale of any land and the buildings and improvements thereon, and other real property title to which is vested in the state except as provided in subsection 37-7-15(b) shall be transferred to an Information Technology Investment Fund restricted receipt account that is hereby established. This fund shall consist of such sums from the sale of any land and the buildings and improvements thereon, and other real property title to which is vested in the state except as provided in subsection 37-7-15(b), as well as a share of E-911 Uniform Emergency Telephone System surcharge revenues collected under the provisions of § 39-21.1-14. This fund may also consist of such sums as the state may from time to time appropriate, as well as money received from the disposal of information technology equipment, loan, interest and service charge payments from benefiting state agencies, as well as interest earnings, money received from the
federal government, gifts, bequest, donations, or to otherwise from any public or private source.

Any such funds shall be exempt from the indirect cost recovery provisions of section 35-4-27.

(b) This fund shall be used for the purpose of acquiring information technology improvements, including, but not limited to, hardware, software, consulting services, and ongoing maintenance and upgrade contracts for state departments and agencies.

(c) The division of information technology of the Rhode Island department of administration shall adopt rules and regulations consistent with the purposes of this chapter and chapter 35 of title 42, in order to provide for the orderly and equitable disbursement of funds from this account.

SECTION 8. Section 42-149-3 of the General Laws in Chapter 42-149 entitled "State Expenditures for Non-State Employee Services" is hereby repealed.

42-149-3. State expenditures for non-state employee services.—All state departments shall submit quarterly reports of all non-state employee expenditures for legal services, financial services, temporary workers, and other non-state employee personnel costs. The reports shall be submitted to the state budget office and the chairpersons of the house and senate finance committees with the first report due on January 1, 2008. The reports shall contain the following information:

(1) Efforts made to identify qualified individuals or services within state government;

(2) Factors used in choosing a non-state employee or firm;

(3) Results of requests for proposals for services or bids for services; and

(4) The actual cost and the budgeted cost for the expenditure.

SECTION 9. Sections 1 through 4, and sections 6 and 8 shall take effect upon passage. Sections 5 and 7 shall take effect as of July 1, 2014.
ARTICLE 10 AS AMENDED

RELATING TO MAKING REVISED APPROPRIATIONS IN SUPPORT OF FY 2014

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, 2014. 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.

<table>
<thead>
<tr>
<th>Administration</th>
<th>FY 2014</th>
<th>FY 2014</th>
<th>FY 2014</th>
</tr>
</thead>
<tbody>
<tr>
<td>General Revenues</td>
<td>2,111,597</td>
<td>229,878</td>
<td>2,341,475</td>
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<tr>
<td>Office of Digital Excellence</td>
<td>810,441</td>
<td>5,099</td>
<td>815,540</td>
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<td>(194,591)</td>
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<tr>
<td>Total - Central Management</td>
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<td>40,386</td>
<td>3,157,015</td>
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<td>Legal Services General Revenues</td>
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<td>364,033</td>
<td>2,312,716</td>
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<td>Accounts and Control General Revenues</td>
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<td>(228,883)</td>
<td>3,737,539</td>
</tr>
<tr>
<td>Office of Management and Budget</td>
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<tr>
<td>General Revenues</td>
<td>4,049,888</td>
<td>(233,988)</td>
<td>3,815,900</td>
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<td>Restricted Receipts</td>
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<td>(165,364)</td>
<td>315,939</td>
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<td>(399,352)</td>
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<td>Purchasing</td>
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<tr>
<td>General Revenues</td>
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<td>93,779</td>
<td>2,783,321</td>
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<td>(115,403)</td>
<td>78,307</td>
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<td>Other Funds</td>
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<td>(45,523)</td>
<td>315,291</td>
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<td>Total – Purchasing</td>
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<td>Auditing General Revenues</td>
<td>Human Resources</td>
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<td>1</td>
<td>Auditing General Revenues</td>
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<td>2</td>
<td><strong>Relating to making Revised Appropriations in Support of FY 2014</strong></td>
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<tr>
<td>3</td>
<td>General Revenues</td>
<td>General Revenues</td>
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<td>4</td>
<td>Federal Funds</td>
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<td>5</td>
<td>Restricted Receipts</td>
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<td>6</td>
<td>Other Funds</td>
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<td>7</td>
<td>Total - Human Resources</td>
<td>Total - Human Resources</td>
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<td>8</td>
<td>Personnel Appeal Board General Revenues</td>
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<tr>
<td>9</td>
<td>Facilities Management</td>
<td>Facilities Management</td>
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<tr>
<td>10</td>
<td>General Revenues</td>
<td>General Revenues</td>
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<td>11</td>
<td>Federal Funds</td>
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<tr>
<td>12</td>
<td>Restricted Receipts</td>
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<td>13</td>
<td>Other Funds</td>
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<td>14</td>
<td>Total – Facilities Management</td>
<td>Total – Facilities Management</td>
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<td>15</td>
<td>Capital Projects and Property Management</td>
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<td>16</td>
<td>General Revenues</td>
<td>General Revenues</td>
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<tr>
<td>17</td>
<td>Information Technology</td>
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<td>18</td>
<td>General Revenues</td>
<td>General Revenues</td>
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<td>19</td>
<td>Federal Funds</td>
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<td>20</td>
<td>Restricted Receipts</td>
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<td>21</td>
<td>Other Funds</td>
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<td>22</td>
<td>Total – Information Technology</td>
<td>Total – Information Technology</td>
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<tr>
<td>23</td>
<td>Library and Information Services</td>
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<tr>
<td>24</td>
<td>General Revenues</td>
<td>General Revenues</td>
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<tr>
<td>25</td>
<td>Federal Funds</td>
<td>Federal Funds</td>
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<tr>
<td>26</td>
<td>Restricted Receipts</td>
<td>Restricted Receipts</td>
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<tr>
<td>27</td>
<td>Other Funds</td>
<td>Other Funds</td>
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<td>28</td>
<td>Total - Library and Information Services</td>
<td>Total - Library and Information Services</td>
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<tr>
<td>29</td>
<td>Planning</td>
<td>Planning</td>
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<tr>
<td>30</td>
<td>Federal Funds</td>
<td>Federal Funds</td>
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<td>31</td>
<td>Other Funds</td>
<td>Other Funds</td>
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<td>33</td>
<td>Air Quality Modeling</td>
<td>Air Quality Modeling</td>
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<tr>
<td>34</td>
<td>Total - Planning</td>
<td>Total - Planning</td>
<td></td>
</tr>
</tbody>
</table>

Art10

RELATING TO MAKING REVISED APPROPRIATIONS IN SUPPORT OF FY 2014

(Page 2 of 32)
### General

1. **General Revenues**

2. **Economic Development Corporation**

3. Rhode Island Commerce Corporation  4,545,572  0  4,545,572

4. **EDC RICC – Airport Corporation Impact Aid**  1,025,000  0  1,025,000

   Sixty percent (60%) of the first one million dollars ($1,000,000) appropriated for airport impact aid shall be distributed to each airport serving more than one million (1,000,000) passengers based upon its percentage of the total passengers served by all airports serving more than 1,000,000 passengers. Forty percent (40%) of the first one million dollars ($1,000,000) shall be distributed based on the share of landings during the calendar year 2013 at North Central Airport, Newport-Middletown Airport, Block Island Airport, Quonset Airport, T.F. Green Airport and Westerly Airport, respectively. The Economic Development Corporation Rhode Island Commerce Corporation shall make an impact payment to the towns or cities in which the airport is located based on this calculation. Each community upon which any parts of the above airports are located shall receive at least twenty-five thousand dollars ($25,000).

5. **EDC RICC – EPScore (Research Alliance)**  1,150,000  0  1,150,000

6. Innovative Matching Grants  500,000  0  500,000

7. Miscellaneous Grants  146,049  0  146,049

8. Slater Centers of Excellence  1,000,000  0  1,000,000

9. Torts – Courts  400,000  0  400,000

10. Current Care/Health Information Exchange  450,000  0  450,000

11. I-195 Commission  501,000  674,679  1,175,679

12. RI Film and Television Office  310,747  (1,782)  308,965

13. State Employees/Teachers Retiree Health Subsidy  2,321,057  0  2,321,057

14. Resource Sharing and State Library Aid  8,773,398  0  8,773,398

15. Library Construction Aid  2,500,666  0  2,500,666

16. Federal Funds  4,345,555  0  4,345,555

17. Restricted Receipts  421,500  2,217,068  2,638,568

18. Rhode Island Capital Plan Funds

19. Statehouse Renovations  1,879,000  (256,532)  1,622,468

20. DoIT Enterprise Operations Center  250,000  106,350  356,350

21. Cranston Street Armory  1,650,000  (1,550,000)  100,000

22. Cannon Building  650,000  (46,013)  603,987

23. Zambarano Building Rehabilitation  1,530,000  63,080  1,593,080

Art10

RELATING TO MAKING REVISED APPROPRIATIONS IN SUPPORT OF FY 2014

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<table>
<thead>
<tr>
<th></th>
<th>Description</th>
<th>FY 2013</th>
<th>FY 2014</th>
<th>FY 2015</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Pastore Center Rehab DOA Portion</td>
<td>1,155,000</td>
<td>1,362,000</td>
<td>2,517,000</td>
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<tr>
<td>2</td>
<td>Old State House</td>
<td>500,000</td>
<td>32,000</td>
<td>532,000</td>
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<td>3</td>
<td>State Office Building</td>
<td>715,000</td>
<td>108,936</td>
<td>823,936</td>
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<tr>
<td>4</td>
<td>Old Colony House</td>
<td>175,000</td>
<td>187,605</td>
<td>362,605</td>
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<tr>
<td>5</td>
<td>William Powers Building</td>
<td>2,700,000</td>
<td>(200,000)</td>
<td>2,500,000</td>
</tr>
<tr>
<td>6</td>
<td>Fire Code Compliance State Buildings</td>
<td>500,000</td>
<td>(500,000)</td>
<td>0</td>
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<tr>
<td>7</td>
<td>Pastore Center Fire Code Compliance</td>
<td>1,691,596</td>
<td>(1,043,051)</td>
<td>648,545</td>
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<td>8</td>
<td>Pastore Center Utility Systems Upgrade</td>
<td>2,745,789</td>
<td>(1,645,789)</td>
<td>1,100,000</td>
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<td>9</td>
<td>Replacement of Fueling Tanks</td>
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<td>350,000</td>
<td>650,000</td>
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<tr>
<td>10</td>
<td>Environmental Compliance</td>
<td>200,000</td>
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<td>Big River Management Area</td>
<td>180,000</td>
<td>105,811</td>
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<td>Pastore Center Building Demolition</td>
<td>2,400,000</td>
<td>(1,063,123)</td>
<td>1,336,877</td>
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<td>Washington County Government Center</td>
<td>612,000</td>
<td>(152,000)</td>
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<td>14</td>
<td>Veterans Memorial Auditorium</td>
<td>5,298,789</td>
<td>246,016</td>
<td>5,544,805</td>
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<td>15</td>
<td>Chapin Health Laboratory</td>
<td>1,725,000</td>
<td>(1,425,000)</td>
<td>300,000</td>
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<td>16</td>
<td>Pastore Center Parking</td>
<td>300,000</td>
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<td>17</td>
<td>Pastore Center Water Tanks</td>
<td>300,000</td>
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<td>18</td>
<td>Board of Elections New Location</td>
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<td>19</td>
<td>Pastore Cottages Rehabilitation</td>
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<td>Ladd Center Building Demolition</td>
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<td>I-195 Commission</td>
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<td>RI Convention Center Authority</td>
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<td>58,531</td>
<td>1,058,531</td>
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<td>23</td>
<td>Dunkin Donuts Center</td>
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<td>24</td>
<td>Mathias</td>
<td>1,600,000</td>
<td>(350,000)</td>
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<td>25</td>
<td>Pastore Center Power Plant</td>
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<td>Virks</td>
<td>1,000,000</td>
<td>(700,000)</td>
<td>300,000</td>
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<td>Harrington Hall Renovations</td>
<td>1,000,000</td>
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<td>Veterans Land Purchase</td>
<td>4,150,000</td>
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<td>29</td>
<td>Provided that the cost for the land purchase shall not exceed $70.00 per square foot.</td>
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<td>Total – General</td>
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<td>(4,741,258)</td>
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<td>Debt Service Payments</td>
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<td>General Revenues</td>
<td>157,387,801</td>
<td>(3,476,802)</td>
<td>153,910,999</td>
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Of the general revenue appropriation for debt service, two million five hundred thousand dollars ($2,500,000) is appropriated for transfer to the Capital Reserve Fund of the EDC RICC.

Job Creation Guaranty program.

Federal Funds 2,759,328 (91,929) 2,667,399
Restricted Receipts 2,131,275 (46,026) 2,085,249
Other Funds
Transportation Debt Service 30,369,820 116,868 30,486,688
Investment Receipts – Bond Funds 100,000 0 100,000
COPS - DLT Building – TDI 278,848 (7,195) 271,653
Total - Debt Service Payments 193,027,072 (3,505,084) 189,521,988

Energy Resources
Federal Funds 590,080 (18,915) 571,165
Federal Funds – Stimulus 5,150,000 560,235 5,710,235
Restricted Receipts 5,459,477 233,062 5,692,539
Total – Energy Resources 11,199,557 774,382 11,973,939
Rhode Island Health Benefits Exchange Federal Funds 28,348,926 24,079,750 52,428,676

Construction Permitting, Approvals and Licensing
General Revenues 1,421,350 (4,775) 1,416,575
Restricted Receipts 1,408,159 (12,172) 1,395,987
Total – Construction Permitting, Approvals and Licensing 2,829,509 (16,947) 2,812,562

Statewide Personnel Adjustments
General Revenues (1,398,040) 3,834,452 2,436,412
Federal Funds (379,988) 1,516,875 1,136,887
Restricted Receipts (446,548) 676,848 230,300
Other Funds (342,628) 2,031,490 1,688,862
Total – Personnel Savings (2,567,204) 8,059,665 5,492,461
Grand Total – Administration 428,701,337 23,789,341 452,490,678

Business Regulation
Central Management General Revenues 1,197,671 23,727 1,221,398
Banking Division
General Revenues 1,715,225 (247,531) 1,467,694
Restricted Receipts 125,000 (50,000) 75,000
Total – Banking Division 1,840,225 (297,531) 1,542,694
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<tr>
<th></th>
<th>General Revenues</th>
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<tr>
<td><strong>Securities Regulation</strong></td>
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<tr>
<td>2 General Revenues</td>
<td>980,090</td>
<td>(44,942)</td>
<td>935,148</td>
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<td>3 Restricted Receipts</td>
<td>15,000</td>
<td>(11,500)</td>
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<td>4 Total - Securities Regulation</td>
<td>995,090</td>
<td>(56,442)</td>
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<td><strong>Insurance Regulation</strong></td>
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<tr>
<td>6 General Revenues</td>
<td>3,767,883</td>
<td>(59,931)</td>
<td>3,707,952</td>
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<td>7 Restricted Receipts</td>
<td>1,345,584</td>
<td>(62,844)</td>
<td>1,282,740</td>
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<tr>
<td>8 Total - Insurance Regulation</td>
<td>5,113,467</td>
<td>(122,775)</td>
<td>4,990,692</td>
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<td><strong>Office of the Health Insurance Commissioner</strong></td>
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<tr>
<td>10 General Revenues</td>
<td>542,180</td>
<td>(42,005)</td>
<td>500,175</td>
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<td>1,747,589</td>
<td>2,210,905</td>
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<td>13 Total – Office of the Health Insurance</td>
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<td>4,469,169</td>
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<td><strong>Board of Accountancy</strong></td>
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<tr>
<td><strong>Commercial Licensing, Racing &amp; Athletics</strong></td>
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<tr>
<td>15 General Revenues</td>
<td>707,941</td>
<td>(123,246)</td>
<td>584,695</td>
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<tr>
<td>18 Restricted Receipts</td>
<td>500,329</td>
<td>56,287</td>
<td>556,616</td>
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<tr>
<td>19 Total - Commercial Licensing, Racing &amp; Athletics</td>
<td>1,208,270</td>
<td>(66,959)</td>
<td>1,141,311</td>
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<td><strong>Board for Design Professionals</strong></td>
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<td>21 General Revenues</td>
<td>253,854</td>
<td>2,360</td>
<td>256,214</td>
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<td>1,586,900</td>
<td>14,576,780</td>
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<td><strong>Labor and Training</strong></td>
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<td><strong>Central Management</strong></td>
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<td>25 General Revenues</td>
<td>118,760</td>
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<td>91,078</td>
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<td>244,280</td>
<td>587,010</td>
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<td>1,754,569</td>
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<td><strong>Workforce Development Services</strong></td>
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**Art10**

RELATING TO MAKING REVISED APPROPRIATIONS IN SUPPORT OF FY 2014
(Page 6 of 32)
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<td>Federal Funds</td>
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<td>7</td>
<td>Federal Funds – Stimulus – UI</td>
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<td>Temporary Disability Insurance Fund</td>
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<td>Total - Income Support</td>
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<td>Injured Workers Services Restricted Receipts</td>
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<td>Rhode Island Capital Plan Funds</td>
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Art10
RELATING TO MAKING REVISED APPROPRIATIONS IN SUPPORT OF FY 2014
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<td>11,060,155</td>
<td>(794,912)</td>
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Of this appropriation, $210,000 shall be used for hardship contingency payments.
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### Behavioral Health, Developmental Disabilities, and Hospitals

#### Central Management

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#### Hospital and Community System Support

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### Services for the Developmentally Disabled

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<th><strong>Federal Funds</strong></th>
<th><strong>Restricted Receipts</strong></th>
<th><strong>Total - Services for the Developmentally Disabled</strong></th>
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### Behavioral Healthcare Services

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<th><strong>Rhode Island Capital Plan Funds</strong></th>
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Art10

RELATING TO MAKING REVISED APPROPRIATIONS IN SUPPORT OF FY 2014

(Page 15 of 32)
1. **MH Housing Development-Thresholds** 800,000 0 800,000
2. **Substance Abuse Asset Production** 125,000 (25,000) 100,000
3. **Total – Behavioral Healthcare Services** 94,283,289 3,650,346 97,933,635

4. **Hospital and Community Rehabilitative Services**
5. **General Revenues** 50,544,930 (1,373,975) 49,170,955
6. **Federal Funds** 51,897,236 (2,669,009) 49,228,227
7. **Restricted Receipts** 4,884,970 1,665,298 6,550,268
8. **Rhode Island Capital Plan Funds**
9. **Zambarano Buildings and Utilities** 150,000 0 150,000
10. **Hospital Consolidation** 3,000,000 (1,400,000) 1,600,000
11. **BHDDH Administrative Buildings** 3,000,000 140,000 3,140,000
12. **MR Community Facilities** 925,000 89,831 1,014,831
13. **Total - Hospital and Community Rehabilitative Services** 114,402,136 (3,547,855) 110,854,281
14. **Grand Total – Behavioral Healthcare, Developmental Disabilities, and Hospitals** 437,848,408 1,716,286 439,564,694

5. **Office of the Child Advocate**
6. **General Revenues** 608,651 (33,174) 575,477
7. **Federal Funds** 39,997 10,003 50,000
8. **Grand Total – Office of the Child Advocate** 648,648 (23,171) 625,477

13. **Commission on the Deaf and Hard of Hearing**
14. **General Revenues** 391,609 (2,342) 389,267
15. **Restricted Receipts** 80,000 0 80,000
16. **Grand Total – Com. on Deaf and Hard of Hearing** 471,609 (2,342) 469,267

20. **Governor's Commission on Disabilities**
21. **General Revenues** 357,711 (1,359) 356,352
22. **Federal Funds** 129,989 26,341 156,330
23. **Restricted Receipts** 10,365 5,565 15,930
24. **Rhode Island Capital Plan Funds**
25. **Accessibility to Disability Service Providers** 247,938 (247,938) 0
26. **Accessibility Fire Safety Renovations** 115,833 (115,833) 0
27. **Accessibility to Higher Education** 593,500 (593,500) 0
28. **Handicapped Accessibility** 0 550,000 550,000
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<thead>
<tr>
<th></th>
<th>Description</th>
<th>General Revenues</th>
<th>Federal Funds</th>
<th>RTTT LEA Share</th>
<th>Restricted Receipts</th>
<th>HRIC Adult Education Grants</th>
<th>Rhode Island Capital Plan Funds</th>
<th>Total - Administration of the Comprehensive Education Strategy</th>
<th>Davie...</th>
<th>Total - Davies Career and Technical School</th>
<th>RI School for the Deaf</th>
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<td><strong>The University of Rhode Island shall maintain tuition charges in the 2013 – 2014 academic year at the same level as the 2012 – 2013 academic year. The University shall not decrease internal student financial aid in the 2013 – 2014 academic year below the level of the 2012 – 2013 academic year. The President of the institution shall report, prior to the commencement of the 2013 – 2014 academic year, to the chair of the Rhode Island Board of Education that such tuition charges and student aid levels have been achieved at the start of FY 2014 as prescribed above.</strong></td>
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</tr>
<tr>
<td>2</td>
<td>State Crime Lab</td>
<td>1,027,327</td>
<td>(3,781)</td>
<td>1,023,546</td>
<td></td>
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<tr>
<td></td>
<td><strong>University and College Funds</strong></td>
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<td>4</td>
<td>University and College Funds</td>
<td>600,530,024</td>
<td>5,674,407</td>
<td>606,204,431</td>
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<tr>
<td>5</td>
<td>Debt – Dining Services</td>
<td>1,160,911</td>
<td>(45,246)</td>
<td>1,115,665</td>
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<tr>
<td>6</td>
<td>Debt – Education and General</td>
<td>3,304,053</td>
<td>(122,041)</td>
<td>3,182,012</td>
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<tr>
<td>7</td>
<td>Debt – Health Services</td>
<td>152,595</td>
<td>(16,413)</td>
<td>136,182</td>
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<td></td>
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<td>8</td>
<td>Debt – Housing Loan Funds</td>
<td>11,049,281</td>
<td>(362,824)</td>
<td>10,686,457</td>
<td></td>
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<tr>
<td>9</td>
<td>Debt – Memorial Union</td>
<td>301,628</td>
<td>3,980</td>
<td>305,608</td>
<td></td>
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<td>10</td>
<td>Debt – Ryan Center</td>
<td>2,798,704</td>
<td>5,367</td>
<td>2,804,071</td>
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<td>11</td>
<td>Debt – Alton Jones Services</td>
<td>115,305</td>
<td>157</td>
<td>115,462</td>
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<td>12</td>
<td>Debt - Parking Authority</td>
<td>1,040,836</td>
<td>(95,810)</td>
<td>945,026</td>
<td></td>
<td></td>
<td></td>
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<tr>
<td>13</td>
<td>Debt – Sponsored Research</td>
<td>100,238</td>
<td>(16,201)</td>
<td>84,037</td>
<td></td>
<td></td>
<td></td>
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<td></td>
<td></td>
</tr>
<tr>
<td>14</td>
<td>Debt – Energy Conservation</td>
<td>2,905,496</td>
<td>(501,296)</td>
<td>2,404,200</td>
<td></td>
<td></td>
<td></td>
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<tr>
<td></td>
<td><strong>Rhode Island Capital Plan Funds</strong></td>
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<td></td>
<td></td>
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<tr>
<td>16</td>
<td>Asset Protection</td>
<td>7,357,500</td>
<td>0</td>
<td>7,357,500</td>
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<td>17</td>
<td>Fire and Safety Protection</td>
<td>10,100,000</td>
<td>0</td>
<td>10,100,000</td>
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<tr>
<td>18</td>
<td>Nursing Education Center</td>
<td>2,500,000</td>
<td>(700,000)</td>
<td>1,800,000</td>
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<tr>
<td>19</td>
<td>New Chemistry Building</td>
<td>0</td>
<td>703,810</td>
<td>703,810</td>
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<td>20</td>
<td>Fire Arts Center Advanced Planning</td>
<td>0</td>
<td>55,231</td>
<td>55,231</td>
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<td>21</td>
<td>Biotechnology Center</td>
<td>0</td>
<td>270,220</td>
<td>270,220</td>
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<td></td>
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<tr>
<td>22</td>
<td><strong>Total – University of Rhode Island</strong></td>
<td>729,115,237</td>
<td>4,327,706</td>
<td>733,442,943</td>
<td></td>
<td></td>
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<tr>
<td></td>
<td><strong>Rhode Island College</strong></td>
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</tr>
<tr>
<td>23</td>
<td>General Revenues</td>
<td>39,004,298</td>
<td>(114,389)</td>
<td>38,889,909</td>
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<tr>
<td>24</td>
<td><strong>Rhode Island College</strong></td>
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</tr>
<tr>
<td>25</td>
<td>General Revenues</td>
<td>39,004,298</td>
<td>(114,389)</td>
<td>38,889,909</td>
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</tbody>
</table>

Notwithstanding the provisions of section 35-3-15 of the general laws, all unexpended or unencumbered balances as of June 30, 2014 relating to the University of Rhode Island are hereby reappropriated to fiscal year 2015.

Rhode Island College

Rhode Island College shall maintain tuition charges in the 2013 – 2014 academic year at the same level as the 2012 – 2013 academic year. The College shall not decrease internal student financial aid in the 2013 – 2014 academic year below the level of the 2012 – 2013 academic year. The President of the institution shall report, prior to the commencement of the 2013 – 2014 academic year, to the chair of the Rhode Island Board of Education that such tuition charges and student aid levels have been achieved at the start of FY 2014 as prescribed above.
Debt Service 3,887,576 (333,351) 3,554,225

Other Funds

University and College Funds 110,482,163 (279,282) 110,202,881

Debt – Education and General 886,640 0 886,640

Debt – Housing 2,050,004 0 2,050,004

Debt – Student Center and Dining 172,078 0 172,078

Debt – Student Union 234,113 0 234,113

Debt – G.O. Debt Service 1,638,017 0 1,638,017

Rhode Island Capital Plan Funds

Asset Protection 2,843,250 407,491 3,250,741

Infrastructure Modernization 5,000,000 (1,000,000) 4,000,000

New Art Center Advanced Planning 0 103,162 103,162

Total – Rhode Island College 166,198,139 (1,216,369) 164,981,770

Notwithstanding the provisions of section 35-3-15 of the general laws, all unexpended or unencumbered balances as of June 30, 2014 relating to Rhode Island College are hereby reappropriated to fiscal year 2015.

Community College of Rhode Island

General Revenues

General Revenues 44,589,076 (155,790) 44,433,286

The Community College of Rhode Island College shall maintain tuition charges in the 2013 – 2014 academic year at the same level as the 2012 – 2013 academic year. The Community College shall not decrease internal student financial aid in the 2013 – 2014 academic year below the level of the 2012 – 2013 academic year. The President of the institution shall report, prior to the commencement of the 2013 – 2014 academic year, to the chair of the Rhode Island Board of Education that such tuition charges and student aid levels have been achieved at the start of FY 2014 as prescribed above.

Debt Service 1,839,656 0 1,839,656

Restricted Receipts 702,583 0 702,583

Other Funds

University and College Funds 100,333,007 2,102,805 102,435,812

Debt – Bookstore 28,443 0 28,443

CCRI Debt Service – Energy Conservation 1,289,480 (483,555) 805,925

Rhode Island Capital Plan Funds

Asset Protection 2,093,500 0 2,093,500
<p>|   | Description                                      | General Revenues | Operating Support | Grants       | Federal Funds | Other Funds | Arts for Public Facilities | Grants |  |
|---|--------------------------------------------------|------------------|-------------------|--------------|--------------|-------------|-----------------------------|--------|
| 1 | Knight Campus Renewal                            | 125,000          | 0                 | 125,000      |              |             |                             |        |
| 2 | Total – Community College of RI                  | 151,000,745      | 1,463,460         | 152,464,205 |              |             |                             |        |
| 3 | Notwithstanding the provisions of section 35-3-15 of the general laws, all unexpended or unencumbered balances as of June 30, 2014 relating to the Community College of Rhode Island are hereby reappropriated to fiscal year 2015. | 1,057,498,950    | 3,412,734       | 1,060,911,684 |              |             |                             |        |
| 4 | <strong>RI State Council on the Arts</strong>                 |                  |                   |              |              |             |                             |        |
| 5 | General Revenues                                 |                  |                   |              |              |             |                             |        |
| 6 | Operating Support                                | 423,973          | (18,039)          | 405,934      |              |             |                             |        |
| 7 | Grants                                           | 911,657          | (7,083)           | 904,574      |              |             |                             |        |
| 8 | Federal Funds                                    | 797,329          | (649)             | 796,680      |              |             |                             |        |
| 9 | Other Funds                                      |                  |                   |              |              |             |                             |        |
|10 | Arts for Public Facilities                       | 632,536          | 0                 | 632,536      |              |             |                             |        |
|11 | Grand Total - RI State Council on the Arts       | 2,765,495        | (25,771)          | 2,739,724    |              |             |                             |        |
|12 | <strong>RI Atomic Energy Commission</strong>                  |                  |                   |              |              |             |                             |        |
|13 | General Revenues                                 |                  |                   |              |              |             |                             |        |
|14 | Operating Support                                | 861,710          | (4,940)           | 856,770      |              |             |                             |        |
|15 | Grants                                           | 267,044          | (206,320)         | 60,724       |              |             |                             |        |
|16 | Federal Funds                                    |                  |                   |              |              |             |                             |        |
|17 | Other Funds                                      |                  |                   |              |              |             |                             |        |
|18 | URI Sponsored Research                           | 257,977          | 0                 | 257,977      |              |             |                             |        |
|19 | Rhode Island Capital Plan Funds                  |                  |                   |              |              |             |                             |        |
|20 | RINSC Asset Protection                           | 50,000           | 0                 | 50,000       |              |             |                             |        |
|21 | Grand Total - RI Atomic Energy Commission        | 1,436,731        | (211,260)         | 1,225,471    |              |             |                             |        |
|22 | <strong>RI Higher Education Assistance Authority</strong>     |                  |                   |              |              |             |                             |        |
|23 | General Revenues                                 |                  |                   |              |              |             |                             |        |
|24 | Needs Based Grants and Work Opportunities        | 4,134,726        | 51,597            | 4,186,323    |              |             |                             |        |
|25 | Authority Operations and Other Grants            | 147,000          | 0                 | 147,000      |              |             |                             |        |
|26 | Federal Funds                                    | 13,274,020       | (957,506)         | 12,316,514   |              |             |                             |        |
|27 | Other Funds                                      |                  |                   |              |              |             |                             |        |
|28 | Tuition Savings Program – Needs Based Grants     | 8,800,000        | (800,000)         | 8,000,000    |              |             |                             |        |
|29 | Tuition Savings Program – Administration          | 407,989          | (77,907)          | 330,082      |              |             |                             |        |
|30 | Grand Total – RI Higher Education                |                  |                   |              |              |             |                             |        |
|31 | Assistance Authority                             | 26,763,735       | (1,783,816)       | 24,979,919   |              |             |                             |        |
|32 | <strong>RI Historical Preservation and Heritage Commission</strong> |                  |                   |              |              |             |                             |        |
|33 | General Revenues                                 | 1,357,510        | (16,714)          | 1,340,796    |              |             |                             |        |</p>
<table>
<thead>
<tr>
<th></th>
<th>Federal Funds</th>
<th>Restricted Receipts</th>
<th>Other Funds</th>
<th></th>
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<tbody>
<tr>
<td>1</td>
<td>609,949</td>
<td>1,565,473</td>
<td>2,175,422</td>
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<tr>
<td>2</td>
<td>454,491</td>
<td>3,329</td>
<td>457,820</td>
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<td>3</td>
<td></td>
<td></td>
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</tr>
<tr>
<td>4</td>
<td>RIDOT – Project Review</td>
<td>84,999</td>
<td>(16,310)</td>
<td>68,689</td>
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<td>5</td>
<td>Rhode Island Capital Plan Funds</td>
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<td></td>
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</tr>
<tr>
<td>6</td>
<td>Eisenhower House Asset Protection</td>
<td>1,000,000</td>
<td>(820,000)</td>
<td>180,000</td>
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<td>7</td>
<td>Grand Total – RI Historical Preservation</td>
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<tr>
<td>8</td>
<td>and Heritage Commission</td>
<td>3,506,949</td>
<td>715,778</td>
<td>4,222,727</td>
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<td>Attorney General</td>
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<td></td>
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<tr>
<td>10</td>
<td>Criminal</td>
<td></td>
<td></td>
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<tr>
<td>11</td>
<td>General Revenues</td>
<td>14,446,868</td>
<td>(240,216)</td>
<td>14,206,652</td>
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<td>Federal Funds</td>
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<td>10,880,185</td>
<td>15,320,805</td>
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<td>14</td>
<td>Total – Criminal</td>
<td>20,507,020</td>
<td>11,842,349</td>
<td>32,349,369</td>
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<tr>
<td>15</td>
<td>Civil</td>
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<td>16</td>
<td>General Revenues</td>
<td>4,985,425</td>
<td>348,534</td>
<td>5,333,959</td>
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<td>17</td>
<td>Restricted Receipts</td>
<td>632,970</td>
<td>2,900</td>
<td>635,870</td>
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<td>18</td>
<td>Total – Civil</td>
<td>5,618,395</td>
<td>351,434</td>
<td>5,969,829</td>
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<td>Bureau of Criminal Identification</td>
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<td>20</td>
<td>General Revenues</td>
<td>1,503,119</td>
<td>21,106</td>
<td>1,524,225</td>
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<td>Federal Funds</td>
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<td>7,178</td>
<td>7,178</td>
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<tr>
<td>22</td>
<td>Total – Bureau of Criminal Identification</td>
<td>1,503,119</td>
<td>28,284</td>
<td>1,531,403</td>
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<td>23</td>
<td>General</td>
<td></td>
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<tr>
<td>24</td>
<td>General Revenues</td>
<td>2,721,567</td>
<td>9,391</td>
<td>2,730,958</td>
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<td>25</td>
<td>Rhode Island Capital Plan Funds</td>
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</tr>
<tr>
<td>26</td>
<td>Building Renovations and Repairs</td>
<td>50,000</td>
<td>191,805</td>
<td>241,805</td>
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<td>27</td>
<td>Total – General</td>
<td>2,771,567</td>
<td>201,196</td>
<td>2,972,763</td>
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<td>28</td>
<td>Grand Total - Attorney General</td>
<td>30,400,101</td>
<td>12,423,263</td>
<td>42,823,364</td>
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<tr>
<td>29</td>
<td>Corrections</td>
<td></td>
<td></td>
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</tr>
<tr>
<td>30</td>
<td>Central Management</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>31</td>
<td>General Revenues</td>
<td>9,077,039</td>
<td>(877,921)</td>
<td>8,199,118</td>
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<td>Federal Funds</td>
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<td>609,684</td>
<td>654,778</td>
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<td>33</td>
<td>Federal Funds – Stimulus</td>
<td>10,770</td>
<td>(10,770)</td>
<td>0</td>
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<tr>
<td>34</td>
<td>Total – Central Management</td>
<td>9,132,903</td>
<td>(279,007)</td>
<td>8,853,896</td>
</tr>
</tbody>
</table>
1 **Parole Board**

2 General Revenues 1,354,433  (76,812)  1,277,621

3 Federal Funds 38,000  0  38,000

4 **Total – Parole Board** 1,392,433  (76,812)  1,315,621

5 **Custody and Security**

6 General Revenues 115,418,407  2,311,770  117,730,177

7 Federal Funds 761,526  210,013  971,539

8 **Total – Custody and Security** 116,179,933  2,521,783  118,701,716

9 **Institutional Support**

10 General Revenues 15,728,306  198,384  15,926,690

11 Rhode Island Capital Plan Funds

12 Asset Protection 3,000,000  1,292,068  4,292,068

13 Maximum – General Renovations 1,100,000  778,624  1,878,624

14 General Renovations – Women’s 1,000,000  (133,143)  866,857

15 Bernadette Guay Roof 1,165,000  (1,075,000)  90,000

16 ISC Exterior Envelope and HVAC 4,000,000  (3,559,673)  440,327

17 Minimum Security Kitchen Expansion 2,485,392  (2,435,392)  50,000

18 Medium Infrastructure 4,719,359  (4,319,359)  400,000

19 Women’s Bathroom Renovations 0  116,148  116,148

20 D-Building State Match – Reintegration C 0  220,022  220,022

21 **Total - Institutional Support** 33,198,057  (8,917,321)  24,280,736

22 **Institutional Based Rehab/Population Management**

23 General Revenues 9,129,775  75,133  9,204,908

24 Federal Funds 794,918  (12,853)  782,065

25 Federal Funds – Stimulus 64,394  (64,311)  83

26 Restricted Receipts 29,758  (894)  28,864

27 **Total – Institutional Based Rehab/Pop/Mgt.** 10,018,845  (2,925)  10,015,920

28 **Healthcare Services** General Revenues 19,639,269  (215,609)  19,423,660

29 **Community Corrections**

30 General Revenues 15,031,969  (162,101)  14,869,868

31 Federal Funds 73,986  43,267  117,253

32 Restricted Receipts 35,132  2,157  37,289

33 **Total – Community Corrections** 15,141,087  (116,677)  15,024,410

34 **Grand Total – Corrections** 204,702,527  (7,086,568)  197,615,959
<table>
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<tr>
<th></th>
<th>Judiciary</th>
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<tr>
<td>1</td>
<td>Supreme Court</td>
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<tr>
<td>3</td>
<td>General Revenues</td>
</tr>
<tr>
<td>4</td>
<td>Defense of Indigents</td>
</tr>
<tr>
<td>5</td>
<td>Federal Funds</td>
</tr>
<tr>
<td>6</td>
<td>Restricted Receipts</td>
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<td>Judicial Complexes Asset Protection</td>
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<td>Murray Judicial Complex Cell Block</td>
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<td>Total - Supreme Court</td>
</tr>
<tr>
<td>12</td>
<td>Judicial Tenure and Discipline General Revenues</td>
</tr>
<tr>
<td>13</td>
<td>Superior Court</td>
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<tr>
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<td>General Revenues</td>
</tr>
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<td>15</td>
<td>Federal Funds</td>
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<td>16</td>
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<td>17</td>
<td>Total - Superior Court</td>
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<td>18</td>
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<tr>
<td>21</td>
<td>Total - Family Court</td>
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<td>22</td>
<td>District Court</td>
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<td>23</td>
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<td>26</td>
<td>Traffic Tribunal General Revenues</td>
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<td>27</td>
<td>Workers’ Compensation Court Restricted Receipts</td>
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<td>30</td>
<td>National Guard</td>
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<td>31</td>
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<td>32</td>
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<tr>
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<td>34</td>
<td>Rhode Island Capital Plan Funds</td>
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</tr>
<tr>
<td>1</td>
<td>AMC – Roof Replacement</td>
</tr>
<tr>
<td>2</td>
<td>State Armories Fire Code Compliance</td>
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<td>Federal Armories Fire Code Compliance</td>
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<td>Benefit Street Arsenal Rehabilitation</td>
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<td>Hurricane Sandy Cleanup</td>
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<td>8</td>
<td>Command Center Readiness Addition</td>
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<td>Emergency Management Building</td>
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<td>Burrillville Regional Training Institute</td>
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<td>Camp Fogarty Armory Roof</td>
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<td>13</td>
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<td>Total - Emergency Management</td>
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<td>18</td>
<td>Grand Total - Military Staff</td>
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<td>Federal Funds</td>
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<td>23</td>
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<td><strong>E-911 Emergency Telephone System</strong></td>
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<td>2</td>
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<td>Total - Municipal Police Training Academy</td>
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<td>Total - State Police</td>
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<td>Grand Total – Public Safety</td>
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<td>5</td>
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<td>6</td>
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<td>Permit Streamlining</td>
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</tr>
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<td>Federal Funds – Stimulus</td>
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<tr>
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<td>Restricted Receipts</td>
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<td>Total – Office of the Director</td>
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<tr>
<td>---</td>
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</tr>
<tr>
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<tr>
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</tr>
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<td>6</td>
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</tr>
<tr>
<td>7</td>
<td>DOT Recreational Projects</td>
</tr>
<tr>
<td>8</td>
<td>Blackstone Bikepath Design</td>
</tr>
<tr>
<td>9</td>
<td>Transportation MOU</td>
</tr>
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<td>10</td>
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<tr>
<td>11</td>
<td>Dam Repair</td>
</tr>
<tr>
<td>12</td>
<td>Fort Adams Rehabilitation</td>
</tr>
<tr>
<td>13</td>
<td>Fort Adams America’s Cup</td>
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<tr>
<td>14</td>
<td>Recreational Facilities Improvements</td>
</tr>
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<td>15</td>
<td>Galilee Piers Upgrade</td>
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<td>16</td>
<td>Newport Piers Upgrade</td>
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<td>17</td>
<td>World War II Facility</td>
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<td>Blackstone Valley Bike Path</td>
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<td>19</td>
<td>Natural Resources Office/Visitor’s Center</td>
</tr>
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<td>20</td>
<td>Rocky Point Acquisition/Renovations</td>
</tr>
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<td>21</td>
<td>Total - Natural Resources</td>
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<td>23</td>
<td>General Revenues</td>
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<td>24</td>
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</tr>
<tr>
<td>26</td>
<td>Other Funds</td>
</tr>
<tr>
<td>27</td>
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</tr>
<tr>
<td>28</td>
<td>Retrofit Heavy-Duty Diesel Vehicles</td>
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<td>29</td>
<td>Total - Environmental Protection</td>
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<td>30</td>
<td>Grand Total - Environmental Management</td>
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<tr>
<td>31</td>
<td>Coastal Resources Management Council</td>
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<td>34</td>
<td>Federal Funds</td>
</tr>
<tr>
<td></td>
<td>Federal Funds – Stimulus</td>
</tr>
<tr>
<td>---</td>
<td>-------------------------</td>
</tr>
<tr>
<td>2</td>
<td>Restricted Receipts</td>
</tr>
<tr>
<td>3</td>
<td>Grand Total - Coastal Resources Mgmt.</td>
</tr>
<tr>
<td>4</td>
<td>Council</td>
</tr>
</tbody>
</table>

5 **Transportation**

6 **Central Management**

7 | Federal Funds | 11,307,723 | 92,264 | 11,399,987 |
<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>8</td>
<td>Other Funds</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>9</td>
<td>Gasoline Tax</td>
<td>1,455,983</td>
<td>237,729</td>
<td>1,693,712</td>
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<tr>
<td>10</td>
<td>Total – Central Management</td>
<td>12,763,706</td>
<td>329,993</td>
<td>13,093,699</td>
</tr>
</tbody>
</table>

7 **Management and Budget**

8 | Other Funds   |         |         |            |
| 13| Gasoline Tax  | 1,549,669 | 616,312 | 2,165,981 |
| 14| Total – Management and Budget | 1,549,669 | 616,312 | 2,165,981 |

15 **Infrastructure Engineering – GARVEE/Motor Fuel Tax Bonds**

16 | Federal Funds | 293,587,942 | 37,317,619 | 330,905,561 |
<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>17</td>
<td>Of these federal funds, $1,790,000 is appropriated to the Public Rail Corporation from CMAQ federal funds for the payment of liability insurance.</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>19</td>
<td>Federal Funds – Stimulus</td>
<td>6,865,921</td>
<td>5,856,068</td>
<td>12,721,989</td>
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<tr>
<td>20</td>
<td>Restricted Receipts</td>
<td>8,010,496</td>
<td>(1,141,546)</td>
<td>6,868,950</td>
</tr>
<tr>
<td>21</td>
<td>Other Funds</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>22</td>
<td>Gasoline Tax</td>
<td>53,061,714</td>
<td>76,284</td>
<td>53,137,998</td>
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<tr>
<td>23</td>
<td>Land Sale Revenue</td>
<td>14,809,264</td>
<td>(5,709,183)</td>
<td>9,100,081</td>
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<tr>
<td>24</td>
<td>Rhode Island Capital Plan Funds</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>25</td>
<td>RIPTA - Land and Buildings</td>
<td>104,000</td>
<td>115,261</td>
<td>219,261</td>
</tr>
<tr>
<td>26</td>
<td>Highway Project Match Plan</td>
<td>21,135,000</td>
<td>(13,398,640)</td>
<td>7,736,360</td>
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<td>27</td>
<td>Total – Infrastructure Engineering</td>
<td></td>
<td></td>
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<td>28</td>
<td>GARVEE/Motor Fuel Tax Bonds</td>
<td>397,574,337</td>
<td>23,115,863</td>
<td>420,690,200</td>
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</tbody>
</table>

19 **Infrastructure Maintenance**

21 | Other Funds   |         |         |            |
| 31| Gasoline Tax  | 42,251,075 | 1,653,457 | 43,904,532 |
| 32| Non-Land Surplus Property | 125,000 | (75,000) | 50,000 |
| 33| Outdoor Advertising | 175,000 | 150,000 | 325,000 |
| 34| Rhode Island Capital Plan Funds |         |         |            |
SECTION 2. Each line appearing in Section 1 of this Article shall constitute an appropriation.

SECTION 3. The general assembly authorizes the state controller to establish the internal service accounts shown below, and no other, to finance and account for the operations of state agencies that provide services to other agencies, institutions and other governmental units on a cost reimbursed basis. The purpose of these accounts is to ensure that certain activities are managed in a businesslike manner, promote efficient use of services by making agencies pay the full costs associated with providing the services, and allocate the costs of central administrative services across all fund types, so that federal and other non-general fund programs share in the costs of general government support. The controller is authorized to reimburse these accounts for the cost of work or services performed for any other department or agency subject to the following expenditure limitations:

<table>
<thead>
<tr>
<th>Account</th>
<th>FY 2014</th>
<th>FY 2014 Change</th>
<th>FY 2014 Final</th>
</tr>
</thead>
<tbody>
<tr>
<td>Maintenance Facilities Improvements</td>
<td>776,210</td>
<td>(285,956)</td>
<td>490,254</td>
</tr>
<tr>
<td>Salt Storage Facilities</td>
<td>1,500,000</td>
<td>(828,565)</td>
<td>671,435</td>
</tr>
<tr>
<td>Portsmouth Facility</td>
<td>1,835,000</td>
<td>(1,335,000)</td>
<td>500,000</td>
</tr>
<tr>
<td>Maintenance Equipment Replacement</td>
<td>1,000,000</td>
<td>1,000,000</td>
<td>2,000,000</td>
</tr>
<tr>
<td>Train Station Maintenance and Repairs</td>
<td>100,000</td>
<td>(2,126)</td>
<td>97,874</td>
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<tr>
<td>RIPTA - Cooperative Maintenance Facility</td>
<td>600,000</td>
<td>(600,000)</td>
<td>0</td>
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<tr>
<td>Cherry Hill/Lincoln Facility</td>
<td>0</td>
<td>481,007</td>
<td>481,007</td>
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<tr>
<td>East Providence Facility</td>
<td>0</td>
<td>150,000</td>
<td>150,000</td>
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<tr>
<td>Maintenance Facility Fire Alarms</td>
<td>0</td>
<td>17,187</td>
<td>17,187</td>
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<tr>
<td>Total – Infrastructure Maintenance</td>
<td>48,362,285</td>
<td>325,004</td>
<td>48,687,289</td>
</tr>
<tr>
<td>Grand Total – Transportation</td>
<td>460,249,997</td>
<td>24,387,172</td>
<td>484,637,169</td>
</tr>
<tr>
<td>Statewide Totals</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>General Revenues</td>
<td>3,359,755,123</td>
<td>(7,356,564)</td>
<td>3,352,398,559</td>
</tr>
<tr>
<td>Federal Funds</td>
<td>2,717,673,430</td>
<td>210,814,247</td>
<td>2,928,487,677</td>
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<tr>
<td>Federal Funds</td>
<td>2,717,673,430</td>
<td>212,314,247</td>
<td>2,929,987,677</td>
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<tr>
<td>Restricted Receipts</td>
<td>255,035,912</td>
<td>23,677,581</td>
<td>278,713,493</td>
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<tr>
<td>Other Funds</td>
<td>1,880,597,557</td>
<td>28,502,015</td>
<td>1,909,099,572</td>
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<tr>
<td>Statewide Grand Total</td>
<td>8,213,062,022</td>
<td>255,637,279</td>
<td>8,468,699,304</td>
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<tr>
<td>Statewide Grand Total</td>
<td>8,213,062,022</td>
<td>257,137,279</td>
<td>8,470,199,301</td>
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</tbody>
</table>

Art10
RELATING TO MAKING REVISED APPROPRIATIONS IN SUPPORT OF FY 2014
(Page 29 of 32)
Art10
RELATING TO MAKING REVISED APPROPRIATIONS IN SUPPORT OF FY 2014
(Page 30 of 32)

1 Administration Central Utilities Internal Service Fund 20,253,728 (6,015,271) 14,238,457
2 State Central Mail Internal Service Fund 5,336,633 183,170 5,519,803
3 State Telecommunications Internal Service Fund 4,084,660 (31,222) 4,053,438
4 State Automotive Fleet Internal Service Fund 13,668,556 (263,198) 13,405,358
5 Surplus Property Internal Service Fund 2,500 0 2,500
6 Health Insurance Internal Service Fund 250,127,757 0 250,127,757
7 Other Post-Employment Benefits Fund
8 Retired State Employees 49,727,160 (518,377) 49,208,783
9 Retired Higher Education Employees 2,536,462 0 2,536,462
10 Retired Teachers 7,531,279 0 7,531,279
11 Retired State Police 3,073,102 0 3,073,102
12 Retired Legislators 772,532 0 772,532
13 Retired Judges 931,493 0 931,493
14 Capital Police Internal Service Fund 872,233 147,688 1,019,921
15 Corrections Central Distribution Center Internal Service Fund
16 Service Fund 6,701,947 569,518 7,271,465
17 Correctional Industries Internal Service Fund 8,341,086 (750,581) 7,590,505
18 Secretary of State Record Center Internal Service Fund 869,457 (3,166) 866,291

SECTION 4. Departments and agencies listed below may not exceed the number of full-time equivalent (FTE) positions shown below in any pay period. Full-time equivalent positions do not include seasonal or intermittent positions whose scheduled period of employment does not exceed twenty-six consecutive weeks or whose scheduled hours do not exceed nine hundred and twenty-five (925) hours, excluding overtime, in a one-year period. Nor do they include individuals engaged in training, the completion of which is a prerequisite of employment. Provided, however, that the Governor or designee, Speaker of the House of Representatives or designee, and the President of the Senate or designee may authorize an adjustment to any limitation. Prior to the authorization, the State Budget Officer shall make a detailed written recommendation to the Governor, the Speaker of the House, and the President of the Senate. A copy of the recommendation and authorization to adjust shall be transmitted to the chairman of the House Finance Committee, Senate Finance Committee, the House Fiscal Advisor and the Senate Fiscal Advisor.

State employees whose funding is from non-state general revenue funds that are time limited shall receive limited term appointment with the term limited to the availability of non-state general revenue funding source.
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<thead>
<tr>
<th>Departments and Agencies</th>
<th>Full-Time Equivalent</th>
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<td>Administration</td>
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<td>Labor and Training</td>
<td>392.0 410.0</td>
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<td>Revenue</td>
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<td>Office of the Secretary of State</td>
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<td>Office of the General Treasurer</td>
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<td>Board of Elections</td>
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<td>Office of the Governor</td>
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<td>Office of Health and Human Services</td>
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<td>Children, Youth, and Families</td>
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<td>Health</td>
<td>494.1 491.1</td>
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<td>Human Services</td>
<td>959.1</td>
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<td>Behavioral Health, Developmental Disabilities, and Hospitals</td>
<td>1,423.4 1,422.4</td>
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<td>Office of the Child Advocate</td>
<td>6.0</td>
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<td>Commission on the Deaf and Hard of Hearing</td>
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<tr>
<td>Governor's Commission on Disabilities</td>
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<tr>
<td>Office of the Mental Health Advocate</td>
<td>3.7</td>
</tr>
<tr>
<td>Elementary and Secondary Education</td>
<td>171.4</td>
</tr>
<tr>
<td>School for the Deaf</td>
<td>60.0</td>
</tr>
<tr>
<td>Davies Career and Technical School</td>
<td>126.0</td>
</tr>
<tr>
<td>Office of Higher Education</td>
<td>43.8 12.8</td>
</tr>
<tr>
<td>Provided that 1.0 of the total authorization would be available only for positions that are supported by third-party funds.</td>
<td></td>
</tr>
<tr>
<td>University of Rhode Island</td>
<td>2,456.5</td>
</tr>
<tr>
<td>Provided that 593.2 of the total authorization would be available only for positions that are supported by third-party funds.</td>
<td></td>
</tr>
<tr>
<td>Rhode Island College</td>
<td>923.6</td>
</tr>
</tbody>
</table>
Provided that 82.0 of the total authorization would be available only for positions that are supported by third-party funds.

<table>
<thead>
<tr>
<th>Agency</th>
<th>Amount</th>
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<tbody>
<tr>
<td>Community College of Rhode Island</td>
<td>854.1</td>
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<tr>
<td>Provided that 100.0 of the total authorization would be available only for positions that are supported by third-party funds.</td>
<td></td>
</tr>
<tr>
<td>Rhode Island State Council on the Arts</td>
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<tr>
<td>RI Atomic Energy Commission</td>
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<tr>
<td>Higher Education Assistance Authority</td>
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<td>Historical Preservation and Heritage Commission</td>
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<td>Office of the Attorney General</td>
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<td>Corrections</td>
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<td>Judicial</td>
<td>726.3</td>
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<tr>
<td>Military Staff</td>
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<td>Public Safety</td>
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<tr>
<td>Rhode Island State Council on the Arts</td>
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<tr>
<td>Office of the Public Defender</td>
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<td>Environmental Management</td>
<td>399.0</td>
</tr>
<tr>
<td>Coastal Resources Management Council</td>
<td>29.0</td>
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<tr>
<td>Transportation</td>
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</tr>
<tr>
<td>Total</td>
<td>15,118.3</td>
</tr>
</tbody>
</table>

SECTION 5. Notwithstanding any public laws to the contrary, three million, three hundred twenty thousand, nine hundred seventy nine dollars ($3,320,979) of bond premium deposited into the Rhode Island Capital Plan Fund in FY 2014 shall be transferred to the Municipal Road and Bridge Revolving Fund on or before June 30, 2014.

SECTION 6. Notwithstanding any general laws to the contrary, the Department of Administration shall transfer nine hundred twenty-five thousand, four hundred nineteen dollars ($925,419) from the Restoration and Replacement – Insurance Coverage Restricted Receipt account to the State General Fund on or before June 30, 2014.

SECTION 7. This Article shall take effect upon passage.
ARTICLE 11

RELATING TO EMPLOYMENT

SECTION 1. Section 28-42-84 of the General Laws in Chapter 28-42 entitled "Employment Security – General Provisions" is hereby amended to read as follows:

28-42-84. Job development fund – Disbursements – Unexpended balance. – (a) The moneys in the job development fund shall be used for the following purposes:

(1) To reimburse the department of labor and training for the loss of any federal funds resulting from the collection and maintenance of the fund by the department;

(2) To make refunds of contributions erroneously collected and deposited in the fund;

(3) To pay any administrative expenses incurred by the department of labor and training associated with the collection of the contributions for employers paid pursuant to § 28-43-8.5, and any other administrative expenses associated with the maintenance of the fund, including the payment of all premiums upon bonds required pursuant to § 28-42-85;

(4) To provide for job training, counseling and assessment services, and other related activities and services. Services will include, but are not limited to, research, development, coordination, and training activities to promote workforce development and business development as established by the human resource investment council;

(5) To support the state’s job training for economic development;

(b) Beginning January 1, 2001, two hundredths of one percent (0.02%) out of the twenty-one hundredths of one percent (0.21%) job development assessment paid pursuant to § 28-43-8.5 shall be used to support necessary core services in the unemployment insurance and employment services programs operated by the department of labor and training; and

(ii) Beginning January 1, 2011 and ending in tax year 2015, two hundredths of one percent (0.02%) out of the fifty-one hundredths of one percent (0.51%) job development assessment paid pursuant to § 28-43-8.5 shall be used to support necessary core services in the unemployment insurance and employment services programs operated by the department of labor and training; and

(7) Beginning January 1, 2011 and ending in tax year 2015, three tenths of one percent (0.3%) out of the fifty-one hundredths of one percent (0.51%) job development assessment paid pursuant to § 28-43.8.5 28-43-8.5 shall be deposited into a restricted receipt
account to be used solely to pay the principal and/or interest due on Title XII advances received from the federal government in accordance with the provisions of Section 1201 of the Social Security Act; provided, however, that if the federal Title XII loans are repaid through a state revenue bond or other financing mechanism, then these funds may also be used to pay the principal and/or interest that accrues on that debt. Any remaining funds in the restricted receipt account, after the outstanding principal and interest due has been paid, shall be transferred to the employment security fund for the payment of benefits.

(b) The general treasurer shall pay all vouchers duly drawn by the council upon the fund, in any amounts and in any manner that the council may prescribe. Vouchers so drawn upon the fund shall be referred to the controller within the department of administration. Upon receipt of those vouchers, the controller shall immediately record and sign them and shall promptly transfer those signed vouchers to the general treasurer. Those expenditures shall be used solely for the purposes specified in this section and its balance shall not lapse at any time but shall remain continuously available for expenditures consistent with this section. The general assembly shall annually appropriate the funds contained in the fund for the use of the human resource investment council and, in addition, for the use of the department of labor and training effective July 1, 2000, and for the payment of the principal and interest due on federal Title XII loans beginning July 1, 2011; provided, however, that if the federal Title XII loans are repaid through a state revenue bond or other financing mechanism, then the funds may also be used to pay the principal and/or interest that accrues on that debt.

SECTION 2. Section 28-43-8.5 of the General Laws in Chapter 28-43 entitled “Employment Security - Contributions” is hereby amended to read as follows:

28-43-8.5. Job development assessment. -- For the tax years 2011 through 2014, each employer subject to this chapter shall be required to pay a job development assessment of fifty-one hundredths of one percent (0.51%) of that employer’s taxable payroll, in addition to any other payment which that employer is required to make under any other provision of this chapter; provided, that the assessment shall not be considered as part of the individual employer’s contribution rate for the purpose of determining the individual employer’s balancing charge pursuant to section 28-43-9; provided, further, upon full repayment of any outstanding principal and/or interest due on Title XII advances received from the federal government in accordance with the provisions of section 1201 of the Social Security Act, including any principal and/or interest that accrues on debt from a state revenue bond or other financing mechanism used to repay the Title XII advances, then the job development assessment shall be reduced to twenty-one hundredths of one percent (0.21%) beginning the tax quarter after the full repayment occurs.
Art 11
RELATING TO EMPLOYMENT
(Page 3 of 4)

1 tax rate for all employers subject to the contribution provisions of chapters 42 -- 44 of this title
shall be reduced by twenty-one hundredths of one percent (0.21%). For tax year 2015 and
subsequent years, each employer subject to this chapter shall be required to pay a job
development assessment of fifty-one hundredths of one percent (0.51%) twenty-one hundredths
of one percent (0.21%) of that employer's taxable payroll, in addition to any other payment which
that employer is required to make under any other provision of this chapter; provided, that the
assessment shall not be considered as part of the individual employer's contribution rate for the
purpose of determining the individual employer's balancing charge pursuant to section 28-43-9.

The tax rate for all employers subject to contribution provisions of chapter 42 -- 44 of this title
shall be reduced by twenty-one hundredths of one percent (0.21%). However, upon full
repayment of any outstanding principal and/or interest due on Title XII advances received from
the federal government in accordance with the provisions of section 1201 of the Social Security
Act, including any principal and/or interest that accrues on debt from a state revenue bond or
other financing mechanism used to repay the Title XII advances, then the job development
assessment shall be reduced to twenty-one hundredths of one percent (0.21%) beginning the tax
quarter after the full repayment occurs.

"Employment Security - General Provisions" is hereby amended to read as follows:

28-42-18, Establishment of fund. -- (a) There is created the employment security fund,
to be administered by the director without liability on the part of the state beyond the amounts
paid into and earned by the fund. This fund shall consist of:

(1) All contributions paid pursuant to sections 28-43-16 -- 28-43-22;

(2) All other moneys paid into and received by the fund;

(3) Property and securities acquired by and through the use of moneys belonging to the
fund;

(4) Interest earned upon the money belonging to the fund; and

(5) All money credited to this state's account in the unemployment trust fund pursuant to
42 U.S.C. section 1103.

(6) Advances from the general fund, authorized by the governor and the director of
administration, for the purpose of repaying loans outstanding from the federal government or for
paying unemployment insurance benefits due to avoid borrowing from the federal government in
a given fiscal year. However, all such advances made to the fund shall be repaid to the general
fund, with interest as determined by the general treasurer, within the same fiscal year.

(b) All moneys in the fund shall be mingled and undivided.
SECTION 4. Chapter 28-12 of the General Laws entitled "Minimum Wages" is hereby amended by adding thereto the following section:

28-12-25. Uniformity. – No municipality shall establish, mandate, or otherwise require an employer to pay a minimum wage to its employees, other than the state or federal mandated minimum wage, or to apply a state or federal minimum wage law to wages statutorily exempt from a state or federal minimum wage requirement.

SECTION 5. This article shall take effect upon passage.
ARTICLE 12 AS AMENDED

RELATING TO REVENUES

SECTION 1. Chapter 31-3-6.1 of the General Laws entitled "Registration of Vehicles" is hereby amended by adding thereto the following section:

31-3-6.1. Denial of registration- Denial of transfer of registration -- Failure to file tax returns and/or pay taxes. -- (a) On or before October 31 in each year and at least quarterly thereafter, the tax administrator shall furnish the division of motor vehicles, with a list the names, addresses and social security numbers of persons who have neglected or refused to file a tax return(s) and/or to pay any tax administered by the tax administrator and that there is no administrative or appellate review pending regarding such tax matter.

(b) Thereafter, the tax administrator, at the times and in the manner mutually agreed to by the tax administrator and the administrator of the division of motor vehicles, shall furnish to the division of motor vehicles the names, addresses and social security numbers of those persons whose names appear on that list but who have subsequently filed all required returns and paid all required taxes, interest and attendant penalties in full or entered into a time payment agreement satisfactory to the tax administrator. Upon receipt of said information, said names, addresses and social security numbers of said persons shall be removed from the list.

(c) The administrator of the division of motor vehicles shall not register any motor vehicle or transfer the registration of any motor vehicle for any person whose name appears on a list provided by the tax administrator pursuant to subsection (a) above until all state taxes, interest and attendant penalties have been paid in full and the payment has been certified to the division of motor vehicles by the tax administrator.

(d) If the person thereafter files an overdue return and/or remits past taxes due or enters into a satisfactory time payment agreement with respect to any and all returns due and taxes payable, the tax administrator shall, within five (5) business days of the person's request, provide the division of motor vehicles with a certificate of good standing specified in § 5-76-5. Within five (5) business days of receiving such a certificate, the division of motor vehicles shall register or transfer the person's registration.

(e) If a person files an overdue return and/or remits past due taxes in order to register a motor vehicle or transfer the registration of a motor vehicle, said late filing and/or payment shall
not be an admission of a violation of any criminal tax statute regarding late filing and/or late payment. The tax administrator shall not refer such person to the attorney general for prosecution based solely upon said late filing and/or payment of past due taxes.

SECTION 2. Chapter 44-30 of the General Laws entitled "Personal Income Tax" is hereby amended by adding thereto the following section:

44-30-100. Lookup table to report use tax on personal income tax return. -- (a) When reporting the amount of use tax obligation on the Rhode Island personal income return, the taxpayer shall list either the actual amount (from books, records, and other sources), or an amount using a lookup table established by the tax administrator.

(b) Establishment of lookup table. (1) The tax administrator shall create the lookup table with reference to a taxpayer's federal adjusted gross income (AGI) as listed on the Rhode Island personal income tax return before modifications, adjustments, or other changes. To determine the amount of use tax from the lookup table, the taxpayer shall multiply 0.0008 by the amount of the taxpayer's federal AGI as listed on the Rhode Island personal income tax return before modifications, adjustments, or other changes.

(2) The AGI income ranges within the lookup table shall be adjusted by the tax administrator by December 31 of each calendar year by the percentage, if any, by which the Consumer Price Index for All Urban Consumers (CPI-U) as of the close of the 12-month period ending on August 31 of that year, exceeds the CPI-U as of the close of the 12-month period ending on August 31 of the immediately preceding year. For purposes of the annual calculation, the tax administrator shall be free to substitute an inflation index which is substantially similar to the CPI-U.

(3) If a taxpayer uses the lookup table, the taxpayer shall list on the return not only the result from the lookup table, but also the actual amount of each single purchase whose purchase price equals or exceeds one thousand dollars ($1,000).

(4) Instructions for the personal income tax form shall indicate that the use of the lookup table as described in this section is, for the taxpayer, a "safe harbor" alternative to listing the actual amount of the taxpayer's use tax obligation.

(c) When completing and filing a Rhode Island personal income tax return, the taxpayer shall check a box attesting to the amount of use tax listed on the return. The tax administrator shall direct computer software providers to require the taxpayer or the taxpayer's preparer to proactively check the box; software providers shall not program an automatically checked attestation box.

(d) The tax administrator shall make clear on personal income tax forms and instructions
that use tax is typically due on internet, mail-order, and catalog out-of-state purchases.

SECTION 3. Title 44 of the General Laws entitled “TAXATION” is hereby amended by
adding thereto the following chapter:

CHAPTER 69

COMPLIANCE OF PUBLIC EMPLOYEES WITH STATE INCOME TAX ACT

44-69-1. Short title. -- This chapter shall be known as the "Public Employee Tax
Compliance Act".

44-69-1. Definitions. -- (a) "Appointing authority" means the person or group of persons
having the power by virtue of the constitution, a state statute, or lawfully delegated authority to
make appointments.

(b) "Employee" or "state or public employee" means an elected official, appointed officer
or employee of any political subdivision of this state.

(c) "State agency" means any office, department, board, commission or institution of the
executive, legislative, higher education or judicial branch of state government.

(d) "Political subdivision" means any office, department, board, commission or
institution of the executive, legislative, education, or, public safety, or judicial branch of any city,
town, or school district within the state.

44-69-3. Administration. -- (a) The department of administration and all political
subdivisions shall, not later than August 1, 2014, and August 1 of each year thereafter, provide to
the tax administrator a list of all public employees as of the preceding July 1 and such identifying
information as may be required by the tax administrator. Such list and information shall be used
by the tax administrator exclusively for the purpose of collection of income taxes due to the state
of Rhode Island.

(b) The tax administrator shall, not later than December 1, 2014, and December 1 of each
year thereafter, notify any public employee who is not in compliance with the income tax laws of
this state. Such notification shall include:

(1) A statement that the employee will be subject to mandatory garnishment of wages by
the state controller, unless the taxpayer is deemed by the tax administrator to be in compliance
with the income tax laws of this state;

(2) The reasons that the taxpayer is considered to be out of compliance with the income
tax laws of this state, including a statement of the amount of any tax, penalties and interest due, or
a list of the tax years for which income tax returns have not been filed, as required by law;

(3) An explanation of the rights of the taxpayer and the procedures which must be
followed by the taxpayer in order to come into compliance with the income tax laws of this state;
and

(4) Such other information as may be deemed necessary by the tax administrator.

(c) A public employee who has entered into and is abiding by a payment agreement, or

who has requested relief as an innocent spouse, which request is pending or has been granted,

shall be deemed to be in compliance with the state income tax laws for purposes of this section.

(d) If the tax administrator notifies a public employee who is not in compliance with the

income tax laws of this state as required in this section and such public employee does not

respond to such notification or fails to come into compliance with the income tax laws of this

state after an assessment has been made final or after the Tax Administrator determines that every

reasonable effort has been made to assist the public employee to come into compliance with the

income tax laws of this state, the tax administrator shall so notify the state controller or political

subdivision, which shall commence mandatory garnishment of the public employee's wages and

shall notify the employee of the reason for such action. If a public employee, who has been

previously reported by the tax administrator to a state agency or the political subdivision as being

out of compliance, comes into compliance, the tax administrator shall immediately notify the

state controller or the political subdivision. Neither a state agency or the political subdivision nor

an appointing authority shall be held liable for any action with respect to a public employee

pursuant to the provisions of this section.

SECTION 4. Section 44-33-3 of the General Laws in Chapter 44-33 entitled "Property

Tax Relief" is hereby amended to read as follows:

44-33-3. Definitions. -- As used in this chapter:

(1) "Claimant" means a homeowner or renter, sixty-five (65) years of age or older,

and/or disabled, who has filed a claim under this chapter and was domiciled in this state for the

entire calendar year for which he or she files a claim for relief under this chapter. In the case of

claim for rent constituting property taxes accrued, the claimant shall have rented property during

the preceding year for which he or she files for relief under this chapter. Claimant shall not mean

or include any person claimed as a dependent by any taxpayer under the Internal Revenue Code

of the United States, 26 U.S.C. section 1 et seq. When two (2) individuals of a household are able

to meet the qualifications for a claimant, they may determine between themselves as to who the

claimant is. If they are unable to agree, the matter is referred to the tax administrator and his or

her decision is final. If a homestead is occupied by two (2) or more individuals, and more than

one individual is able to qualify as a claimant, and some or all of the qualified individuals are not

related, the individuals may determine among themselves as to who the claimant is. If they are

unable to agree, the matter is referred to the tax administrator, and his or her decision is final.
(2) "Disabled" means those persons who are receiving a social security disability benefit.

(3) "Gross rent" means rental paid in cash or its equivalent solely for the right of occupancy of a homestead, exclusive of charges for any utilities, services, furniture, furnishings, or personal property appliances furnished by the landlord as a part of the rental agreement. If the landlord and tenant have not dealt with each other at arm's length, and the tax administrator is satisfied that the gross rent charged was excessive, he or she may adjust the gross rent to a reasonable amount for purposes of this chapter. "Gross rent" includes the rental of space paid to a landlord for parking of a mobile home, or docking or mooring a houseboat, exclusive of any charges for utilities, services, furniture, furnishings, or personal appliances furnished by the landlord as a part of the rental. Twenty percent (20%) of the annual gross rental plus the space rental fees paid during the year are the annual "property taxes accrued."

(4) "Homestead" means the dwelling, whether owned or rented, and so much of the land surrounding it, not exceeding one acre, as is reasonably necessary for use of the dwelling as a home, and may consist of a part of the multi-dwelling or multi-purpose building and a part of the land upon which it is built ("owned" includes a vendee in possession under a land contract and one or more joint tenants or tenants in common). It does not include personal property such as furniture, furnishings, or appliances, but a mobile home or a houseboat may be a homestead.

(5) "Household" means one or more persons occupying a dwelling unit and living as a single nonprofit housekeeping unit. "Household" shall not include bona fide lessees, tenants, or roomers, and boarders on contract.

(6) "Household income" means all income received by all persons of a household in a calendar year while members of the household.

(7) "Income" means the sum of federal adjusted gross income as defined in the Internal Revenue Code of the United States, 26 U.S.C. section 1 et seq., and all non-taxable income including, but not limited to, the amount of capital gains excluded from adjusted gross income, alimony, support money, non-taxable strike benefits, cash public assistance and relief (not including relief granted under this chapter), the gross amount of any pension or annuity (including Railroad Retirement Act (see 45 U.S.C. section 231 et seq.) benefits, all payments received under the federal Social Security Act, 42 U.S.C. section 301 et seq., state unemployment insurance laws, and veterans' disability pensions (see 38 U.S.C. section 301 et seq.), non-taxable interest received from the federal government or any of its instrumentalities, workers' compensation, and the gross amount of "loss of time" insurance. It shall not include gifts from nongovernmental sources, or surplus foods or other relief in kind supplied by a public or private agency. For the purpose of this chapter, the calculation of "income" shall not include any
deductions for rental losses, business losses, capital losses, exclusion for foreign income, and any
losses received from pass-through entities.

(8) "Property taxes accrued" means property taxes (exclusive of special assessments, delinquent interest, and charges for service) levied on a claimant's homestead in this state in 1977 or any calendar year thereafter. If a homestead is owned by two (2) or more persons or entities as joint tenants or tenants in common, and one or more persons or entities are not a member of claimant's household, "property taxes accrued" is that part of property taxes levied on the homestead which reflects the ownership percentage of the claimant and his or her household. For purposes of this subdivision, property taxes are "levied" when the tax roll is certified by the city or town assessor. When a homestead is sold during the calendar year of the levy, the "property taxes accrued" for the seller and buyer is the amount of the tax levy prorated to each in the closing agreement pertaining to the sale of the homestead or, if not provided for in the closing agreement, the tax levy is prorated between seller and buyer based upon the delivery date of the deed of conveyance. When a household owns and occupies two (2) or more homesteads in the same calendar year, "property taxes accrued" is the sum of the prorated taxes attributable to the household for each of the homesteads. If the household owns and occupies the homestead for the part of the calendar year and rents a household for part of the calendar year, it may include both the proration of taxes on the homestead owned and "rent constituting property taxes accrued" with respect to the months the homestead is rented, in computing the amount of the claim. All prorations are made on the basis of the gross tax levy after all exemptions. If a homestead is an integral part of a larger unit such as a farm, or a multi-purpose or multi-dwelling building, property taxes accrued is that percentage of the total property taxes accrued as the value of the homestead is of the total value. For the purposes of this subdivision, "unit" refers to the parcel of property covered by a single tax statement of which the homestead is a part.

(9) "Rent constituting property taxes accrued" means twenty percent (20%) of the gross rent actually paid in cash or its equivalent in any calendar year by a claimant and his or her household solely for the right of occupancy of their Rhode Island homestead in the calendar year, and which rent constitutes the basis, in the succeeding calendar year, of a claim for relief under this chapter by the claimant, but shall not include any part of the rent paid for occupancy of premises which are legally exempt from the payment of property taxes.

SECTION 5. Section 44-25-1 of the General Laws in Chapter 44-25 entitled "Real Estate Conveyance Tax" is hereby amended to read as follows:

44-25-1. Tax imposed -- Payment -- Burden. -- (a) There is imposed, on each deed, instrument, or writing by which any lands, tenements, or other realty sold is granted, assigned,
transferred, or conveyed to, or vested in, the purchaser or purchasers, or any other person or
persons, by his or her or their direction, when the consideration paid exceeds one hundred dollars
($100), a tax at the rate of two dollars ($2.00) two dollars and thirty cents ($2.30) for each five
hundred dollars ($500) or fractional part of it which is paid for the purchase of the property
(inclusive of the value of any lien or encumbrance remaining at the time of sale), which tax is
payable at the time of making, execution, delivery, acceptance or presenting for recording of the
instrument. In the absence of an agreement to the contrary, the tax shall be paid by the grantor.

(b) In the event no consideration is actually paid for the lands, tenements, or realty, the
instrument of conveyance shall contain a statement to the effect that the consideration is such that
no documentary stamps are required.

(c) The tax administrator shall contribute to the distressed community relief program the
sum of thirty cents ($.30) per two dollars ($2.00) two dollars and thirty cents ($2.30) of the face
value of the stamps to be distributed pursuant to section 45-13-12, and to the housing resources
commission restricted receipts account the sum of thirty cents ($.30) per two dollars and thirty
cents ($2.30) of the face value of the stamps. Funds will be administered by the department of
administration, office of housing and community development, through the housing resources
commission. The state shall retain sixty cents ($.60) for state use. The balance of the tax shall be
retained by the municipality collecting the tax. Provided, however, in fiscal years 2004 and 2005,
from the proceeds of this tax, the tax administrator shall deposit as general revenues the sum of
ninety cents ($.90) per two dollars ($2.00) two dollars and thirty cents ($2.30) of the face value of
the stamps. The balance of the tax is retained by the municipality collecting the tax.

Island Housing Resources Act of 1998" is hereby amended to read as follows:

42-128-2. Rhode Island housing resources agency created. -- There is created within
the executive department a housing resources agency with the following purposes, organization,
and powers:

(1) Purposes:

(i) To provide coherence to the housing programs of the state of Rhode Island and its
departments, agencies, commissions, corporations, and subdivisions.

(ii) To provide for the integration and coordination of the activities of the Rhode Island
housing and mortgage finance corporation and the Rhode Island housing resources commission.

(2) Coordinating committee -- Created -- Purposes and powers:

(i) The coordinating committee of the housing resources agency shall be comprised of
the chairperson of the Rhode Island housing and mortgage finance corporation, the chairperson of

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RELATING TO REVENUES
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the Rhode Island housing resources commission, the director of the department of administration, or the designee of the director, and the executive director of the Rhode Island housing and mortgage finance corporation. The chairperson of the Rhode Island housing resources commission shall be chairperson of the coordinating committee.

(ii) The coordinating committee shall develop and shall implement, with the approval of the Rhode Island housing and mortgage finance corporation and the Rhode Island housing resources commission, a memorandum of agreement describing the fiscal and operational relationship between the Rhode Island housing and mortgage finance corporation and the Rhode Island housing resources commission and shall define which programs of federal assistance will be applied for on behalf of the state by the Rhode Island housing and mortgage finance corporation and the Rhode Island housing resources commission.

(3) There is hereby established a restricted receipt account within the general fund of the state. Funds from this account shall be used to provide for the lead hazard abatement program, housing rental subsidy, and homeless prevention assistance and housing retention assistance.

SECTION 7. Section 44-30-2.6 of the General Laws in Chapter 44-30 entitled “Personal Income Tax” is hereby amended to read as follows:

44-30-2.6. Rhode Island taxable income -- Rate of tax. -- (a) “Rhode Island taxable income” means federal taxable income as determined under the Internal Revenue Code, 26 U.S.C. section 1 et seq., not including the increase in the basic standard deduction amount for married couples filing joint returns as provided in the Jobs and Growth Tax Relief Reconciliation Act of 2003 and the Economic Growth and Tax Relief Reconciliation Act of 2001 (EGTRRA), and as modified by the modifications in section 44-30-12.

(b) Notwithstanding the provisions of sections 44-30-1 and 44-30-2, for tax years beginning on or after January 1, 2001, a Rhode Island personal income tax is imposed upon the Rhode Island taxable income of residents and nonresidents, including estates and trusts, at the rate of twenty-five and one-half percent (25.5%) for tax year 2001, and twenty-five percent (25%) for tax year 2002 and thereafter of the federal income tax rates, including capital gains rates and any other special rates for other types of income, except as provided in section 44-30-2.7, which were in effect immediately prior to enactment of the Economic Growth and Tax Relief Reconciliation Act of 2001 (EGTRRA); provided, rate schedules shall be adjusted for inflation by the tax administrator beginning in taxable year 2002 and thereafter in the manner prescribed for adjustment by the commissioner of Internal Revenue in 26 U.S.C. section 1(f). However, for tax years beginning on or after January 1, 2006, a taxpayer may elect to use the alternative flat tax rate provided in section 44-30-2.10 to calculate his or her personal income tax liability.
(c) For tax years beginning on or after January 1, 2001, if a taxpayer has an alternative minimum tax for federal tax purposes, the taxpayer shall determine if he or she has a Rhode Island alternative minimum tax. The Rhode Island alternative minimum tax shall be computed by multiplying the federal tentative minimum tax without allowing for the increased exemptions under the Jobs and Growth Tax Relief Reconciliation Act of 2003 (as redetermined on federal form 6251 Alternative Minimum Tax-Individuals) by twenty-five and one-half percent (25.5%) for tax year 2001, and twenty-five percent (25%) for tax year 2002 and thereafter, and comparing the product to the Rhode Island tax as computed otherwise under this section. The excess shall be the taxpayer's Rhode Island alternative minimum tax.

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

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

(A) Tax imposed.

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

<table>
<thead>
<tr>
<th>If taxable income is:</th>
<th>The tax is:</th>
</tr>
</thead>
<tbody>
<tr>
<td>Not over $53,150</td>
<td>3.75% of taxable income</td>
</tr>
<tr>
<td>Over $53,150 but not over $128,500</td>
<td>$1,993.13 plus 7.00% of the excess over $53,150</td>
</tr>
<tr>
<td>Over $128,500 but not over $195,850</td>
<td>$7,267.63 plus 7.75% of the excess over $128,500</td>
</tr>
<tr>
<td>Over $195,850 but not over $349,700</td>
<td>$12,487.25 plus 9.00% of the excess over $195,850</td>
</tr>
<tr>
<td>Over $349,700</td>
<td>$26,333.75 plus 9.90% of the excess over $349,700</td>
</tr>
</tbody>
</table>

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

<table>
<thead>
<tr>
<th>If taxable income is:</th>
<th>The tax is:</th>
</tr>
</thead>
<tbody>
<tr>
<td>Over $128,500 but not over $195,850</td>
<td>$7,267.63 plus 7.75% of the excess over $128,500</td>
</tr>
<tr>
<td>Over $195,850 but not over $349,700</td>
<td>$12,487.25 plus 9.00% of the excess over $195,850</td>
</tr>
<tr>
<td>Over $349,700</td>
<td>$26,333.75 plus 9.90% of the excess over $349,700</td>
</tr>
<tr>
<td>Taxable Income Range</td>
<td>Tax Calculation</td>
</tr>
<tr>
<td>---------------------------</td>
<td>---------------------------------------</td>
</tr>
<tr>
<td>Not over $42,650</td>
<td>3.75% of taxable income</td>
</tr>
<tr>
<td>Over $42,650 but not over $110,100</td>
<td>$1,599.38 plus 7.00% of the excess over $42,650</td>
</tr>
<tr>
<td>$42,650</td>
<td></td>
</tr>
<tr>
<td>Over $110,100 but not over $178,350</td>
<td>$6,320.88 plus 7.75% of the excess over $110,100</td>
</tr>
<tr>
<td>$110,100</td>
<td></td>
</tr>
<tr>
<td>Over $178,350 but not over $349,700</td>
<td>$11,610.25 plus 9.00% of the excess over $178,350</td>
</tr>
<tr>
<td>$178,350</td>
<td></td>
</tr>
<tr>
<td>Over $349,700</td>
<td>$27,031.75 plus 9.90% of the excess over $349,700</td>
</tr>
<tr>
<td>$349,700</td>
<td></td>
</tr>
</tbody>
</table>

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

<table>
<thead>
<tr>
<th>Taxable Income Range</th>
<th>Tax Calculation</th>
</tr>
</thead>
<tbody>
<tr>
<td>Not over $31,850</td>
<td>3.75% of taxable income</td>
</tr>
<tr>
<td>Over $31,850 but not over $77,100</td>
<td>$1,194.38 plus 7.00% of the excess over $31,850</td>
</tr>
<tr>
<td>$31,850</td>
<td></td>
</tr>
<tr>
<td>Over $77,100 but not over $160,850</td>
<td>$4,361.88 plus 7.75% of the excess over $77,100</td>
</tr>
<tr>
<td>$77,100</td>
<td></td>
</tr>
<tr>
<td>Over $160,850 but not over $349,700</td>
<td>$10,852.50 plus 9.00% of the excess over $160,850</td>
</tr>
<tr>
<td>$160,850</td>
<td></td>
</tr>
<tr>
<td>Over $349,700</td>
<td>$27,849.00 plus 9.90% of the excess over $349,700</td>
</tr>
<tr>
<td>$349,700</td>
<td></td>
</tr>
</tbody>
</table>

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

<table>
<thead>
<tr>
<th>Taxable Income Range</th>
<th>Tax Calculation</th>
</tr>
</thead>
<tbody>
<tr>
<td>Not over $26,575</td>
<td>3.75% of taxable income</td>
</tr>
<tr>
<td>Over $26,575 but not over $64,250</td>
<td>$996.56 plus 7.00% of the excess over $26,575</td>
</tr>
<tr>
<td>$26,575</td>
<td></td>
</tr>
<tr>
<td>Over $64,250 but not over $97,925</td>
<td>$3,633.81 plus 7.75% of the excess over $64,250</td>
</tr>
<tr>
<td>$64,250</td>
<td></td>
</tr>
<tr>
<td>Over $97,925 but not over $174,850</td>
<td>$6,243.63 plus 9.00% of the excess over $97,925</td>
</tr>
<tr>
<td>$97,925</td>
<td></td>
</tr>
<tr>
<td>Over $174,850</td>
<td>$13,166.88 plus 9.90% of the excess over $174,850</td>
</tr>
<tr>
<td>$174,850</td>
<td></td>
</tr>
</tbody>
</table>

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

<table>
<thead>
<tr>
<th>Taxable Income</th>
<th>Tax</th>
</tr>
</thead>
<tbody>
<tr>
<td>Not over $2,150</td>
<td>3.75% of taxable income</td>
</tr>
<tr>
<td>Over $2,150 but not over $5,000</td>
<td>$80.63 plus 7.00% of the excess over $2,150</td>
</tr>
<tr>
<td>Over $5,000 but not over $7,650</td>
<td>$280.13 plus 7.75% of the excess over $5,000</td>
</tr>
<tr>
<td>Over $7,650 but not over $10,450</td>
<td>$485.50 plus 9.00% of the excess over $7,650</td>
</tr>
<tr>
<td>Over $10,450</td>
<td>$737.50 plus 9.90% of the excess over $10,450</td>
</tr>
</tbody>
</table>

(6) Adjustments for inflation.

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

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

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

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

(B) Maximum capital gains rates

(1) In general

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

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

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

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

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

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

(C) Itemized deductions.

(1) In general

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

(2) Individuals who do not itemize their deductions

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

(3) Basic standard deduction.

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

<table>
<thead>
<tr>
<th>Filing status</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Single</td>
<td>$5,350</td>
</tr>
<tr>
<td>Married filing jointly or qualifying widow(er)</td>
<td>$8,900</td>
</tr>
<tr>
<td>Married filing separately</td>
<td>$4,450</td>
</tr>
<tr>
<td>Head of Household</td>
<td>$7,850</td>
</tr>
</tbody>
</table>

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

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

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

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

(a) $850;
(b) The sum of $300 and such individual's earned income;

(6) Certain individuals not eligible for standard deduction.

In the case of:

(a) A married individual filing a separate return where either spouse itemizes deductions;
(b) Nonresident alien individual;
(c) An estate or trust;

The standard deduction shall be zero.

(7) Adjustments for inflation.

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

(a) Such dollar amount contained in paragraphs (3), (4) and (5) in the year 1988, multiplied by
(b) The cost-of-living adjustment determined under section (J) with a base year of 1988.

(D) Overall limitation on itemized deductions

(1) General rule.

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

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

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

(2) Applicable amount.

(a) In general.

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

(b) Adjustments for inflation.

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

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


(3) Phase-out of Limitation.

(a) In general.

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

(b) Applicable fraction.

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

<table>
<thead>
<tr>
<th>For taxable years beginning in calendar year</th>
<th>The applicable fraction is</th>
</tr>
</thead>
<tbody>
<tr>
<td>2006 and 2007</td>
<td>2/3</td>
</tr>
<tr>
<td>2008 and 2009</td>
<td>1/3</td>
</tr>
</tbody>
</table>

(E) Exemption amount

(1) In general.

Except as otherwise provided in this subsection, the term "exemption amount" mean

$3,400.

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

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

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

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

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

(4) Limitation.

(a) In general.

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

(b) Applicable percentage.

In the case of any taxpayer whose adjusted gross income for the taxable year exceeds the threshold amount, the exemption amount shall be reduced by two (2) percentage points for each $2,500 (or fraction thereof) by which the taxpayer's adjusted gross income for the taxable year exceeds the threshold amount. In the case of a married individual filing a separate return, the preceding sentence shall be applied by substituting "$1,250" for "$2,500." In no event shall the applicable percentage exceed one hundred percent (100%).

(c) Threshold Amount.

For the purposes of this paragraph, the term "threshold amount" shall be determined with the following table:

<table>
<thead>
<tr>
<th>Filing status</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Single</td>
<td>$156,400</td>
</tr>
<tr>
<td>Married filing jointly of qualifying widow(er)</td>
<td>$234,600</td>
</tr>
<tr>
<td>Married filing separately</td>
<td>$117,300</td>
</tr>
<tr>
<td>Head of Household</td>
<td>$195,500</td>
</tr>
</tbody>
</table>

(d) Adjustments for inflation.

Each dollars amount contain in paragraph (b) shall be increased by an amount equal to:

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


(5) Phase-out of Limitation.

(a) In general.

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

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

<table>
<thead>
<tr>
<th>Taxable years beginning in</th>
<th>The applicable fraction is</th>
</tr>
</thead>
<tbody>
<tr>
<td>calendar year</td>
<td></td>
</tr>
<tr>
<td>2006 and 2007</td>
<td>2/3</td>
</tr>
<tr>
<td>2008 and 2009</td>
<td>1/3</td>
</tr>
</tbody>
</table>

(F) Alternative minimum tax

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

(a) The tentative minimum tax for the taxable year, over
(b) The regular tax for the taxable year.

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

(a) 6.5 percent of so much of the taxable excess as does not exceed $175,000, plus
(b) 7.0 percent of so much of the taxable excess above $175,000.

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

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

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

(6) Exemption amount.

For purposes of this section "exemption amount" means:

<table>
<thead>
<tr>
<th>Filing status</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Single</td>
<td>$39,150</td>
</tr>
<tr>
<td>Married filing jointly or qualifying widow(er)</td>
<td>$53,700</td>
</tr>
<tr>
<td>Married filing separately</td>
<td>$26,850</td>
</tr>
<tr>
<td>Head of Household</td>
<td>$39,150</td>
</tr>
<tr>
<td>Estate or trust</td>
<td>$24,650</td>
</tr>
</tbody>
</table>

(7) Treatment of unearned income of minor children

(a) In general.

In the case of a minor child, the exemption amount for purposes of section (6) shall not exceed the sum of:
(i) Such child's earned income, plus
(ii) $6,000.

(8) Adjustments for inflation.
The dollar amount contained in paragraphs (6) and (7) shall be increased by an amount equal to:
(a) Such dollar amount contained in paragraphs (6) and (7) in the year 2004, multiplied by
(b) The cost-of-living adjustment determined under section (J) with a base year of 2004.

(9) Phase-out.
(a) In general.
The exemption amount of any taxpayer shall be reduced (but not below zero) by an amount equal to twenty-five percent (25%) of the amount by which alternative minimum taxable income of the taxpayer exceeds the threshold amount.

(b) Threshold amount.
For purposes of this paragraph, the term "threshold amount" shall be determined with the following table:

<table>
<thead>
<tr>
<th>Filing status</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Single</td>
<td>$123,250</td>
</tr>
<tr>
<td>Married filing jointly or qualifying widow(er)</td>
<td>$164,350</td>
</tr>
<tr>
<td>Married filing separately</td>
<td>$82,175</td>
</tr>
<tr>
<td>Head of Household</td>
<td>$123,250</td>
</tr>
<tr>
<td>Estate or Trust</td>
<td>$82,150</td>
</tr>
</tbody>
</table>

(c) Adjustments for inflation
Each dollar amount contained in paragraph (9) shall be increased by an amount equal to:
(i) Such dollar amount contained in paragraph (9) in the year 2004, multiplied by
(ii) The cost-of-living adjustment determined under section (J) with a base year of 2004.

(G) Other Rhode Island taxes

(1) General rule. - There is hereby imposed (in addition to any other tax imposed by this subtitle) a tax equal to twenty-five percent (25%) of:
(a) The Federal income tax on lump-sum distributions.
(b) The Federal income tax on parents' election to report child's interest and dividends.
(c) The recapture of Federal tax credits that were previously claimed on Rhode Island return.

(H) Tax for children under 18 with investment income
(1) General rule. - There is hereby imposed a tax equal to twenty-five percent (25%) of:

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

Averaging of farm income

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

(a) The Federal averaging of farm income as determined in IRC section 1301.

(J) Cost-of-living adjustment

(1) In general.

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

(a) The CPI for the preceding calendar year exceeds

(b) The CPI for the base year.

(2) CPI for any calendar year.

For purposes of paragraph (1), the CPI for any calendar year is the average of the Consumer Price Index as of the close of the twelve (12) month period ending on August 31 of such calendar year.

(3) Consumer Price Index

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

(4) Rounding.

(a) In general.

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

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

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

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

(2) Child and dependent care credit;

(3) General business credits;

(4) Credit for elderly or the disabled;

(5) Credit for prior year minimum tax;
1. (6) Mortgage interest credit;
2. (7) Empowerment zone employment credit;
3. (8) Qualified electric vehicle credit.
4. (L) Credit against tax for adoption. - For tax years beginning on or after January 1, 2006,
5. a taxpayer entitled to the federal adoption credit shall be entitled to a credit against the Rhode
6. Island tax imposed under this section if the adopted child was under the care, custody, or
7. supervision of the Rhode Island department of children, youth and families prior to the adoption.
8. (M) The credit shall be twenty-five percent (25%) of the aforementioned federal credits
9. provided there shall be no deduction based on any federal credits enacted after January 1, 1996,
10. including the rate reduction credit provided by the federal Economic Growth and Tax
11. Reconciliation Act of 2001 (EGTRRA). In no event shall the tax imposed under this section be
12. reduced to less than zero. A taxpayer required to recapture any of the above credits for federal tax
13. purposes shall determine the Rhode Island amount to be recaptured in the same manner as
14. prescribed in this subsection.
15. (N) Rhode Island earned income credit
16. (1) In general.
17. A taxpayer entitled to a federal earned income credit shall be allowed a Rhode Island
18. earned income credit equal to twenty-five percent (25%) ten percent (10%) of the federal earned
19. income credit. Such credit shall not exceed the amount of the Rhode Island income tax.
20. (2) Refundable portion.
21. In the event the Rhode Island earned income credit allowed under section (J) exceeds the
22. amount of Rhode Island income tax, a refundable earned income credit shall be allowed.
23. (a) For purposes of paragraph (2) refundable earned income credit means fifteen percent
24. (15%) one hundred percent (100%) of the amount by which the Rhode Island earned income
25. credit exceeds the Rhode Island income tax.
26. (O) The tax administrator shall recalculated and submit necessary revisions to paragraphs
27. (A) through (J) to the general assembly no later than February 1, 2010 and every three (3) years
28. thereafter for inclusion in the statute.
29. (3) For the period January 1, 2011 through December 31, 2011, and thereafter, "Rhode
30. Island taxable income" means federal adjusted gross income as determined under the Internal
31. Revenue Code, 26 U.S.C. 1 et seq., and as modified for Rhode Island purposes pursuant to
32. section 44-30-12 less the amount of Rhode Island Basic Standard Deduction allowed pursuant to
33. subparagraph 44-30-2.6(c)(3)(B), and less the amount of personal exemption allowed pursuant of
34. subparagraph 44-30-2.6(c)(3)(C).
(A) Tax imposed.

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

<table>
<thead>
<tr>
<th>Over</th>
<th>But not over</th>
<th>Pay + Excess</th>
<th>on the amount over</th>
</tr>
</thead>
<tbody>
<tr>
<td>$ 0 -</td>
<td>$ 55,000</td>
<td>$ 0 + 3.75%</td>
<td>$ 0</td>
</tr>
<tr>
<td>55,000 -</td>
<td>$ 2,063</td>
<td>4.75%</td>
<td>55,000</td>
</tr>
<tr>
<td>125,000 -</td>
<td>$ 5,388</td>
<td>5.99%</td>
<td>125,000</td>
</tr>
</tbody>
</table>

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

<table>
<thead>
<tr>
<th>Over</th>
<th>But not over</th>
<th>Pay + % on Excess</th>
<th>on the amount over</th>
</tr>
</thead>
<tbody>
<tr>
<td>$ 0 -</td>
<td>$ 2,230</td>
<td>$ 0 + 3.75%</td>
<td>$ 0</td>
</tr>
<tr>
<td>2,230 -</td>
<td>$ 7,022</td>
<td>4.75%</td>
<td>2,230</td>
</tr>
<tr>
<td>7,022 -</td>
<td>$ 312</td>
<td>5.99%</td>
<td>7,022</td>
</tr>
</tbody>
</table>

(B) Deductions: (I) Rhode Island Basic Standard Deduction. Only the Rhode Island standard deduction shall be allowed in accordance with the following table:

<table>
<thead>
<tr>
<th>Filing status:</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Single</td>
<td>$7,500</td>
</tr>
<tr>
<td>Married filing jointly or qualifying widow(er)</td>
<td>$15,000</td>
</tr>
<tr>
<td>Married filing separately</td>
<td>$7,500</td>
</tr>
<tr>
<td>Head of Household</td>
<td>$11,250</td>
</tr>
</tbody>
</table>

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

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

(C) Exemption Amount:

(I) The term "exemption amount" means three thousand five hundred dollars ($3,500) multiplied by the number of exemptions allowed for the taxable year for federal income tax purposes.
(II) Exemption amount disallowed in case of certain dependents. In the case of an individual with respect to whom a deduction under this section is allowable to another taxpayer for the same taxable year, the exemption amount applicable to such individual for such individual's taxable year shall be zero.

(D) In the case of any taxpayer whose adjusted gross income, as modified for Rhode Island purposes pursuant to section 33-30-12, for the taxable year exceeds one hundred seventy-five thousand dollars ($175,000), the exemption amount shall be reduced by the applicable percentage. The term "applicable percentage" means twenty (20) percentage points for each five thousand dollars ($5,000) (or fraction thereof) by which the taxpayer's adjusted gross income for the taxable year exceeds one hundred seventy-five thousand dollars ($175,000).

(E) Adjustment for inflation. - The dollar amount contained in subparagraphs 44-30-2.6(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 equal to:

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


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

(IV) For the purpose of this section the term "consumer price index" means the last consumer price index for all urban consumers published by the department of labor. For the purpose of this section the revision of the consumer price index which is most consistent with the consumer price index for calendar year 1986 shall be used.

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

(E) Credits against tax.

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

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

(b) Property Tax Relief Credit: Credit shall be allowed for property tax relief as provided in section 44-33-1 et seq.

(c) Lead Paint Credit: Credit shall be allowed for residential lead abatement income tax credit as provided in section 44-30.3-1 et seq.

(d) Credit for income taxes of other states. - Credit shall be allowed for income tax paid to other states pursuant to section 44-30-74.

(e) Historic Structures Tax Credit: Credit shall be allowed for historic structures tax credit as provided in section 44-33.2-1 et seq.

(f) Motion Picture Productions Tax Credit: Credit shall be allowed for motion picture production tax credit as provided in section 44-31.2-1 et seq.

(g) Child and Dependent Care: Credit shall be allowed for twenty-five percent (25%) of the federal child and dependent care credit allowable for the taxable year for federal purposes; provided, however, such credit shall not exceed the Rhode Island tax liability.

(h) Tax credits for contributions to Scholarship Organizations: Credit shall be allowed for contributions to scholarship organizations as provided in section 44-62 et seq.

(i) Credit for tax withheld. - Wages upon which tax is required to be withheld shall be taxable as if no withholding were required, but any amount of Rhode Island personal income tax actually deducted and withheld in any calendar year shall be deemed to have been paid to the tax administrator on behalf of the person from whom withheld, and the person shall be credited with having paid that amount of tax for the taxable year beginning in that calendar year. For a taxable year of less than twelve (12) months, the credit shall be made under regulations of the tax administrator.

(2) Except as provided in section 1 above, no other state and federal tax credit shall be available to the taxpayers in computing tax liability under this chapter.

SECTION 8. Chapter 44-19 of the General Laws entitled "Sales and Use Taxes - Enforcement and Collection" is hereby amended by adding thereto the following section:

44-19-42. Sales suppression devices -- Definitions and applicability. -- (a) As used in this section:

(1) Automated sales suppression device," also known as a "zapper," means a software program, carried on a memory stick or removable compact disc, accessed through an Internet link, or accessed through any other means, that falsifies transaction data, transaction reports, or
any other electronic records of electronic cash registers and other point-of-sale systems.

(2) “Electronic cash register” means a device that keeps a register or supporting documents through the means of an electronic device or computer system designed to record transaction data for the purpose of computing, compiling, or processing retail sales transaction data in any manner.

(3) “Phantom-ware” means a hidden programming option, whether preinstalled or installed at a later time, embedded in the operating system of an electronic cash register or hardwired into the electronic cash register that:

(i) Can be used to create a virtual second till; or

(ii) May eliminate or manipulate transaction records.

(4) “Transaction data” includes items purchased by a customer, the price for each item, a taxability determination for each item, a segregated tax amount for each of the taxed items, the amount of cash or credit tendered, the net amount returned to the customer in change, the date and time of the purchase, the name, address, and identification number of the vendor, and the receipt or invoice number of the transaction.

(5) “Transaction reports” means a report documenting, but not limited to, the sales, taxes collected, media totals, and discount voids at an electronic cash register that is printed on cash register tape at the end of a day or shift, or a report documenting every action at an electronic cash register that is stored electronically.

(b) A person shall not knowingly sell, purchase, install, transfer or possess an automated sales suppression device or phantom-ware.

(c) Any person who violates subdivision (b) of this section shall be guilty of a felony and, upon conviction, shall be subject to a fine not exceeding fifty thousand dollars ($50,000) or imprisonment not exceeding five (5) years, or both.

(d) In addition, a person who violates subdivision (b) of this section shall be liable to the state for:

(1) All taxes, interest, and penalties due as the result of the person's use of an automated sales suppression device or phantom-ware; and

(2) All profits associated with the person's sale of an automated sales suppression device or phantom-ware.

(e) An automated sales suppression device or phantom-ware and any device containing such device or software shall be deemed contraband and shall be subject to seizure by the tax administrator or by a law enforcement officer when directed to do so by the tax administrator.

(f) Safe harbor. A person shall not be subject to prosecution under Rhode Island general
laws § 44-19-4.2, if by October 1, 2014, the person:

(1) Notifies the division of taxation of the person's possession of an automated sales suppression device;

(2) Provides any information requested by the division of taxation, including transaction records, software specifications, encryption keys, passwords, and other data; and

(3) Corrects any underreported sales tax records and fully pays the division of taxation any amounts previously owed.

(g) This section shall not be construed to limit the person's civil or criminal liability under any other provision of law.

SECTION 9. Section 44-18-30 of the General Laws in Chapter 44-18 entitled "Sales and Use Taxes - Liability and Computation" is hereby amended to read as follows:

44-18-30. Gross receipts exempt from sales and use taxes. -- There are exempted from the taxes imposed by this chapter the following gross receipts:

(1) Sales and uses beyond constitutional power of state. - From the sale and from the storage, use, or other consumption in this state of tangible personal property the gross receipts from the sale of which, or the storage, use, or other consumption of which, this state is prohibited from taxing under the Constitution of the United States or under the constitution of this state.

(2) Newspapers.

(i) From the sale and from the storage, use, or other consumption in this state of any newspaper.

(ii) "Newspaper" means an unbound publication printed on newsprint, which contains news, editorial comment, opinions, features, advertising matter, and other matters of public interest.

(iii) "Newspaper" does not include a magazine, handbill, circular, flyer, sales catalog, or similar item unless the item is printed for and distributed as a part of a newspaper.

(3) School meals. - From the sale and from the storage, use, or other consumption in this state of meals served by public, private, or parochial schools, school districts, colleges, universities, student organizations, and parent teacher associations to the students or teachers of a school, college, or university whether the meals are served by the educational institutions or by a food service or management entity under contract to the educational institutions.

(4) Containers.

(i) From the sale and from the storage, use, or other consumption in this state of:

(A) Non-returnable containers, including boxes, paper bags, and wrapping materials which are biodegradable and all bags and wrapping materials utilized in the medical and healing
(B) Containers when sold with the contents if the sale price of the contents is not required to be included in the measure of the taxes imposed by this chapter.

(C) Returnable containers when sold with the contents in connection with a retail sale of the contents or when resold for refilling.

(ii) As used in this subdivision, the term "returnable containers" means containers of a kind customarily returned by the buyer of the contents for reuse. All other containers are "non-returnable containers."

(5) (i) Charitable, educational, and religious organizations. - From the sale to as in defined in this section, and from the storage, use, and other consumption in this state or any other state of the United States of America of tangible personal property by hospitals not operated for a profit, "educational institutions" as defined in subdivision (18) not operated for a profit, churches, orphanages, and other institutions or organizations operated exclusively for religious or charitable purposes, interest free loan associations not operated for profit, nonprofit organized sporting leagues and associations and bands for boys and girls under the age of nineteen (19) years, the following vocational student organizations that are state chapters of national vocational students organizations: Distributive Education Clubs of America, (DECA); Future Business Leaders of America, phi beta lambda (FBLA/PBL); Future Farmers of America (FFA); Future Homemakers of America/Home Economics Related Occupations (FHA/HERD); and Vocational Industrial Clubs of America (VICA), organized nonprofit golden age and senior citizens clubs for men and women, and parent teacher associations.

(ii) In the case of contracts entered into with the federal government, its agencies or instrumentalities, this state or any other state of the United States of America, its agencies, any city, town, district, or other political subdivision of the states, hospitals not operated for profit, educational institutions not operated for profit, churches, orphanages, and other institutions or organizations operated exclusively for religious or charitable purposes, the contractor may purchase such materials and supplies (materials and/or supplies are defined as those which are essential to the project) that are to be utilized in the construction of the projects being performed under the contracts without payment of the tax.

(iii) The contractor shall not charge any sales or use tax to any exempt agency, institution, or organization but shall in that instance provide his or her suppliers with certificates in the form as determined by the division of taxation showing the reason for exemption; and the contractor's records must substantiate the claim for exemption by showing the disposition of all
property so purchased. If any property is then used for a nonexempt purpose, the contractor must pay the tax on the property used.

(6) Gasoline. - From the sale and from the storage, use, or other consumption in this state of: (i) gasoline and other products taxed under chapter 36 of title 31, and (ii) fuels used for the propulsion of airplanes.

(7) Purchase for manufacturing purposes.

(i) From the sale and from the storage, use, or other consumption in this state of computer software, tangible personal property, electricity, natural gas, artificial gas, steam, refrigeration, and water, when the property or service is purchased for the purpose of being manufactured into a finished product for resale, and becomes an ingredient, component, or integral part of the manufactured, compounded, processed, assembled, or prepared product, or if the property or service is consumed in the process of manufacturing for resale computer software, tangible personal property, electricity, natural gas, artificial gas, steam, refrigeration, or water.

(ii) "Consumed" means destroyed, used up, or worn out to the degree or extent that the property cannot be repaired, reconditioned, or rendered fit for further manufacturing use.

(iii) "Consumed" includes mere obsolescence.

(iv) "Manufacturing" means and includes manufacturing, compounding, processing, assembling, preparing, or producing.

(v) "Process of manufacturing" means and includes all production operations performed in the producing or processing room, shop, or plant, insofar as the operations are a part of and connected with the manufacturing for resale of tangible personal property, electricity, natural gas, artificial gas, steam, refrigeration, or water and all production operations performed insofar as the operations are a part of and connected with the manufacturing for resale of computer software.

(vi) "Process of manufacturing" does not mean or include administration operations such as general office operations, accounting, collection, sales promotion, nor does it mean or include distribution operations which occur subsequent to production operations, such as handling, storing, selling, and transporting the manufactured products, even though the administration and distribution operations are performed by or in connection with a manufacturing business.

(8) State and political subdivisions. - From the sale to, and from the storage, use, or other consumption by, this state, any city, town, district, or other political subdivision of this state. Every redevelopment agency created pursuant to chapter 31 of title 45 is deemed to be a subdivision of the municipality where it is located.

(9) Food and food ingredients. - From the sale and storage, use, or other consumption in this state of food and food ingredients as defined in section 44-18-7.1(l).
For the purposes of this exemption “food and food ingredients” shall not include candy, soft drinks, dietary supplements, alcoholic beverages, tobacco, food sold through vending machines or prepared food (as those terms are defined in section 44-18-7.1, unless the prepared food is:

(i) Sold by a seller whose primary NAICS classification is manufacturing in sector 311, except sub-sector 3118 (bakeries);
(ii) Sold in an unheated state by weight or volume as a single item;
(iii) Bakery items, including bread, rolls, buns, biscuits, bagels, croissants, pastries, donuts, danish, cakes, tortes, pies, tarts, muffins, bars, cookies, tortillas; and

is not sold with utensils provided by the seller, including plates, knives, forks, spoons, glasses, cups, napkins, or straws.

(10) Medicines, drugs and durable medical equipment. - From the sale and from the storage, use, or other consumption in this state, of;

(i) "Drugs" as defined in section 44-18-7.1(h)(i), sold on prescriptions, medical oxygen, and insulin whether or not sold on prescription. For purposes of this exemption drugs shall not include over-the-counter drugs and grooming and hygiene products as defined in section 44-18-7.1(h)(iii).

(ii) Durable medical equipment as defined in section 44-18-7.1(k) for home use only, including, but not limited to, syringe infusers, ambulatory drug delivery pumps, hospital beds, convalescent chairs, and chair lifts. Supplies used in connection with syringe infusers and ambulatory drug delivery pumps which are sold on prescription to individuals to be used by them to dispense or administer prescription drugs, and related ancillary dressings and supplies used to dispense or administer prescription drugs shall also be exempt from tax.

(11) Prosthetic devices and mobility enhancing equipment. - From the sale and from the storage, use, or other consumption in this state, of prosthetic devices as defined in section 44-18-7.1(t), sold on prescription, including but not limited to, artificial limbs, dentures, spectacles and eyeglasses, and artificial eyes; artificial hearing devices and hearing aids, whether or not sold on prescription and mobility enhancing equipment as defined in section 44-18-7.1(p) including wheelchairs, crutches and canes.

(12) Coffins, caskets, and burial garments. - From the sale and from the storage, use, or other consumption in this state of coffins or caskets, and shrouds or other burial garments which are ordinarily sold by a funeral director as part of the business of funeral directing.

(13) Motor vehicles sold to nonresidents.

(i) From the sale, subsequent to June 30, 1958, of a motor vehicle to a bona fide
nonresident of this state who does not register the motor vehicle in this state, whether the sale or
delivery of the motor vehicle is made in this state or at the place of residence of the nonresident.
A motor vehicle sold to a bona fide nonresident whose state of residence does not allow a like
exemption to its nonresidents is not exempt from the tax imposed under section 44-18-20. In that
event the bona fide nonresident pays a tax to Rhode Island on the sale at a rate equal to the rate
that would be imposed in his or her state of residence not to exceed the rate that would have been
imposed under section 44-18-20. Notwithstanding any other provisions of law, a licensed motor
vehicle dealer shall add and collect the tax required under this subdivision and remit the tax to the
tax administrator under the provisions of chapters 18 and 19 of this title. When a Rhode Island
licensed motor vehicle dealer is required to add and collect the sales and use tax on the sale of a
motor vehicle to a bona fide nonresident as provided in this section, the dealer in computing the
tax takes into consideration the law of the state of the nonresident as it relates to the trade-in of
motor vehicles.

(ii) The tax administrator, in addition to the provisions of sections 44-19-27 and 44-19-
28, may require any licensed motor vehicle dealer to keep records of sales to bona fide
nonresidents as the tax administrator deems reasonably necessary to substantiate the exemption
provided in this subdivision, including the affidavit of a licensed motor vehicle dealer that the
purchaser of the motor vehicle was the holder of, and had in his or her possession a valid out of
state motor vehicle registration or a valid out of state driver's license.

(iii) Any nonresident who registers a motor vehicle in this state within ninety (90) days
of the date of its sale to him or her is deemed to have purchased the motor vehicle for use,
storage, or other consumption in this state, and is subject to, and liable for the use tax imposed
under the provisions of section 44-18-20.

(14) Sales in public buildings by blind people. - From the sale and from the storage, use,
or other consumption in all public buildings in this state of all products or wares by any person
licensed under section 40-9-11.1.

(15) Air and water pollution control facilities. - From the sale, storage, use, or other
consumption in this state of tangible personal property or supplies acquired for incorporation into
or used and consumed in the operation of a facility, the primary purpose of which is to aid in the
control of the pollution or contamination of the waters or air of the state, as defined in chapter 12
of title 46 and chapter 25 of title 23, respectively, and which has been certified as approved for
that purpose by the director of environmental management. The director of environmental
management may certify to a portion of the tangible personal property or supplies acquired for
incorporation into those facilities or used and consumed in the operation of those facilities to the
extent that that portion has as its primary purpose the control of the pollution or contamination of
the waters or air of this state. As used in this subdivision, "facility" means any land, facility,
device, building, machinery, or equipment.

(16) Camps. - From the rental charged for living quarters, or sleeping or housekeeping
accommodations at camps or retreat houses operated by religious, charitable, educational, or
other organizations and associations mentioned in subdivision (5), or by privately owned and
operated summer camps for children.

(17) Certain institutions. - From the rental charged for living or sleeping quarters in an
institution licensed by the state for the hospitalization, custodial, or nursing care of human beings.

(18) Educational institutions. - From the rental charged by any educational institution for
living quarters, or sleeping or housekeeping accommodations or other rooms or accommodations
to any student or teacher necessitated by attendance at an educational institution. "Educational
institution" as used in this section means an institution of learning not operated for profit which is
empowered to confer diplomas, educational, literary, or academic degrees, which has a regular
faculty, curriculum, and organized body of pupils or students in attendance throughout the usual
school year, which keeps and furnishes to students and others records required and accepted for
entrance to schools of secondary, collegiate, or graduate rank, no part of the net earnings of which
inures to the benefit of any individual.

(19) Motor vehicle and adaptive equipment for persons with disabilities.

(i) From the sale of: (A) special adaptations, (B) the component parts of the special
adaptations, or (C) a specially adapted motor vehicle; provided, that the owner furnishes to the
tax administrator an affidavit of a licensed physician to the effect that the specially adapted motor
vehicle is necessary to transport a family member with a disability or where the vehicle has been
specially adapted to meet the specific needs of the person with a disability. This exemption
applies to not more than one motor vehicle owned and registered for personal, noncommercial
use.

(ii) For the purpose of this subsection the term "special adaptations" includes, but is not
limited to: wheelchair lifts; wheelchair carriers; wheelchair ramps; wheelchair securements; hand
controls; steering devices; extensions, relocations, and crossovers of operator controls; power-
assisted controls; raised tops or dropped floors; raised entry doors; or alternative signaling
deVICES to auditory signals.

(iii) From the sale of: (a) special adaptations, (b) the component parts of the special
adaptations, for a "wheelchair accessible taxicab" as defined in section 39-14-1 and/or a
"wheelchair accessible public motor vehicle" as defined in section 39-14.1-1.
(iv) For the purpose of this subdivision the exemption for a "specially adapted motor vehicle" means a use tax credit not to exceed the amount of use tax that would otherwise be due on the motor vehicle, exclusive of any adaptations. The use tax credit is equal to the cost of the special adaptations, including installation.

(20) Heating fuels. - From the sale and from the storage, use, or other consumption in this state of every type of fuel used in the heating of homes and residential premises.

(21) Electricity and gas. - From the sale and from the storage, use, or other consumption in this state of electricity and gas furnished for domestic use by occupants of residential premises.

(22) Manufacturing machinery and equipment.

(i) From the sale and from the storage, use, or other consumption in this state of tools, dies, and molds, and machinery and equipment (including replacement parts), and related items to the extent used in an industrial plant in connection with the actual manufacture, conversion, or processing of tangible personal property, or to the extent used in connection with the actual manufacture, conversion or processing of computer software as that term is utilized in industry numbers 7371, 7372, and 7373 in the standard industrial classification manual prepared by the technical committee on industrial classification, office of statistical standards, executive office of the president, United States bureau of the budget, as revised from time to time, to be sold, or that machinery and equipment used in the furnishing of power to an industrial manufacturing plant. For the purposes of this subdivision, "industrial plant" means a factory at a fixed location primarily engaged in the manufacture, conversion, or processing of tangible personal property to be sold in the regular course of business;

(ii) Machinery and equipment and related items are not deemed to be used in connection with the actual manufacture, conversion, or processing of tangible personal property, or in connection with the actual manufacture, conversion or processing of computer software as that term is utilized in industry numbers 7371, 7372, and 7373 in the standard industrial classification manual prepared by the technical committee on industrial classification, office of statistical standards, executive office of the president, United States bureau of the budget, as revised from time to time, to be sold to the extent the property is used in administration or distribution operations;

(iii) Machinery and equipment and related items used in connection with the actual manufacture, conversion, or processing of any computer software or any tangible personal property which is not to be sold and which would be exempt under subdivision (7) or this subdivision if purchased from a vendor or machinery and equipment and related items used during any manufacturing, converting or processing function is exempt under this subdivision.
even if that operation, function, or purpose is not an integral or essential part of a continuous
production flow or manufacturing process;

(iv) Where a portion of a group of portable or mobile machinery is used in connection
with the actual manufacture, conversion, or processing of computer software or tangible personal
property to be sold, as previously defined, that portion, if otherwise qualifying, is exempt under
this subdivision even though the machinery in that group is used interchangeably and not
otherwise identifiable as to use.

(23) Trade-in value of motor vehicles. - From the sale and from the storage, use, or other
consumption in this state of so much of the purchase price paid for a new or used automobile as is
allocated for a trade-in allowance on the automobile of the buyer given in trade to the seller, or of
the proceeds applicable only to the automobile as are received from the manufacturer of
automobiles for the repurchase of the automobile whether the repurchase was voluntary or not
towards the purchase of a new or used automobile by the buyer. For the purpose of this
subdivision, the word "automobile" means a private passenger automobile not used for hire and
does not refer to any other type of motor vehicle.

(24) Precious metal bullion.

(i) From the sale and from the storage, use, or other consumption in this state of precious
metal bullion, substantially equivalent to a transaction in securities or commodities.

(ii) For purposes of this subdivision, "precious metal bullion" means any elementary
precious metal which has been put through a process of smelting or refining, including, but not
limited to, gold, silver, platinum, rhodium, and chromium, and which is in a state or condition
that its value depends upon its content and not upon its form.

(iii) The term does not include fabricated precious metal which has been processed or
manufactured for some one or more specific and customary industrial, professional, or artistic
uses.

(25) Commercial vessels. - From sales made to a commercial ship, barge, or other vessel
of fifty (50) tons burden or over, primarily engaged in interstate or foreign commerce, and from
the repair, alteration, or conversion of the vessels, and from the sale of property purchased for the
use of the vessels including provisions, supplies, and material for the maintenance and/or repair
of the vessels.

(26) Commercial fishing vessels. - From the sale and from the storage, use, or other
consumption in this state of vessels and other water craft which are in excess of five (5) net tons
and which are used exclusively for "commercial fishing", as defined in this subdivision, and from
the repair, alteration, or conversion of those vessels and other watercraft, and from the sale of
property purchased for the use of those vessels and other watercraft including provisions, supplies, and material for the maintenance and/or repair of the vessels and other watercraft and the boats, nets, cables, tackle, and other fishing equipment appurtenant to or used in connection with the commercial fishing of the vessels and other watercraft. “Commercial fishing” means the taking or the attempting to take any fish, shellfish, crustacea, or bait species with the intent of disposing of them for profit or by sale, barter, trade, or in commercial channels. The term does not include subsistence fishing, i.e., the taking for personal use and not for sale or barter; or sport fishing; but shall include vessels and other watercraft with a Rhode Island party and charter boat license issued by the department of environmental management pursuant to section 20-2-27.1 which meet the following criteria: (i) the operator must have a current U.S.C.G. license to carry passengers for hire; (ii) U.S.C.G. vessel documentation in the coast wide fishery trade; (iii) U.S.C.G. vessel documentation as to proof of Rhode Island home port status or a Rhode Island boat registration to prove Rhode Island home port status; (iv) the vessel must be used as a commercial passenger carrying fishing vessel to carry passengers for fishing. The vessel must be able to demonstrate that at least fifty percent (50%) of its annual gross income derives from charters or provides documentation of a minimum of one hundred (100) charter trips annually; (v) the vessel must have a valid Rhode Island party and charter boat license. The tax administrator shall implement the provisions of this subdivision by promulgating rules and regulations relating thereto.

(27) Clothing and footwear. - From the sales of articles of clothing, including footwear, intended to be worn or carried on or about the human body for sales prior to October 1, 2012. Effective October 1, 2012, the exemption will apply to the sales of articles of clothing, including footwear, intended to be worn or carried on or about the human body up to two hundred and fifty dollars ($250) of the sales price per item. For the purposes of this section, “clothing or footwear” does not include clothing accessories or equipment or special clothing or footwear primarily designed for athletic activity or protective use as these terms are defined in section 44-18-7.1(f).

In recognition of the work being performed by the Streamlined Sales and Use Tax Governing Board, upon passage of any federal law which authorizes states to require remote sellers to collect and remit sales and use taxes, this unlimited exemption will apply as it did prior to October 1, 2012. The unlimited exemption on sales of clothing and footwear shall take effect on the date that the state requires remote sellers to collect and remit sales and use taxes.

(28) Water for residential use. - From the sale and from the storage, use, or other consumption in this state of water furnished for domestic use by occupants of residential premises.
(29) Bibles. - [Unconstitutional; see Ahlburn v. Clark, 728 A.2d 449 (R.I. 1999); see Notes to Decisions.] From the sale and from the storage, use, or other consumption in the state of any canonized scriptures of any tax-exempt nonprofit religious organization including, but not limited to, the Old Testament and the New Testament versions.

(30) Boats.

(i) From the sale of a boat or vessel to a bona fide nonresident of this state who does not register the boat or vessel in this state, or document the boat or vessel with the United States government at a home port within the state, whether the sale or delivery of the boat or vessel is made in this state or elsewhere; provided, that the nonresident transports the boat within thirty (30) days after delivery by the seller outside the state for use thereafter solely outside the state.

(ii) The tax administrator, in addition to the provisions of sections 44-19-17 and 44-19-28, may require the seller of the boat or vessel to keep records of the sales to bona fide nonresidents as the tax administrator deems reasonably necessary to substantiate the exemption provided in this subdivision, including the affidavit of the seller that the buyer represented himself or herself to be a bona fide nonresident of this state and of the buyer that he or she is a nonresident of this state.

(31) Youth activities equipment. - From the sale, storage, use, or other consumption in this state of items for not more than twenty dollars ($20.00) each by nonprofit Rhode Island eleemosynary organizations, for the purposes of youth activities which the organization is formed to sponsor and support; and by accredited elementary and secondary schools for the purposes of the schools or of organized activities of the enrolled students.

(32) Farm equipment. - From the sale and from the storage or use of machinery and equipment used directly for commercial farming and agricultural production; including, but not limited to, tractors, ploughs, harrows, spreaders, seeders, milking machines, silage conveyors, balers, bulk milk storage tanks, trucks with farm plates, mowers, combines, irrigation equipment, greenhouses and greenhouse coverings, graders and packaging machines, tools and supplies and other farming equipment, including replacement parts, appurtenant to or used in connection with commercial farming and tools and supplies used in the repair and maintenance of farming equipment. "Commercial farming" means the keeping or boarding of five (5) or more horses or the production within this state of agricultural products, including, but not limited to, field or orchard crops, livestock, dairy, and poultry, or their products, where the keeping, boarding, or production provides at least two thousand five hundred dollars ($2,500) in annual gross sales to the operator, whether an individual, a group, a partnership, or a corporation for exemptions issued prior to July 1, 2002; for exemptions issued or renewed after July 1, 2002, there shall be two (2)
levels. Level I shall be based on proof of annual gross sales from commercial farming of at least twenty-five hundred dollars ($2,500) and shall be valid for purchases subject to the exemption provided in this subdivision except for motor vehicles with an excise tax value of five thousand dollars ($5,000) or greater; Level II shall be based on proof of annual gross sales from commercial farming of at least ten thousand dollars ($10,000) or greater and shall be valid for purchases subject to the exemption provided in this subdivision including motor vehicles with an excise tax value of five thousand dollars ($5,000) or greater. For the initial issuance of the exemptions, proof of the requisite amount of annual gross sales from commercial farming shall be required for the prior year; for any renewal of an exemption granted in accordance with this subdivision at either Level I or Level II, proof of gross annual sales from commercial farming at the requisite amount shall be required for each of the prior two (2) years. Certificates of exemption issued or renewed after July 1, 2002, shall clearly indicate the level of the exemption and be valid for four (4) years after the date of issue. This exemption applies even if the same equipment is used for ancillary uses, or is temporarily used for a non-farming or a non-agricultural purpose, but shall not apply to motor vehicles acquired after July 1, 2002, unless the vehicle is a farm vehicle as defined pursuant to section 31-1-8 and is eligible for registration displaying farm plates as provided for in section 31-3-31.

(33) Compressed air. - From the sale and from the storage, use, or other consumption in the state of compressed air.

(34) Flags. - From the sale and from the storage, consumption, or other use in this state of United States, Rhode Island or POW-MIA flags.

(35) Motor vehicle and adaptive equipment to certain veterans. - From the sale of a motor vehicle and adaptive equipment to and for the use of a veteran with a service-connected loss of or the loss of use of a leg, foot, hand, or arm, or any veteran who is a double amputee, whether service connected or not. The motor vehicle must be purchased by and especially equipped for use by the qualifying veteran. Certificate of exemption or refunds of taxes paid is granted under rules or regulations that the tax administrator may prescribe.

(36) Textbooks. - From the sale and from the storage, use, or other consumption in this state of textbooks by an "educational institution" as defined in subdivision (18) of this section and as well as any educational institution within the purview of section 16-63-9(4) and used textbooks by any purveyor.

(37) Tangible personal property and supplies used in on-site hazardous waste recycling, reuse, or treatment. - From the sale, storage, use, or other consumption in this state of tangible personal property or supplies used or consumed in the operation of equipment, the exclusive
function of which is the recycling, reuse, or recovery of materials (other than precious metals, as
defined in subdivision (24)(ii) of this section) from the treatment of "hazardous wastes", as
defined in section 23-19.1-4, where the "hazardous wastes" are generated in Rhode Island solely
by the same taxpayer and where the personal property is located at, in, or adjacent to a generating
facility of the taxpayer in Rhode Island. The taxpayer shall procure an order from the director of
the department of environmental management certifying that the equipment and/or supplies as
used, or consumed, qualify for the exemption under this subdivision. If any information relating
to secret processes or methods of manufacture, production, or treatment is disclosed to the
department of environmental management only to procure an order, and is a "trade secret" as
defined in section 28-21-10(b), it is not open to public inspection or publicly disclosed unless
disclosure is required under chapter 21 of title 28 or chapter 24.4 of title 23.

(38) Promotional and product literature of boat manufacturers. - From the sale and from
the storage, use, or other consumption of promotional and product literature of boat
manufacturers shipped to points outside of Rhode Island which either: (i) accompany the product
which is sold, (ii) are shipped in bulk to out of state dealers for use in the sale of the product, or
(iii) are mailed to customers at no charge.

(39) Food items paid for by food stamps. - From the sale and from the storage, use, or
other consumption in this state of eligible food items payment for which is properly made to the
retailer in the form of U.S. government food stamps issued in accordance with the Food Stamp

(40) Transportation charges. - From the sale or hiring of motor carriers as defined in
section 39-12-2(l) to haul goods, when the contract or hiring cost is charged by a motor freight
tariff filed with the Rhode Island public utilities commission on the number of miles driven or by
the number of hours spent on the job.

(41) Trade-in value of boats. - From the sale and from the storage, use, or other
consumption in this state of so much of the purchase price paid for a new or used boat as is
allocated for a trade-in allowance on the boat of the buyer given in trade to the seller or of the
proceeds applicable only to the boat as are received from an insurance claim as a result of a stolen
or damaged boat, towards the purchase of a new or used boat by the buyer.

(42) Equipment used for research and development. - From the sale and from the
storage, use, or other consumption of equipment to the extent used for research and development
purposes by a qualifying firm. For the purposes of this subdivision, "qualifying firm" means a
business for which the use of research and development equipment is an integral part of its
operation, and "equipment" means scientific equipment, computers, software, and related items.
(43) Coins. - From the sale and from the other consumption in this state of coins having numismatic or investment value.

(44) Farm structure construction materials. - Lumber, hardware and other materials used in the new construction of farm structures, including production facilities such as, but not limited to, farrowing sheds, free stall and stanchion barns, milking parlors, silos, poultry barns, laying houses, fruit and vegetable storages, rooting cellars, propagation rooms, greenhouses, packing rooms, machinery storage, seasonal farm worker housing, certified farm markets, bunker and trench silos, feed storage sheds, and any other structures used in connection with commercial farming.

(45) Telecommunications carrier access service. - Carrier access service or telecommunications service when purchased by a telecommunications company from another telecommunications company to facilitate the provision of telecommunications service.

(46) Boats or vessels brought into the state exclusively for winter storage, maintenance, repair or sale. - Notwithstanding the provisions of sections 44-18-10, 44-18-11, 44-18-20, the tax imposed by section 44-18-20 is not applicable for the period commencing on the first day of October in any year to and including the 30th day of April next succeeding with respect to the use of any boat or vessel within this state exclusively for purposes of: (i) delivery of the vessel to a facility in this state for storage, including dry storage and storage in water by means of apparatus preventing ice damage to the hull, maintenance, or repair; (ii) the actual process of storage, maintenance, or repair of the boat or vessel; or (iii) storage for the purpose of selling the boat or vessel.

(47) Jewelry display product. - From the sale and from the storage, use, or other consumption in this state of tangible personal property used to display any jewelry product; provided, that title to the jewelry display product is transferred by the jewelry manufacturer or seller and that the jewelry display product is shipped out of state for use solely outside the state and is not returned to the jewelry manufacturer or seller.

(48) Boats or vessels generally. - Notwithstanding the provisions of this chapter, the tax imposed by sections 44-18-20 and 44-18-18 shall not apply with respect to the sale and to the storage, use, or other consumption in this state of any new or used boat. The exemption provided for in this subdivision does not apply after October 1, 1993, unless prior to October 1, 1993, the federal ten percent (10%) surcharge on luxury boats is repealed.

(49) Banks and Regulated investment companies interstate toll-free calls. - Notwithstanding the provisions of this chapter, the tax imposed by this chapter does not apply to the furnishing of interstate and international, toll-free terminating telecommunication service that
is used directly and exclusively by or for the benefit of an eligible company as defined in this subdivision; provided, that an eligible company employs on average during the calendar year no less than five hundred (500) “full-time equivalent employees”, as that term is defined in section 42-64.5-2. For purposes of this section, an “eligible company” means a “regulated investment company” as that term is defined in the Internal Revenue Code of 1986, 26 U.S.C. section 1 et seq., or a corporation to the extent the service is provided, directly or indirectly, to or on behalf of a regulated investment company, an employee benefit plan, a retirement plan or a pension plan or a state chartered bank.

(50) Mobile and manufactured homes generally. - From the sale and from the storage, use, or other consumption in this state of mobile and/or manufactured homes as defined and subject to taxation pursuant to the provisions of chapter 44 of title 31.

(51) Manufacturing business reconstruction materials. (i) From the sale and from the storage, use or other consumption in this state of lumber, hardware, and other building materials used in the reconstruction of a manufacturing business facility which suffers a disaster, as defined in this subdivision, in this state. “Disaster” means any occurrence, natural or otherwise, which results in the destruction of sixty percent (60%) or more of an operating manufacturing business facility within this state. “Disaster” does not include any damage resulting from the willful act of the owner of the manufacturing business facility. (ii) Manufacturing business facility includes, but is not limited to, the structures housing the production and administrative facilities. (iii) In the event a manufacturer has more than one manufacturing site in this state, the sixty percent (60%) provision applies to the damages suffered at that one site. (iv) To the extent that the costs of the reconstruction materials are reimbursed by insurance, this exemption does not apply.

(52) Tangible personal property and supplies used in the processing or preparation of floral products and floral arrangements. - From the sale, storage, use, or other consumption in this state of tangible personal property or supplies purchased by florists, garden centers, or other like producers or vendors of flowers, plants, floral products, and natural and artificial floral arrangements which are ultimately sold with flowers, plants, floral products, and natural and artificial floral arrangements or are otherwise used in the decoration, fabrication, creation, processing, or preparation of flowers, plants, floral products, or natural and artificial floral arrangements, including descriptive labels, stickers, and cards affixed to the flower, plant, floral product or arrangement, artificial flowers, spray materials, floral paint and tint, plant shine, flower food, insecticide and fertilizers.
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(53) Horse food products. - From the sale and from the storage, use, or other consumption in this state of horse food products purchased by a person engaged in the business of the boarding of horses.

(54) Non-motorized recreational vehicles sold to nonresidents.

(i) From the sale, subsequent to June 30, 2003, of a non-motorized recreational vehicle to a bona fide nonresident of this state who does not register the non-motorized recreational vehicle in this state, whether the sale or delivery of the non-motorized recreational vehicle is made in this state or at the place of residence of the nonresident; provided, that a non-motorized recreational vehicle sold to a bona fide nonresident whose state of residence does not allow a like exemption to its nonresidents is not exempt from the tax imposed under section 44-18-20; provided, further, that in that event the bona fide nonresident pays a tax to Rhode Island on the sale at a rate equal to the rate that would be imposed in his or her state of residence not to exceed the rate that would have been imposed under section 44-18-20. Notwithstanding any other provisions of law, a licensed non-motorized recreational vehicle dealer shall add and collect the tax required under this subdivision and remit the tax to the tax administrator under the provisions of chapters 18 and 19 of this title. Provided, that when a Rhode Island licensed non-motorized recreational vehicle dealer is required to add and collect the sales and use tax on the sale of a non-motorized recreational vehicle to a bona fide nonresident as provided in this section, the dealer in computing the tax takes into consideration the law of the state of the nonresident as it relates to the trade-in of motor vehicles.

(ii) The tax administrator, in addition to the provisions of sections 44-19-27 and 44-19-28, may require any licensed non-motorized recreational vehicle dealer to keep records of sales to bona fide nonresidents as the tax administrator deems reasonably necessary to substantiate the exemption provided in this subdivision, including the affidavit of a licensed non-motorized recreational vehicle dealer that the purchaser of the non-motorized recreational vehicle was the holder of, and had in his or her possession a valid out-of-state non-motorized recreational vehicle registration or a valid out-of-state driver's license.

(iii) Any nonresident who registers a non-motorized recreational vehicle in this state within ninety (90) days of the date of its sale to him or her is deemed to have purchased the non-motorized recreational vehicle for use, storage, or other consumption in this state, and is subject to, and liable for the use tax imposed under the provisions of section 44-18-20.

(iv) "Non-motorized recreational vehicle" means any portable dwelling designed and constructed to be used as a temporary dwelling for travel, camping, recreational, and vacation use which is eligible to be registered for highway use, including, but not limited to, "pick-up coaches"
or "pick-up campers," "travel trailers," and "tent trailers" as those terms are defined in chapter 1 of title 31.

(55) Sprinkler and fire alarm systems in existing buildings. - From the sale in this state of sprinkler and fire alarm systems, emergency lighting and alarm systems, and from the sale of the materials necessary and attendant to the installation of those systems, that are required in buildings and occupancies existing therein in July 2003, in order to comply with any additional requirements for such buildings arising directly from the enactment of the Comprehensive Fire Safety Act of 2003, and that are not required by any other provision of law or ordinance or regulation adopted pursuant to that Act. The exemption provided in this subdivision shall expire on December 31, 2008.

(56) Aircraft. - Notwithstanding the provisions of this chapter, the tax imposed by sections 44-18-18 and 44-18-20 shall not apply with respect to the sale and to the storage, use, or other consumption in this state of any new or used aircraft or aircraft parts.

(57) Renewable energy products. - Notwithstanding any other provisions of Rhode Island general laws the following products shall also be exempt from sales tax: solar photovoltaic modules or panels, or any module or panel that generates electricity from light; solar thermal collectors, including, but not limited to, those manufactured with flat glass plates, extruded plastic, sheet metal, and/or evacuated tubes; geothermal heat pumps, including both water-to-water and water-to-air type pumps; wind turbines; towers used to mount wind turbines if specified by or sold by a wind turbine manufacturer; DC to AC inverters that interconnect with utility power lines; manufactured mounting racks and ballast pans for solar collector, module or panel installation. Not to include materials that could be fabricated into such racks; monitoring and control equipment, if specified or supplied by a manufacturer of solar thermal, solar photovoltaic, geothermal, or wind energy systems or if required by law or regulation for such systems but not to include pumps, fans or plumbing or electrical fixtures unless shipped from the manufacturer affixed to, or an integral part of, another item specified on this list; and solar storage tanks that are part of a solar domestic hot water system or a solar space heating system. If the tank comes with an external heat exchanger it shall also be tax exempt, but a standard hot water tank is not exempt from state sales tax.

(58) Returned property. - The amount charged for property returned by customers upon rescission of the contract of sale when the entire amount exclusive of handling charges paid for the property is refunded in either cash or credit, and where the property is returned within one hundred twenty (120) days from the date of delivery.

(59) Dietary Supplements. - From the sale and from the storage, use or other
consumption of dietary supplements as defined in section 44-18-7.1(l)(v), sold on prescriptions.

(60) Blood. - From the sale and from the storage, use or other consumption of human
blood.

(61) Agricultural products for human consumption. - From the sale and from the storage,
use or other consumption of livestock and poultry of the kinds of products of which ordinarily
constitute food for human consumption and of livestock of the kind the products of which
ordinarily constitute fibers for human use.

(62) Diesel emission control technology. - From the sale and use of diesel retrofit
technology that is required by section 31-47.3-4 of the general laws.

(63) Feed for certain animals used in commercial farming. - From the sale of feed for
animals as described in subsection 44-18-30(61).

(64) Alcoholic beverages. - From the sale and storage, use, or other consumption in this
state by a Class A licensee of alcoholic beverages, as defined in section 44-18-7.1, excluding beer
and malt beverages from December 1, 2013 through March 31, 2015 June 30, 2015; provided,
further, notwithstanding section 6-13-1 or any other general or public law to the contrary,
alcoholic beverages, as defined in section 44-18-7.1, shall not be subject to minimum markup
from December 1, 2013 through March 31, 2015 June 30, 2015.

SECTION 10. Section 3-10-1 of the General Laws in Chapter 3-10 entitled “Taxation of
Beverages” is hereby amended to read as follows:

3-10-1. Manufacturing tax rates -- Exemption of religious uses. -- (a) There shall be
assessed and levied by the tax administrator on all beverages manufactured, rectified, blended, or
reduced for sale in this state a tax of three dollars and thirty cents ($3.30) three dollars ($3.00) on
every thirty-one (31) gallons, and a tax at a like rate for any other quantity or fractional part. On
any beverage manufactured, rectified, blended, or reduced for sale in this state consisting in
whole or in part of wine, whiskey, rum, gin, brandy spirits, ethyl alcohol, or other strong liquors
(as distinguished from beer or other brewery products) the tax to be assessed and levied is as
follows:

(1) Still wines (whether fortified or not), one dollar and forty cents ($1.40) sixty cents
($0.60) per gallon;

(2) Still wines (whether fortified or not) made entirely from fruit grown in this state,
thirty cents ($0.30) per gallon;

(3) Sparkling wines (whether fortified or not), seventy five cents ($0.75) per gallon;

(4) Whiskey, rum, gin, brandy spirits, cordials, and other beverages consisting in whole
or in part of alcohol which is the product of distillation, five dollars and forty cents ($5.40) three
dollars and seventy-five cents ($3.75) per gallon, except that whiskey, rum, gin, brandy spirits, cordials, and other beverages consisting in whole or in part of alcohol which is the product of distillation but which contains alcohol measuring thirty (30) proof or less, one dollar and ten cents ($1.10) per gallon;

(5) Ethyl alcohol to be used for beverage purposes, seven dollars and fifty cents ($7.50) per gallon; and

(6) Ethyl alcohol to be used for nonbeverage purposes, eight cents ($0.08) per gallon.

(b) Sacramental wines are not subject to any tax if sold directly to a member of the clergy for use by the purchaser, or his or her congregation for sacramental or other religious purposes.

c) A brewer who brews beer in this state which is actively and directly owned, managed, and operated by an authorized legal entity which has owned, managed, and operated a brewery in this state for at least twelve (12) consecutive months, shall receive a tax exemption on the first one hundred thousand (100,000) barrels of beer that it produces and distributes in this state in any calendar year. A barrel of beer is thirty one (31) gallons.

SECTION 11. Section 16 of Article 9 of Chapter 144 of the 2013 Public Laws entitled "AN ACT RELATING TO MAKING APPROPRIATIONS FOR THE SUPPORT OF THE STATE FOR THE FISCAL YEAR ENDING JUNE 30, 2014" is hereby amended to read as follows:

SECTION 16. Section 1 of this article shall take effect on January 1, 2014, and shall apply to all assets placed in service on or after January 1, 2014. Section 2 of this article shall take effect upon passage and shall apply to tax years beginning on or after January 1, 2014. Section 4 of this article shall take effect July 1, 2013. Section 8 of this article shall take effect on July 1, 2013 and shall expire on March 31, 2015. Section 15 of this article shall take effect on December 1, 2013. The remainder of this article shall take effect upon passage.

SECTION 12. Section 44-22-1.1 of the General Laws in Chapter 44-22 entitled "Estate and Transfer Taxes - Liability and Computation" is hereby amended to read as follows:

44-22-1.1. Tax on net estate of decedent. -- (a) (1) For decedents whose death occurs on or after January 1, 1992, but prior to January 1, 2002, a tax is imposed upon the transfer of the net estate of every resident or nonresident decedent as a tax upon the right to transfer. The tax is a sum equal to the maximum credit for state death taxes allowed by 26 U.S.C. section 2011.

(2) For decedents whose death occurs on or after January 1, 2010 a tax is imposed upon the transfer of the net estate of every resident or nonresident decedent as a tax upon the right to transfer. The tax is a sum equal to the maximum credit for state death taxes allowed by 26 U.S.C. section 2011.
taxes allowed by 26 U.S.C. section 2011 as it was in effect as of January 1, 2001; provided, however, that the tax shall be imposed only if the net taxable estate shall exceed six hundred seventy-five thousand dollars ($675,000). Any scheduled increase in the unified credit provided in 26 U.S.C. section 2010 in effect on January 1, 2001, or thereafter, shall not apply.

(3) For decedents whose death occurs on or after January 1, 2010, and prior to January 1, 2015 a tax is imposed upon the transfer of the net estate of every resident or nonresident decedent as a tax upon the right to transfer. The tax is a sum equal to the maximum credit for state death taxes allowed by 26 U.S.C. section 2011 as it was in effect as of January 1, 2001; provided, however, that the tax shall be imposed only if the net taxable estate shall exceed eight hundred and fifty thousand dollars ($850,000); provided, further, beginning on January 1, 2011 and each January 1 thereafter, until January 1, 2015, said amount shall be adjusted by the percentage of increase in the Consumer Price Index for all Urban Consumers (CPI-U) as published by the United States Department of Labor Statistics determined as of September 30 of the prior calendar year; said adjustment shall be compounded annually and shall be rounded up to the nearest five dollar ($5.00) increment. Any scheduled increase in the unified credit provided in 26 U.S.C. section 2010 in effect on January 1, 2003, or thereafter, shall not apply.

(4) For decedents whose death occurs on or after January 1, 2015, a tax is imposed upon the transfer of the net estate of every resident or nonresident decedent as a tax upon the right to transfer. The tax is a sum equal to the maximum credit for state death taxes allowed by 26 U.S.C. Section 2011, as it was in effect as of January 1, 2001; provided, however, that a Rhode Island credit shall be allowed against any tax so determined in the amount of sixty-four thousand four hundred ($64,400). Any scheduled increase in the unified credit provided in 26 U.S.C. Section 2010 in effect on January 1, 2003, or thereafter, shall not apply; provided, further, beginning on January 1, 2016 and each January 1 thereafter, said Rhode Island credit amount under this section shall be adjusted by the percentage of increase in the Consumer Price Index for all Urban Consumers (CPI-U) as published by the United States Department of Labor Statistics determined as of September 30 of the prior calendar year; said adjustment shall be compounded annually and shall be rounded up to the nearest five dollar ($5.00) increment.

(b) If the decedent's estate contains property having a tax situs not within the state, then the tax determined by this section is reduced to an amount determined by multiplying the tax by a fraction whose numerator is the gross estate excluding all property having a tax situs not within the state at the decedent's death and whose denominator is the gross estate. In determining the fraction, no deductions are considered and the gross estate is not reduced by a mortgage or other indebtedness for which the decedent's estate is not liable.
(c) (1) The terms "gross taxable estate", "federal gross estate" or "net taxable estate" used in this chapter or chapter 23 of this title has the same meaning as when used in a comparable context in the laws of the United States, unless a different meaning is clearly required by the provisions of this chapter or chapter 23 of this title. Any reference in this chapter or chapter 23 of this title to the Internal Revenue Code or other laws of the United States means the Internal Revenue Code of 1954, 26 U.S.C. section 1 et seq.

(2) For decedents whose death occurs on or after January 1, 2002, the terms "gross taxable estate" "federal gross estate" or "net taxable estate" used in this chapter or chapter 23 of this title has the same meaning as when used in a comparable context in the laws of the United States, unless a different meaning is clearly required by the provisions of this chapter or chapter 23 of this title. Any reference in this chapter or chapter 23 of this title to the Internal Revenue Code or other laws of the United States means the Internal Revenue Code of 1954, 26 U.S.C. section 1 et seq., as they were in effect as of January 1, 2001, unless otherwise provided.

(d) All values are as finally determined for federal estate tax purposes.

(e) Property has a tax situs within the state of Rhode Island:

(1) If it is real estate or tangible personal property and has actual situs within the state of Rhode Island; or

(2) If it is intangible personal property and the decedent was a resident.

SECTION 13. Sections 42-64.5-3 and 42-64.5-4 of the General Laws in Chapter 42-64.5 entitled "Jobs Development Act" are hereby amended to read as follows:

42-64.5-3. Tax rate reduction. -- The rate of tax payable by an eligible company and each of its eligible subsidiaries for any taxable year ending on or after July 1, 1995, on its net income pursuant to the applicable income tax provisions of the general laws, including the provisions of sections 44-11-2(a), 44-14-3(a), 44-14-4 and 44-17-1, or on its gross earnings pursuant to section 44-13-4(4), shall be reduced by the amount specified in section 42-64.5-4; this rate reduction shall be applied annually once to those eligible companies which are permitted by law to file a consolidated state tax return or as part of a combined group and in the case of eligible companies not permitted required by law to file as part of a combined group consolidated state tax returns, then the rate reduction shall be applied annually to each eligible company and its eligible subsidiaries; provided, however, except as provided in section 42-64.5-7, should any eligible company fail to maintain in any taxable year after 1997 or, if applicable, the third taxable year following the base employment period election set forth in section 42-64.5-5, the number of units of new employment it reported for its 1997 tax year or, if applicable, the third taxable year following the base employment period election set forth in section 42-64.5-5; the rate reduction
provided for in this chapter shall expire permanently.

42-64.5-4. Reduction rate schedule. -- (a) (i) The amount of the rate reduction specified in section 42-64.5-3 for any eligible company that is not a telecommunications company for each taxable year ending on or after July 1, 1995, shall be based upon the aggregate amount of new employment of the eligible company and its eligible subsidiaries for each taxable year, and shall be determined by multiplying the numerical equivalent of one-quarter of one percent (.25%) by the number of units of new employment for each taxable year through the taxable year ending in 1997 or, if applicable, the third taxable year following the base employment period election set forth in section 42-64.5-5; and for each taxable year thereafter, the number of units of new employment reported for the taxable year 1997 or, if applicable, the third taxable year following the base employment period election set forth in section 42-64.5-5; provided, however, the amount of each rate reduction shall in no event be greater than six percent (6%).

(ii) For the tax years beginning on or after January 1, 2015, the amount of the rate reduction specified in § 42-64.5-3 for any eligible company required to file and pay taxes pursuant to § 44-11-2, shall be based upon the aggregate amount of new employment of the eligible company and its eligible subsidiaries for each taxable year, and shall be determined by multiplying the numerical equivalent of two tenths of one percent (.20%) by the number of units of new employment for each taxable year through the taxable year ending in 1997 or, if applicable, the third taxable year following the base employment period election set forth in § 42-64.5-5; and for each taxable year thereafter, the number of units of new employment reported for the taxable year 1997 or, if applicable, the third taxable year following the base employment period election set forth in § 42-64.5-5; provided, however, the amount of each rate reduction shall in no event be greater than four percent (4.0%).

(b) The amount of the rate reduction specified in section 42-64.5-3 for any eligible company that is a telecommunications company shall be based upon the aggregate amount of new employment of the eligible company and its eligible subsidiaries for each taxable year and shall be determined in the same manner as set forth in subsection (a) of this section, except that it shall be determined by multiplying the numerical equivalent of one-hundredth of one percent (.01%) by the number of units of new employment and the amount of each rate reduction shall in no event be greater than one percent (1%).

(c) Notwithstanding any of the provisions of this chapter, where an eligible telecommunications company has one or more affiliated entities that is an eligible company, the eligible company entitled to a rate reduction may assign its rate reduction, to be determined in the manner as provided in subsection (b) of this section, to the eligible telecommunications company.
An entity that assigns the rate reduction shall not be eligible for the rate reduction.

SECTION 14. Sections 42-64.14-10 and 42-64.14-11 of the General Laws in Chapter 42-64.14 entitled “The I-195 Redevelopment Act of 2011” are hereby amended to read as follows:

42-64.14-10. Life sciences tax rate reduction. -- The rate of tax payable by an eligible life sciences company and each of its eligible subsidiaries for any taxable year beginning on or after January 1, 2011, on its net income pursuant to the provisions of subsection 44-11-2(a), shall be reduced by the amount specified in section 42-64.14-11; this rate reduction shall be applied annually once to those eligible life sciences companies which are permitted by law to file a consolidated state tax return or as part of a combined group and in the case of eligible companies not permitted required by law to file consolidated state tax returns or as part of a combined group, then the rate reduction shall be applied annually to each eligible life sciences company and its eligible subsidiaries; provided, however, should any eligible life sciences company fail to maintain in any taxable year after 2014 or, if applicable, the third taxable year following the base employment period election set forth in section 42-64.14-12, the number of units of new employment it reported for its 2014 tax year or, if applicable, the third taxable year following the base employment period election set forth in section 42-64.14-12, the rate reduction provided for in this chapter shall expire permanently.

42-64.14-11. Reduction rate schedule. -- (a) The amount of the rate reduction specified in section 42-64.14-10 for any eligible life sciences company for each taxable year beginning on or after January 1, 2012, shall be based upon the aggregate amount of new employment of the eligible life sciences company and its eligible subsidiaries for each taxable year, and shall be determined by multiplying the numerical equivalent of one-quarter of one percent (.25%) by the number of units of new employment for each taxable year through the taxable year ending in 2014 or, if applicable, the third taxable year following the base employment period election set forth in section 42-64.14-12; and for each taxable year thereafter, the number of units of new employment reported for the taxable year 2014 or, if applicable, the third taxable year following the base employment period election set forth in section 42-64.14-12; provided, however, the amount of each rate reduction shall in no event be lower than three percent (3%) provided, however, the amount of each rate reduction shall in no event be greater than six percent (6%).

(b) For tax years beginning on or after January 1, 2015, the amount of the rate reduction specified in § 42-64.14-10 for any eligible company required to file and pay taxes pursuant to § 44-11-2, shall be based upon the aggregate amount of new employment of the eligible company and its eligible subsidiaries for each taxable year, and shall be determined by multiplying the numerical equivalent of two tenths of one percent (.20%) by the number of units of new employment.
employment for each taxable year through the taxable year ending in 1997 or, if applicable, the third taxable year following the base employment period election set forth in § 42-64.14-12; and for each taxable year thereafter, the number of units of new employment reported for the taxable year 1997 or, if applicable, the third taxable year following the base employment period election set forth in § 42-64.14-12; provided, however, the amount of each rate reduction shall in no event be greater than four percent (4.0%).

SECTION 15. Sections 44-11-1, 44-11-2 and 44-11-4 of the General Laws in Chapter 44-11 entitled "Business Corporation Tax" are hereby amended to read as follows:

44-11-1. Definitions. -- For the purpose of this chapter:

(1) (a) "Captive REIT" means a corporation, trust or association:

(i) That is considered a real estate investment trust for the taxable year under section 856 of the Internal Revenue Code;

(ii) That is not regularly traded on an established securities market; and

(iii) More than fifty percent (50%) of the voting power or value of the beneficial interests or shares of which at any time during the last half of the taxable year, is owned or controlled, directly or indirectly, by a single entity that is subject to the provisions of Subchapter C of Chapter 1 of the Internal Revenue Code; and

(b) "Captive REIT" does not include:

(i) A corporation, trust or association more than fifty percent (50%) of the voting power or value of the beneficial interests or shares of which, at any time during which the corporation, trust or association satisfies item (1)(iii) of this subsection, is owned or controlled, directly or indirectly, by:

(A) A real estate investment trust other than a real estate investment trust described in item (i) of this subsection; or

(B) A person exempt from taxation under section 501(a) of the Internal Revenue Code; or

(C) A listed Australian Property Trust; and

(ii) Subject to regulations that the tax administrator adopts, a real estate investment trust that is intended to become regularly traded on an established securities market and that satisfies the requirements of section 865(A)(5) and (6) of the Internal Revenue Code by reason of section 856(h)(2) of the Internal Revenue Code; and

(c) For purposes of this section, the constructive ownership rules prescribed under section 318(a) of the Internal Revenue Code, as modified by section 856(d)(5) of the Internal Revenue Code, shall apply in determining the ownership of stock, assets or net profits of any
(2) "Combined group" means a group of two or more corporations in which more than fifty percent (50%) of the voting stock of each member corporation is directly or indirectly owned by a common owner or owners, either corporate or non-corporate, or by one or more of the member corporations, and that are engaged in a unitary business.

(3) "Common ownership" means more than fifty percent (50%) of the voting control of each member of the group is directly or indirectly owned by a common owner or owners, either corporate or non-corporate, whether or not owner or owners are members of the combined group.

(4) "Corporation" means every corporation, joint-stock company, or association, wherever incorporated, a real estate investment trust, a regulated investment company, a personal holding company registered under the Federal Investment Company Act of 1940, 15 U.S.C. section 80a-1 et seq., and also a trustee or trustees conducting a business where interest or ownership is evidenced by certificates or other written instruments, deriving any income from sources within this state or engaging in any activities or transactions within this state for the purpose of profit or gain, whether or not an office or place of business is maintained in this state, or whether or not the income, activities, or transactions are connected with intrastate, interstate, or foreign commerce, except:

(i) State banks, mutual savings banks, federal savings banks, trust companies, national banking associations, building and loan associations, credit unions, and loan and investment companies;

(ii) Public service corporations included in chapter 13 of this title, except as otherwise provided in section 44-13-2.2;

(iii) Insurance and surety companies;

(iv) Corporations specified in section 7-6-4, incorporated hospitals, schools, colleges, and other institutions of learning not organized for business purposes and not doing business for profit and no part of the net earnings of which inures to the benefit of any private stockholder or individual, whether incorporated under any general law of this state or by any special act of the general assembly of this state;

(v) Fraternal beneficiary societies as set forth in section 27-25-1;

(vi) Any corporation expressly exempt from taxation by charter;

(vii) Corporations which together with all corporations under direct or indirect common ownership that satisfies the other requirements of this paragraph employ not less than five (5) full-time equivalent employees in the state; which maintain an office in the state; and activities
within the state which are confined to the maintenance and management of their intangible investments or of the intangible investments of corporations or business trusts registered as investment companies under the Investment Company Act of 1940, 15 U.S.C. section 80a-1 et seq., and the collection and distribution of the income from those investments or from tangible property physically located outside the state. For purposes of this paragraph, “intangible investments” includes, without limitation, investments in stocks, bonds, notes, and other debt obligations, including debt obligations of affiliated corporations, patents, patent applications, trademarks, trade names, copyrights, and similar types of intangible assets.

(5) “Fiscal year” means an accounting period of twelve (12) months ending on the last day of any month other than December.

(6) “Member” means a corporation included in a unitary business.

(7) “Place of business” means a regular place of business, which, in turn, means any bona fide office, other than a statutory office, factory, warehouse, or other space which is regularly used by the taxpayer in carrying on its business. Where, as a regular course of business, property of the taxpayer is stored by it in a public warehouse until it is shipped to customers, the warehouse is considered a regular place of business of the taxpayer and, where as a regular course of business, raw material or partially furnished goods of a taxpayer are delivered to an independent contractor to be converted, processed, finished, or improved and the finished goods remain in the possession of the independent contractor until shipped to customers, the plant of the independent contractor is considered a regular place of business of the taxpayer. The mere consignment of goods by the taxpayer to an independent factor outside this state for sale at the consignee's discretion does not constitute the taxpayer as having a regular place of business outside this state.

(8) “Tax haven” means a jurisdiction that, during the tax year in question has no or nominal effective tax on the relevant income and:

(i) has laws or practices that prevent effective exchange of information for tax purposes with other governments on taxpayers benefiting from the tax regime;

(ii) Has a tax regime which lacks transparency. A tax regime lacks transparency if the details of legislative, legal or administrative provisions are not open and apparent or are not consistently applied among similarly situated taxpayers, or if the information needed by tax authorities to determine a taxpayer’s correct tax liability, such as accounting records and underlying documentation is not adequately available;

(iii) Facilities the establishment of foreign-owned entities without the need for a local substantive presence or prohibits these entities from having any commercial impact on the local economy.
(iv) explicitly or implicitly excluded the jurisdictions resident taxpayers form taking advantage of the tax regime benefits or prohibits enterprisers that benefit from the regime form operating in the jurisdiction's domestic market; or

(v) Has created a tax regime which is favorable for tax avoidance, based upon an overall assessment of relevant factors, including whether the jurisdiction has a significant untaxed offshore financial/other services sector relative to its overall economy.

(4)(9) "Taxable year" means the calendar year or the fiscal year ending during the calendar year upon the basis of which the net income is computed under this chapter. "Taxable year" means, in the case of a return made for a fractional part of a year under the provisions of this chapter or under regulations prescribed by the tax administrator, the period for which the return is made.

(6)(10) "Taxpayer" means and includes any corporation subject to the provisions of this chapter.

(11) "Unitary business" means the activities of a group of two (2) or more corporations under common ownership that are sufficiently interdependent, integrated or interrelated through their activities so as to provide mutual benefit and produce a significant sharing or exchange of value among them or a significant flow of value between the separate parts. The term unitary business shall be construed to the broadest extent permitted under the United States Constitution.

(12) "United States" means the fifty (50) states of the United States, the District of Columbia, the United States' territories and possessions.

44-11-2. Imposition of tax. -- (a) Each corporation shall annually pay to the state a tax equal to nine percent (9%) of net income, as defined in section 44-11-11, qualified in section 44-11-12, and apportioned to this state as provided in sections 44-11-13 -- 44-11-15, for the taxable year. For tax years beginning on or after January 1, 2015, each corporation shall annually pay to the state a tax equal to seven percent (7.0%) of net income, as defined in § 44-11-13 -- 44-11-15, for the taxable year.

(b) A corporation shall pay the amount of any tax as computed in accordance with subsection (a) of this section after deducting from "net income," as used in this section, fifty percent (50%) of the excess of capital gains over capital losses realized during the taxable year, if for the taxable year:

(1) The corporation is engaged in buying, selling, dealing in, or holding securities on its own behalf and not as a broker, underwriter, or distributor;

(2) Its gross receipts derived from these activities during the taxable year amounted to at
least ninety percent (90%) of its total gross receipts derived from all of its activities during the year. "Gross receipts" means all receipts, whether in the form of money, credits, or other valuable consideration, received during the taxable year in connection with the conduct of the taxpayer's activities.

(c) A corporation shall not pay the amount of the tax computed on the basis of its net income under subsection (a) of this section, but shall annually pay to the state a tax equal to ten cents ($0.10) for each one hundred dollars ($100) of gross income for the taxable year or a tax of one hundred dollars ($100), whichever tax shall be the greater, if for the taxable year the corporation is either a "personal holding company" registered under the federal Investment Company Act of 1940, 15 U.S.C. section 80a-1 et seq., "regulated investment company", or a "real estate investment trust" as defined in the federal income tax law applicable to the taxable year. "Gross income" means gross income as defined in the federal income tax law applicable to the taxable year, plus:

(1) Any interest not included in the federal gross income; minus

(2) Interest on obligations of the United States or its possessions, and other interest exempt from taxation by this state; and minus

(3) Fifty percent (50%) of the excess of capital gains over capital losses realized during the taxable year.

(d) (1) A small business corporation having an election in effect under subchapter S, 26 U.S.C. section 1361 et seq., shall not be subject to the Rhode Island income tax on corporations, except that the corporation shall be subject to the provisions of subsection (a), to the extent of the income that is subjected to federal tax under subchapter S. Effective for tax years beginning on or after January 1, 2015, a small business corporation having an election in effect under subchapter S, 26 U.S.C. § 1261 et seq., shall be subject to the minimum tax under § 44-11-2(e).

(2) The shareholders of the corporation who are residents of Rhode Island shall include in their income their proportionate share of the corporation's federal taxable income.

(3) [Deleted by P.L. 2004, ch. 595, art. 29, section 1.]

(4) [Deleted by P.L. 2004, ch. 595, art. 29, section 1.]

(e) Minimum tax. - The tax imposed upon any corporation under this section, including a small business corporation having an election in effect under subchapter S, 26 U.S.C. § 1361 et seq., shall not be less than five hundred dollars ($500).

44-11-4. Returns of affiliated groups of corporations. – For tax years beginning before January 1, 2015, an affiliated group of corporations may file a consolidated return for the taxable year in lieu of separate returns; provided, that all the corporations which constitute the
an affiliated group at any time during the period for which the return is made and which are subject
to taxation under this chapter shall consent to the making of the consolidated return. The tax
administrator may prescribe rules and regulations as he or she may deem necessary in order that
the tax liability of any affiliated group of corporations making a consolidated return and of each
corporation in the group, liable to taxation under this chapter, both during and after the period of
affiliation, may be determined, computed, assessed, collected, and adjusted in a manner as clearly
to reflect the net income and the corporate excess and to prevent avoidance of tax liability.

SECTION 16. Chapter 44-11 of the General Laws entitled "Business Corporation Tax" is
hereby amended by adding thereto the following section:

44-11-4.1. Combined reporting. -- (a) For tax years beginning on or after January 1, 2015, each C corporation which is part of an unitary business with one or more other
corporations must file a return, in a manner prescribed by the tax administrator, for the combined
group containing the combined income, determined under this section, of the combined group.
(b) An affiliated group of C corporations, as defined in section 1504 of the Internal
Revenue Code, may elect to be treated as a combined group with respect to the combined
reporting requirement imposed by § 44-11-4.1 (a) for the taxable year in lieu of an unitary
business group. The election shall be upon the condition that all C corporations which at any time
during the taxable year have members of the affiliated group consent to be included in such
group. The filing of a consolidated return for the combined group shall be considered as such
consent. Such election may not be revoked in less than five (5) years unless approved by the tax
administrator.
(c) The use of a combined report does not disregard the separate identities of the taxpayer
members of the combined group. Each taxpayer member is responsible for tax based on its
taxable income or loss apportioned to this state.
(d) Members of a combined group shall exclude as a member and disregard the income
and apportionment factors of any corporation not incorporated in the United States (a "non US
corporation") if the sales factors outside the United States is eighty percent (80%) or more. If a
non US corporation is includible as a member in the combined group, to the extent that such non
US corporation's income is subject to the provisions of a federal income tax treaty, such income is
not includible in the combined group net income. Such member shall also not include in the
combined report any expenses or apportionment factors attributable to income that is subject to
the provisions of a federal income tax treaty. For purposes of this chapter, "federal income tax
treaty" means a comprehensive income tax treaty between the United States and a foreign
jurisdiction, other than a foreign jurisdiction which is defined as a tax haven; provided, however,
that if the tax administrator determines that a combined group member non US corporation is
organized in a tax haven that has a federal income treaty with the United States, its income
subject to a federal income tax treaty, and any expenses or apportionment factors attributable to
such income, shall not be included in the combined group net income or combined report if: (i)
the transactions conducted between such non US corporation and other members of the combined
group are done on an arm’s length basis and not with the principal purpose to avoid the payment
of taxes due under this chapter; or (ii) the member establishes that the inclusion of such net
income in combined group net income is unreasonable.

(e) Net Operating Losses. A tracing protocol shall apply to net operating losses created
before January 1, 2015. Such net operating losses shall be allowed to offset only the income of the
corporation that created the net operating loss; the net operating loss cannot be shared with other
members of the combined group. No deduction is allowable for a net operating loss sustained
during any taxable year in which a taxpayer was not subject to Rhode Island business corporation
tax. For net operating losses created in tax years beginning on or after January 1, 2015 such loss
allowed shall be the same as the net operating loss deduction allowed under section 172 of the
internal revenue code for the combined group, except that:

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

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

   (3) The deduction shall not exceed the deduction for the taxable year allowable under
section 172 of the internal revenue code; provided, that the deduction for a taxable year may not
be carried back to any other taxable year for Rhode Island purposes but shall only be allowable
on a carry forward basis for the five (5) succeeding taxable years.

(f) Tax Credits and Tax Rate Reduction.

   (1) A tracing protocol shall apply to Rhode Island tax credits earned before the tax years
beginning on or before January 1, 2015. Such Rhode Island tax credits shall be allowed to offset
only the tax liability of the corporation that earned the credits; the Rhode Island tax credits cannot
be shared with other members of the combined group. Rhode Island tax credits earned in tax
years beginning on or after January 1, 2015, may be applied to other members of the group.

   (2) The tax rate reductions authorized under § 42-64.5 (Jobs Development Act) and § 42-
2 64.14 (1-195 Redevelopment Act of 2011) shall be allowed against the net income of the entire
combined group.
(g) The tax administrator shall prescribe and amend, from time to time, rules and regulations as he or she may deem necessary in order that the tax liability of any group of corporations filing as a combined group and each corporation in the combined group, liable to taxation under this chapter, may be determined, computed, assessed, collected, and adjusted in a manner as to clearly reflect the combined income of the combined group and the individual income of each member of the combined group. Such rules and regulations, shall include but are not be limited to, issues such as the inclusion or exclusion of a corporation in the combined group, the characterization and sourcing of each member's income, and whether certain common activities constitute the conduct of a unitary business.

(h) The tax administrator shall on or before March 15, 2018, based upon the actual tax filings of companies under this act for a two year period, submit a report to the chairperson of the house finance committee and the senate finance committee and the house fiscal advisor and the senate fiscal advisor analyzing the policy and fiscal ramifications of the changes enacted to business corporations tax statutes, as enacted in budget article 12 of the Fiscal Year 2015 appropriations act. The report shall include but not be limited to the impact upon categories of business, size of business and similar information as contained in Rhode Island General Laws 44-11-45, which required the original report.

SECTION 17. Sections 44-11-11 and 44-11-14 of the General Laws in Chapter 44-11 entitled "Business Corporation Tax" are hereby amended to read as follows:

44-11-11. "Net income" defined. — (a) (1) "Net income" means, for any taxable year and for any corporate taxpayer, the taxable income of the taxpayer for that taxable year under the laws of the United States, plus:

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

(ii) Any specific exemptions;

(iii) For a captive REIT, an amount equal to the amount of the dividends-paid deduction allowed under the Internal Revenue Code for the taxable year;

(iv) The tax imposed by this chapter; and minus

(v) Any deductions required to be added back to net income under the provisions of paragraph (f) of this section, and minus

(vi) Interest on obligations of the United States or its possessions, and other interest exempt from taxation by this state; and

(vii) The federal net operating loss deduction.

(2) All binding federal elections made by or on behalf of the taxpayer applicable either directly or indirectly to the determination of taxable income shall be binding on the taxpayer...
Rhode Island taxable income shall not include the "gross-up of dividends" required by the federal Internal Revenue Code to be taken into taxable income in connection with the taxpayer's election of the foreign tax credit.

(b) A net operating loss deduction shall be allowed which shall be the same as the net operating loss deduction allowed under 26 U.S.C. section 172, except that:

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

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

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

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

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

(e) As used in this section:

(1) "Affiliated group" has the same meaning as in section 1504 of the Internal Revenue Code.

(2) "Intangible expenses and costs" includes: (A) expenses, losses and costs for, related to, or in connection directly or indirectly with the direct or indirect acquisition, use, maintenance or management, ownership, sale, exchange, or any other disposition of intangible property to the extent such amounts are allowed as deductions or costs in determining taxable income before operating loss deduction and special deductions for the taxable year under the Internal Revenue Code; (B) losses related to or incurred in connection directly or indirectly with factoring
(3) "Intangible property" means patents, patent applications, trade names, trademarks, service marks, copyrights and similar types of intangible assets.

(4) "Interest expenses and costs" means amounts directly or indirectly allowed as deductions under section 163 of the Internal Revenue Code for purposes of determining taxable income under the Internal Revenue Code to the extent such expenses and costs are directly or indirectly for, related to, or in connection with the direct or indirect acquisition, maintenance, management, ownership, sale, exchange or disposition of intangible property.

(5) "Related member" means a person that, with respect to the taxpayer during all or any portion of the taxable year, is a related entity, as defined in this subsection, a component member as defined in section 1563(b) of the Internal Revenue Code, or is a person to or from whom there is attribution of stock ownership in accordance with section 1563(e) of the Internal Revenue Code.

(6) "Related entity" means: (A) a stockholder who is an individual, or a member of the stockholder's family enumerated in section 318 of the Internal Revenue Code, if the stockholder and the members of the stockholder's family own directly, indirectly, beneficially or constructively, in the aggregate, at least fifty percent (50%) of the value of the taxpayer's outstanding stock; (B) a stockholder, or a stockholder's partnership, limited liability company, estate, trust or corporation, if the stockholder and the stockholder's partnership, limited liability companies, estates, trusts and corporations own directly, indirectly, beneficially or constructively, in the aggregate, at least fifty percent (50%) of the value of the taxpayer's outstanding stock; or (C) a corporation, or a party related to the corporation in a manner that would require an attribution of stock from the corporation to the party or from the party to the corporation under the attribution rules of section 318 of the Internal Revenue Code, if the taxpayer owns, directly, indirectly, beneficially or constructively, at least fifty percent (50%) of the value of the corporation's outstanding stock. The attribution rules on section 318 of the Internal Revenue Code shall apply for purposes of determining whether the ownership requirements of this subdivision have been met.

(f) For purposes of computing its net income under this section, a corporation shall add back otherwise deductible interest expenses and costs and intangible expenses and costs directly or indirectly paid, accrued or incurred to, or in connection directly or indirectly with one or more direct or indirect transactions with, one or more related members.

(1) The adjustments required in subsection (f) of this section shall not apply if the
corporation establishes by clear and convincing evidence that the adjustments are unreasonable, as determined by the tax administrator or the corporation and the tax administrator agree in writing to the application or use of an alternative method of apportionment under section 44-11-45. Nothing in this subsection shall be construed to limit or negate the tax administrator's authority to otherwise enter into agreements and compromises otherwise allowed by law.

(2) The adjustments required in subsection (f) of this section shall not apply to such portion of interest expenses and costs and intangible expenses and costs that the corporation can establish by the preponderance of the evidence meets both of the following: (A) the related member during the same income year directly or indirectly paid, accrued or incurred such portion to a person who is not a related member; and (B) the transaction giving rise to the interest expenses and costs or the intangible expenses and costs between the corporation and the related member did not have as a significant purpose the avoidance of any portion of the tax due under chapter 44-11.

(3) The adjustments required in subsection (f) shall not apply if the corporation establishes by clear and convincing evidence, as determined by the tax administrator, that: (i) a principal purpose of the transaction giving rise to the payment of interest was not to avoid payment of taxes due under this chapter; (ii) the interest is paid pursuant to a contract that reflects an arm's length rate of interest and terms; and (iii) (A) the related member was subject to tax on its net income in this state or another state or possession of the United States or a foreign nation; (B) a measure of said tax included the interest received from the taxpayer; and (C) the effective rate of tax applied to the interest received by the related member is no less than the effective rate of tax applied to the taxpayer under this chapter minus 3 percentage points.

(4) Partial Adjustments. - The add back required in subsection (f) shall not be required in part if a portion of the add back would be unreasonable. A portion of the add back will be considered unreasonable to the extent that the taxpayer establishes to the tax administrator by clear and convincing evidence that interest or intangible expense was paid, accrued or incurred to a related member that is taxed on the corresponding income by a state, U.S. possession or foreign jurisdiction. An adjustment to the add back will be allowed based on a factor determined by the apportioned tax rate of the related member in the other jurisdiction compared to the apportioned tax rate of the taxpayer in this state. A taxpayer that seeks to claim this adjustment must file a schedule that sets forth the information required by the tax administrator.

(g) Nothing in this section shall require a corporation to add to its net income more than once any amount of interest expenses and costs or intangible expenses and costs that the corporation pays, accrues or incurs to a related member described in subsection (b) of this
(h) Any taxpayer required to make an adjustment required in subsection (f) for tax years beginning on or after January 1, 2008, is additionally required to report to the tax administrator, on forms required by him, the amount of any adjustments that would have been required if the law applied to tax years beginning on or after January 1, 2007.

(i) Nothing in this section shall be construed to limit or negate the tax administrator authority to make adjustments under section 44-11-15.

44-11-14. Allocation of income from business partially within state.-- (a) In the case of a taxpayer deriving its income from sources both within and outside of this state or engaging in any activities or transactions both within and outside of this state for the purpose of profit or gain, its net income shall be apportioned to this state by means of an allocation fraction to be computed as a simple arithmetical mean of three (3) fractions:

(1) The first of these fractions shall represent that part held or owned within this state of the average net book value of the total tangible property (real estate and tangible personal property) held or owned by the taxpayer during the taxable year, without deduction on account of any encumbrance thereon;

(2) The second fraction shall represent that part of the taxpayer's total receipts from sales or other sources during the taxable year which is attributable to the taxpayer's activities or transactions within this state during the taxable year; meaning and including within that part, as being thus attributable, receipts from:

(i) Gross sales of its tangible personal property (inventory sold in the ordinary course of business) where:

(A) Shipments are made to points within this state; or

(B) Shipments are made from an office, store, warehouse, factory or other place of storage in this state and the taxpayer is not taxable in the state of the purchase.

(ii) Gross income from services performed within the state;

(iii) Gross income from rentals from property situated within the state;

(iv) Net income from the sale of real and personal property, other than inventory sold in the ordinary course of business as described in paragraph (i) of this subdivision, or other capital assets located in the state;

(v) Net income from the sale or other disposition of securities or financial obligations; and

(vi) Gross income from all other receipts within the state;

(3) The third fraction shall represent that part of the total wages, salaries, and other
compensation to officers, employees, and agents paid or incurred by the taxpayer during the
taxable year which is attributable to services performed in connection with the taxpayer's
activities or transactions within this state during the taxable year.

(b) For tax years beginning on or after January 1, 2015, all taxpayers organized under
subchapter C of the Internal Revenue Code deriving income from sources both within and outside
of this state, or engaging in any activities or transactions both within and outside of this state for
the purpose of profit or gain, its net income shall be apportioned to this state by means of an
allocation fraction to be computed as a simple arithmetical of the following factors:

1. The factor shall represent that part of the taxpayer's total receipts from sales or other
   sources during the taxable year which is attributable to the taxpayer's activities or transactions
   within this state during the taxable year, meaning and including within that part, as being thus
   attributable, receipts from:

   (i) Gross sales of its tangible personal property (inventory sold in the ordinary course of
       business) where:

       (A) Shipments are made to points within this state; or

       (B) Shipments are made from an office, store, warehouse, factory or other place of
           storage in this state and the taxpayer is not taxable in the state of the purchase.

   (ii) Gross income from the performance of services where the recipient of the service
        receives all of the benefit of the service in this state. If the recipient of the service receives some
        of the benefit of the service in this state, gross income which shall be included in the numerator of
        the apportionment factor in proportion to the extent the recipient receives benefit of the service in
        this state;

   (iii) Gross income from rentals from property situated within the state;

   (iv) Net income from the sale of real and personal property, other than inventory sold in
        the ordinary course of business as described in subsection (b)(1)(i) of this section, or other capital
        assets located in the state;

   (v) Net income from the sale or other disposition of securities or financial obligations;

   and

   (vi) Gross income from all other receipts within the state.

   (vii) Except as otherwise provided under this section, each unitary business group
        member shall include all receipts in this state without regard to whether the member has nexus in
        this state. Receipts between members included in a unitary business group must be eliminated in
        calculating the receipts factor.

   (c) Notwithstanding any of the provisions of this section, revenue and expenses
subject to the gross earnings tax pursuant to chapter 13 of this title shall not be included in the
calculation described in this section.

Corporation Tax" is hereby repealed.

44-11-45. Combined reporting study. (a) For the purpose of this section:
(1) "Common ownership" means more than fifty percent (50%) of the voting control of
each member of the group is directly or indirectly owned by a common owner or owners, either
corporate or non-corporate, whether or not owner or owners are members of the combined group.
(2) "Member" means a corporation included in a unitary business.
(3) "Unitary business" means the activities of a group of two (2) or more corporations
under common ownership that are sufficiently interdependent, integrated or interrelated through
their activities so as to provide mutual benefit and produce a significant sharing or exchange of
value among them or a significant flow of value between the separate parts. The term unitary
business shall be construed to the broadest extent permitted under the United States Constitution.
(4) "United States" means the fifty (50) states of the United States, the District of
Columbia, the United States' territories and possessions.
(b) Combined reporting.
(1) As part of its tax return for a taxable year beginning after December 31, 2010 but
before January 1, 2013, each corporation which is part of a unitary business must file a report, in
a manner prescribed by the tax administrator, for the combined group containing the combined
net income of the combined group. The use of a combined report does not disregard the separate
identities of the members of the combined group. The report shall include, at minimum, for each
taxable year the following:
(i) The difference in tax owed as a result of filing a combined report compared to the tax
owed under the current filing requirements;
(ii) The difference in tax owed as a result of using the single sales factor apportionment
method under this paragraph as compared to the tax owed using the current three (3) factor
apportionment method under section 44-11-14;
(iii) Volume of sales in the state and worldwide; and
(iv) Taxable income in the state and worldwide.
(2) The combined reporting requirement required pursuant to this section shall not
include any persons that engage in activities enumerated in sections 44-13-1, 44-14-3, 44-14-4 or
44-17-1, whether within or outside this state. Neither the income or loss nor the apportionment
factors of such a person shall be included, directly or indirectly, in the combined report.
(3) Members of a combined group shall exclude as a member and disregard the income
and apportionment factors of any corporation incorporated in a foreign jurisdiction (a “foreign
corporation”) if the average of its property, payroll and sales factors outside the United States is
eighty percent (80%) or more. If a foreign corporation is includible as a member in the combined
group, to the extent that such foreign corporation's income is subject to the provisions of a federal
income tax treaty, such income is not includible in the combined group net income. Such member
shall also not include in the combined report any expenses or apportionment factors attributable
to income that is subject to the provisions of a federal income tax treaty. For purposes of this
chapter, “federal income tax treaty” means a comprehensive income tax treaty between the United
States and a foreign jurisdiction, other than a foreign jurisdiction which the organization for
economic co-operation and development has determined has not committed to the internationally
agreed tax standard, or has committed to the international agreed tax standard but has not yet
substantially implemented that standard, as identified in the then-current organization for
economic co-operation and development progress report.

(c) Any corporation which is required to file a report under this section which fails to file
a timely report or which files a false report shall be assessed a penalty not to exceed ten thousand
dollars ($10,000). The penalty may be waived for good cause shown for failure to timely file.

(d) The tax administrator shall on or before March 15, 2014, based on the information
provided in income tax returns and the data submitted under this section, submit a report to the
chairpersons of the house finance committee and senate finance committee, and the house fiscal
advisor and the senate fiscal advisor analyzing the policy and fiscal ramifications of changing the
business corporation tax statute to a combined method of reporting.

SECTION 19. Section 44-26-2.1 of the General Laws in Chapter 44-26 entitled
"Declaration of Estimated Tax by Corporations" is hereby amended to read as follows:

44-26-2.1, Declaration -- Due date -- Payment -- Interest. -- (a) Notwithstanding any
general or specific statute to the contrary, every corporation having a taxable year ending
December 31, 1990, or thereafter, shall file a declaration of its estimated tax for the taxable year
ending December 31, 1990, or thereafter, if its estimated tax can reasonably be expected to
exceed five hundred dollars ($500). The declaration, sworn to by the officer of the corporation
who is required to sign its return under any of the chapters and section mentioned in section 44-
26-1 shall contain the pertinent information and be in the form that the tax administrator may
prescribe. The entire amount of the estimated tax shall constitute the amount of the advance
required to be paid. (b) (1) Except as provided in subdivision (2) of this subsection, the
declaration of estimated tax required of corporations by subsection (a) of this section shall be
filed as follows:

1. If the requirements of subsection (a) are first met: The declaration shall be filed on

2. or before:

3. before the first day of the third month of

4. the taxable year ........................................ the fifteenth day of the third

5. month of the taxable year;

6. after the first day of the third month and before

7. the fifteenth day of the sixth

8. the first day of the sixth month of the taxable year......... month of the taxable year.

(2) The declaration of estimated tax required of corporations subject to section 27-3-38

relating to surplus line brokers premium tax or under any special act or acts in lieu of the

provisions of that section or in amendment of or in addition to that section shall be filed as

follows:

1. If the requirements of subsection (a) are first met: The declaration shall be filed on

2. or before:

3. before the first day of the fourth month of the

4. thirtieth day of the fourth month

5. of the taxable year

6. After the first day of the fourth month and

7. before the first day of the sixth month of the

8. taxable year ........................................ the thirtieth day of the sixth

9. month of the taxable year

10. After the first day of the sixth month and before

11. the thirtieth day of the tenth

12. the first day of the tenth month of the taxable year .......... month of the taxable year

13. After the first day of the tenth month and before

14. the first day of the twelfth month of the taxable

15. year ........................................ the thirty-first day of the twelfth

16. month of the taxable year

(c) An amendment of a declaration may be filed in any interval between installment dates

prescribed for the taxable year, but only one amendment may be filed in each interval.

(d) The tax administrator may grant a reasonable extension of time, not to exceed thirty

(30) days, for filing a declaration.

(e) (1) The amount of the advance based on the estimated tax declared under subsection

(a) of this section by corporations described in subdivision (b)(1) of this section shall be paid as

follows:

(i) If the declaration is filed on or before the fifteenth (15th) day of the third (3rd) month

of the taxable year, the advance shall be paid in two (2) installments. The first installment in the
amount of forty percent (40%) of the estimated tax shall be paid at the time of the filing of the
declaration. The second and last installment in the amount of sixty percent (60%) of the estimated
tax shall be paid on or before the fifteenth (15th) day of the sixth (6th) month of the taxable year.

(ii) If the declaration is filed after the fifteenth (15th) day of the third (3rd) month of the
taxable year and is not required by subsection (b) of this section to be filed on or before the
fifteenth (15th) day of the third (3rd) month of the taxable year, but is required to be filed on or
before the fifteenth (15th) day of the sixth (6th) month, the advance shall be paid in full at the
time of filing.

(2) The amount of the advance based in the estimated tax declared under subsection (a) of
this section by corporations listed in subdivision (b)(2) of this section shall be paid as follows:

(i) If the declaration is filed on or before the thirtieth (30th) day of the fourth (4th) month
of the taxable year, the advance shall be paid in four (4) equal installments. The first installment
shall be paid on or before the thirtieth (30th) day of the fourth (4th) month of the taxable year,
and the second (2nd), third (3rd), and fourth (4th) installments shall be paid on or before the
thirtieth (30th) day of the sixth (6th) month, the thirtieth (30th) day of the tenth (10th) month, and
the thirty-first (31st) day of the twelfth (12th) month of the taxable year, respectively.

(ii) If the declaration is filed before the thirtieth (30th) day of the sixth (6th) month of the
taxable year, the advance shall be paid in three (3) equal installments. The first installment shall
be paid on or before the thirtieth (30th) day of the sixth (6th) month of the taxable year and the
second (2nd) and third (3rd) installments shall be paid on or before the thirtieth (30th) day of the
ten (10th) month and the thirty-first (31st) day of the twelfth (12th) month of the taxable year
respectively.

(iii) If the declaration is filed on or before the thirtieth (30th) day of the tenth (10th)
month of the taxable year, the advance shall be paid in two (2) equal installments. The first
installment shall be paid on or before the thirtieth (30th) day of the tenth (10th) month of the
taxable year and the second installment shall be paid on or before the thirty-first (31st) day of the
twelfth (12th) month of the taxable year.

(iv) If the declaration is filed after the time prescribed in subdivision (b)(2) of this
section, including cases in which an extension of time for filing the declaration has been granted,
there shall be paid at the time of the filing all installments of the advance which would have been
payable on or before that time if the declaration had been filed within the time prescribed in
subdivision (b)(2) of this section.

(f) If the declaration is filed after the time prescribed in subsection (b) of this section
including cases in which an extension of time for filing the declaration has been granted,
paragraph (e)(1)(ii) of this section does not apply, and there shall be paid at the time of the filing all installments of the advance which would have been payable on or before that time if the declaration had been filed within the time prescribed in subsection (b).

(g) If any amendment of a declaration is filed, the installment payable on or before the fifteenth (15th) day of the sixth (6th) month, if any, or in the case of corporations licensed as surplus line brokers under section 27-3-38, the installments payable on or before the thirtieth (30th) days of the sixth (6th) or tenth (10th) month and thirty-first (31st) day of the twelfth (12th) month are ratably increased or decreased, as the case may be, to reflect the increase or decrease, as the case may be, in the estimated tax by reason of the amendment.

(h) At the election of the corporation, any installment of the advance may be paid prior to the date prescribed for payment.

(i) In the case of any underpayment of the advance by a corporation, except as provided in this section, there is added to the tax due under chapters 11 -- 15 and 17 of this title, or section 27-3-38, for the taxable year an amount determined at the rate described in section 44-1-7 upon the amount of the underpayment for the period of the underpayment. For the purpose of this subsection, the "amount of the underpayment" is the excess of the amount of the installment or installments which would be required to be paid if the advance payments were equal to eighty percent (80%) of the tax shown on the return for the taxable year. For the purposes of this subsection, the "period of the underpayment" is the period from the date the installment was required to be paid to the date prescribed under any of the chapters previously mentioned in this section for the payment of the tax for the taxable year or, with respect to any portion of the underpayment, the date on which the portion is paid, whichever date is the earlier. A payment of the advance on the fifteenth (15th) day of the sixth (6th) month, or for section 27-3-38 on the thirtieth (30th) day of the sixth (6th) month, of the taxable year is considered a payment of any previous underpayment only to the extent that the payment exceeds the amount of the installment due on the fifteenth (15th) day of the sixth (6th) month, or for section 27-3-38 on the thirtieth (30th) day of the sixth (6th) month, of the taxable year.

(j) Notwithstanding the provisions of this section, the addition to the tax with respect to any underpayment of any installment is not imposed if the total amount of all payments of the advance made on or before the last date prescribed for payment of the installment equals or exceeds the amount which would have been required to be paid on or before that date if the amount of the advance was an amount equal to one hundred percent (100%) of the tax computed at the rates applicable to the taxable year but otherwise on the basis of the fact shown on the return of the corporation for and the law applicable to the preceding taxable year.
(k) This section is effective for estimated payments being made by corporations for taxable years ending on or after December 31, 1990.

(l) Notwithstanding any other provisions of this section any taxpayer required to make an adjustment in accordance with section 44-11-11(f) in a tax year beginning in calendar year 2008 shall compute estimated payments for that tax year as follows:

(1) The installments must equal 100% of the tax due for the prior year plus any additional tax due for the current year adjustment under section 44-11-11(f), or

(2) That installments must equal 100% of the current year tax liability.

(m) Notwithstanding any other provisions of this section any taxpayer required to file a combined report in accordance with § 44-11-4.1 in a tax year beginning on or after January 1, 2015, shall compute estimated payments for that tax year as follows:

(1) The installments must equal one hundred percent (100%) of the tax due for the prior year plus any additional tax due to the combined report provisions under § 44-1-4.1; or

(2) The installments must equal one hundred percent (100%) of the current year tax liability.

SECTION 20. Chapter 44-12 of the General Laws entitled "Franchise Tax" is hereby repealed in its entirety.

CHAPTER 44-12

Franchise Tax

44-12-1. Tax imposed -- Corporations liable -- Credit for tax on income -- Reduced rate where no business done. (a) Every corporation, joint stock company, or association incorporated in this state or qualified to do business in this state, whether or not doing business for profit, all referred to in this section under the term "corporation", except those enumerated in section 44-12-11, shall pay an annual franchise tax to the state upon its authorized capital stock of two dollars fifty cents ($2.50) for each ten thousand dollars ($10,000) or fractional part, or the sum of five hundred dollars ($500), whichever is greater.

(b) In the case of corporations liable to a tax under chapter 11 of this title, only the amount by which the franchise tax exceeds the tax payable under that chapter shall be assessed.

(c) If a corporation shall show by supplemental affidavit attached to the prescribed return and signed in the manner provided for each return that it has not, at any time during its preceding taxable year, been engaged within the state in any business activities, it shall only pay an annual franchise tax upon its authorized capital stock at the following rates: five hundred dollars ($500) where the stock does not exceed one million dollars ($1,000,000); and the further sum of twelve dollars fifty-cents ($12.50) for each additional one million dollars ($1,000,000) or fractional part.
of the stock.

44-12-2. Filing of returns -- Contents. Every corporation shall, on or before the date fixed for filing returns under section 44-11-3, file with the tax administrator as of the last day of its next preceding taxable year a return, under oath or affirmation, signed by its treasurer or by an authorized officer or agent of the corporation, if organized, and if not organized, under oath of some one authorized to act by the incorporators, containing information as the tax administrator may require, including:

(1) The name of the corporation and the location of its principal office.
(2) The amount of its capital stock authorized, and the par value thereof.
(3) The amount of its capital stock authorized, without par value.

44-12-3. Valuation of no-par stock. In the case of corporations having capital stock of no-par value, one hundred dollars ($100) per share shall be deemed to be the par value for the purposes of this chapter.

44-12-4. Assessment of tax -- Notice of amount. The tax administrator, as soon as possible after the filing of the return, shall assess, as of the last day of its next preceding taxable year, a tax upon each corporation as provided in this chapter and shall mail a notice of the amount of the tax to each corporation, but failure to receive the notice shall not invalidate the tax or excuse the nonpayment of the tax.

44-12-4.1. Hearing by tax administrator on application. Any corporation aggrieved by the action of the tax administrator in determining the amount of any tax or penalty imposed under the provisions of this chapter may apply to the tax administrator, in writing, within thirty (30) days after the notice of the action is mailed to it, for a hearing relative thereto. The tax administrator shall fix a time and place for the hearing and shall so notify the applicant. At the hearing the tax administrator shall correct manifest errors, if any, disclosed at the hearing and assess and collect the lawfully due tax together with any penalty or interest on the tax.

44-12-5. Payment of tax -- Collection powers. The tax shall be payable within fifteen (15) days after its assessment and, if not paid when due, shall bear interest from the date of its assessment at the annual rate provided by section 44-1-7 until paid. The tax administrator shall receive and collect the taxes so assessed in the same manner and with the same powers as are prescribed for, and given to, collectors of taxes by chapters 7 -- 9 of this title.

44-12-5.1. Claims for refund -- Hearing upon denial. (a) Any corporation subject to the provisions of this chapter may file a claim for refund with the tax administrator at any time within two (2) years after the tax has been paid. If the tax administrator shall determine that the tax has been overpaid, he or she shall make a refund with interest at the annual rate provided by
section 44-1-7.1 from the date of overpayment.

(b) Any corporation whose claim for refund has been denied may, within thirty (30) days from the date of the mailing by the tax administrator of the notice of the decision, request a hearing, and the tax administrator shall, as soon as practicable, set a time and place for the hearing and shall notify the applicant.

44-12-6. Penalty for failure to make return.-- If the return that is required to be made by section 44-12-2 is not made within the time fixed by this chapter, the officer or agent neglecting or refusing to make the return shall be fined not exceeding five hundred dollars ($500).

44-12-7. Lien on real estate.-- The tax shall from the date of assessment become a lien upon the real estate of the corporation liable for the tax until the tax is collected.

44-12-8. Forfeiture of charter or articles for nonpayment of tax.-- The tax administrator may, after July 15 of each year, make up a list of all corporations which have failed to pay any franchise tax assessed for two (2) years after the tax became due and payable, shall certify to the correctness of the list, and shall file the list as a public record in the office of the secretary of state. Upon the filing of the certified list, the charter or articles of association of each of the corporations shall become forfeited by reason of the failure to pay the tax, and all the corporations shall cease to be bodies corporate, except as provided in section 7-1-2-1324. The secretary of state shall mail a notice of the forfeiture of charter or articles of association to each corporation at its last known address, but failure to receive the notice shall not invalidate the forfeiture. Any corporation or any stockholder, officer, or agent of the corporation, continuing to act thereafter under any forfeited charter or articles of association, except as provided in section 7-1-2-1324, or pending an appeal from the forfeiture as provided, shall be deemed guilty of a misdemeanor and upon conviction shall be fined not less than fifty dollars ($50.00) nor more than one thousand dollars ($1,000) for each offense.

44-12-9. Publication of forfeitures.-- Vacation on payment of tax.-- The secretary of state shall publish in one or more of the daily public newspapers printed in the city of Providence the names of all corporations whose charters or articles of association have been forfeited. The forfeiture shall be vacated as to any corporation, which shall pay all taxes and all interest then due to the tax administrator within sixty (60) days of the date of the publication.

44-12-10. Appeal of forfeitures.-- Any corporation, by any stockholder or officer of the corporation, aggrieved by the forfeiture of the charter or articles of association of the corporation may appeal from the forfeiture, within thirty (30) days from the date of the publication, to the sixth (6th) division of the district court, and the court shall proceed as soon as possible to hear the appeal after the manner of equitable causes. If the appellant shall show to the satisfaction of the
court that the forfeiture of the charter or articles of association of the corporation was erroneous
under the provisions, or that the tax assessed was improper or erroneous in whole or in part, and
in that case if the appellant shall pay all taxes and all interest then due under this chapter, then the
court shall sustain the appeal and shall vacate the forfeiture as to the appellant corporation. Upon
failure to show error in the forfeiture under the provisions, or to pay all taxes and all interest due,
the court shall dismiss the appeal and confirm the forfeiture. Upon the sustaining of the appeal of
any corporation, the clerk of the district court shall, within ten (10) days, file with the secretary of
state and with the division of taxation an attested copy of the decree vacating the forfeiture as to
the appellant corporation. A party aggrieved by a final order of the court may seek review in the
supreme court by writ of certiorari in accordance with the procedures contained in section 42-35-14.

44-12-11. Corporations exempt. -- The provisions of this section shall not apply to the
following corporations: Roger Williams General Hospital, Women and Infants Hospital of Rhode
Island, Rhode Island Hospital, St. Joseph's Hospital, Butler Hospital, Cranston General Hospital,
Osteopathic, the Woonsocket Hospital, Newport Hospital, South County Hospital, Lincoln
School, St. George's School, the Mary C. Wheeler School, incorporated, insurance or surety
companies, corporations mentioned in sections 7-6-4, 27-25-1, and 44-13-4, and all corporations
exempt by charter or by the law of this state.

44-12-12. Declarations under penalty of perjury. -- The oath or affirmation required by
this chapter as to any report or written statement shall not be required if the report or statement to
be sworn to contains or is verified by a written declaration that it is made under the penalties of
perjury; and whoever signs or issues any report or statement containing or verified by a written
declaration shall, if the report or statement is willfully false, be guilty of perjury.

44-12-13. Appeals. -- Interest on refunds. -- Appeals from administrative orders or
decisions made pursuant to any provisions of this chapter shall be to the sixth (6th) division
district court pursuant to chapter 8 of title 8. The taxpayer's right to appeal shall be expressly
made conditional upon prepayment of all taxes, interest, and penalties unless the taxpayer moves
for and is granted an exemption from the prepayment requirement pursuant to section 8-8-26. If
the court, after appeal, holds that the taxpayer is entitled to a refund, the taxpayer shall also be
paid interest on the amount at the rate provided in section 44-1-7-1.

Corporation Tax" is hereby amended to read as follows:

44-11-15. Variation of method of allocating income. -- If at any time the tax
administrator, on his or her own motion or acting upon a complaint by a taxpayer, determines that
the methods of allocation provided are inequitable either to the state or to the taxpayer, the tax
administrator, after affording the taxpayer reasonable opportunity to be heard, may apply any
other method of allocation that is equitable and, if necessary, shall redetermine the tax.

  The division of taxation shall establish an independent appeals process to attempt to
resolve disputes between the tax administrator and the taxpayer with respect to the method of
allocation applied. The decision resulting from the independent appeals process shall not prohibit
either party from pursuing any legal remedy otherwise available if the issue is not resolved as a
result of the appeal process. The decision resulting from the independent appeals process can be
  used a evidence.

SECTION 22. Section 4 is effective upon passage and shall apply to tax years beginning
January 1, 2014. Section 7 and sections 13 through 21 of this article shall take effect upon
passage and shall apply to tax years beginning January 1, 2015. Section 10 shall take effect as of
July 1, 2015. The remainder of this article shall take effect as of July 1, 2014.
ARTICLE 13

RELATING TO STATE LOTTERY

SECTION 1. Section 42-61-15 of the General Laws in Chapter 42-61 entitled "State Lottery" is hereby amended to read as follows:

42-61-15. State lottery fund. -- (a) There is created the state lottery fund, into which shall be deposited all revenues received by the division from the sales of lottery tickets and license fees. The fund shall be in the custody of the general treasurer, subject to the direction of the division for the use of the division, and money shall be disbursed from it on the order of the controller of the state, pursuant to vouchers or invoices signed by the director and certified by the director of administration. The moneys in the state lottery fund shall be allotted in the following order, and only for the following purposes:

(1) Establishing a prize fund from which payments of the prize awards shall be disbursed to holders of winning lottery tickets on checks signed by the director and countersigned by the controller of the state or his or her designee.

(ii) The amount of payments of prize awards to holders of winning lottery tickets shall be determined by the division, but shall not be less than forty-five percent (45%) nor more than sixty-five percent (65%) of the total revenue accruing from the sale of lottery tickets.

(ii) However, for the lottery game commonly known as "Keno", the amount of prize awards to holders of winning Keno tickets shall be determined by the division, but shall not be less than forty-five percent (45%) nor more than seventy-two percent (72%) of the total revenue accruing from the sale of Keno tickets.

(2) Payment of expenses incurred by the division in the operation of the state lotteries including, but not limited to, costs arising from contracts entered into by the director for promotional, consulting, or operational services, salaries of professional, technical, and clerical assistants, and purchases or lease of facilities, lottery equipment, and materials; provided however, solely for the purpose of determining revenues remaining and available for transfer to the state's general fund, beginning in fiscal year 2015, expenses incurred by the division in the operation of state lotteries shall reflect the actuarially determined employer contribution to the Employees' Retirement System consistent with the state's adopted funding policy. For financial reporting purposes, the state lottery fund financial statements shall be prepared in accordance with generally accepted accounting principles.
with generally accepted accounting principles as promulgated by the Governmental Accounting Standards Board; and

(3) Repayment into the general revenue fund of the amount appropriated for the implementation of the state lottery; and

(4) Payment into the general revenue fund of all revenues remaining in the state lottery fund after the payments specified in subdivisions (a)(1) – (a)(3), (a)(2) of this section, provided, that the amount to be transferred into the general revenue fund shall equal no less than twenty-five percent (25%) of the total revenue received and accrued from the sale of lottery tickets plus any other income earned from the lottery; provided further, that the revenue returned to the general fund from the game commonly known as Keno, shall not be calculated as part of the twenty-five percent (25%) mandate required by this section, but the amount transferred into the general revenue fund shall equal no less than fifteen percent (15%) of the total Keno revenue received.

(b) The auditor general shall conduct an annual post audit of the financial records and operations of the lottery for the preceding year in accordance with generally accepted auditing standards and government auditing standards. In connection with the audit, the auditor general may examine all records, files, and other documents of the division, and any records of lottery sales agents that pertain to their activities as agents, for purposes of conducting the audit. The auditor general, in addition to the annual post audit, may require or conduct any other audits or studies he or she deems appropriate, the costs of which shall be borne by the division.

(c) Payments into the state's general fund specified in subsection (a)(4) of this section shall be made on an estimated quarterly basis. Payment shall be made on the tenth business day following the close of the quarter except for the fourth quarter when payment shall be on the last business day.

SECTION 2. The general assembly hereby finds that the Twin River facility located in the town of Lincoln is an important source of revenue for the state of Rhode Island. The purpose of sections 3 through 5 of this article is to protect and enhance the state's ability to maximize revenues at Twin River during a period of increasing competition in the regional market by setting forth terms and conditions of certain Twin River growth opportunities. It is the intent of the general assembly that this act, being necessary for the welfare of the state and its citizens, shall be liberally construed so as to effectuate its purposes, including without limitation, the state's attempt to minimize certain commercial risks faced by Twin River.

SECTION 3. Definitions. For the purposes of this chapter, the following terms shall have the following meanings:
(1) "Division" means the division of lotteries within the Rhode Island department of revenue.

(2) "Division percentage" means for any marketing year, the division's percentage of net terminal income as set forth in § 42-61.2-7.

(3) "Marketing program" means that marketing program set forth in Chapter 16 of the Public Laws of 2010, Part A, Section 4(a)(iii), as amended by Chapter 151, Article 25 of the Public Laws of 2011, Section 8 and as further amended by Section 4 hereof.

(4) "Master contract" means that certain master video lottery terminal contract made as of July 18, 2005 by and between the division, the department of transportation and UTGR, Inc., as amended from time to time.

SECTION 4. Unless otherwise amended by this act, the terms, conditions, provisions and definitions of Chapters 322 and 323 of the Public Laws of 2005, Chapter 16 of the Public Laws of 2010, Chapter 151, Article 25 of the Public Laws of 2011, Chapter 289 of the Public Laws of 2012 and Chapters 106 and 107 of the Public Laws of 2013 are hereby incorporated by reference and shall remain in full force and effect.

SECTION 5. Authorized procurement of fourth amendment to the master video lottery terminal contract.

(a) Notwithstanding any provision of the general or Public Laws to the contrary, within ninety (90) days of the date hereof, the division is hereby expressly authorized and directed to enter into with UTGR, Inc. a fourth amendment to the master contract for the following purposes and containing the following terms and conditions:

(1) Commencing July 1, 2014, the marketing program shall be amended as follows:

   (i) Subject to subsections (a)(1)(i) and (a)(1)(iii) herein for each marketing year to the extent UTGR, Inc.'s marketing expenditures exceed four million dollars ($4,000,000), the division shall pay UTGR, Inc. an amount equal to the amount of such excess multiplied by the division percentage.

   (ii) Subject to subsection (a)(1)(iii) herein, the total amount payable by the division for each marketing year shall be capped at an amount equal to the division percentage multiplied by six million dollars ($6,000,000) (i.e., ten million dollars ($10,000,000) total marketing program expenditures); provided further, that in any partial marketing year, the total amount payable by the division shall be capped at an amount equal to the division percentage multiplied by six million dollars ($6,000,000), the product of which shall be further reduced by multiplying it by a fraction: (A) The numerator of which is the number of days in any partial marketing year; and (B) The denominator of which is three hundred sixty-five (365).
(iii) To the extent UTGR, Inc.’s aggregate marketing program expenditures exceed fourteen million dollars ($14,000,000) in any given marketing year, the division shall pay UTGR, Inc. an amount equal to the amount of such excess multiplied by the division percentage; provided however, if the total aggregate amount of UTGR, Inc.’s marketing program expenditures in any given marketing year exceeds seventeen million dollars ($17,000,000), the division shall not be required to make payments with respect to such excess amounts. By the way of example only, if in a particular marketing year UTGR, Inc.’s marketing program expenditures equal fifteen million dollars ($15,000,000), the division shall pay to UTGR, Inc. the division percentage multiplied by the sum of six million dollars ($6,000,000), plus one million dollars ($1,000,000).

(2)(i) The requirements of the following subsection found in Chapter 16 of the Pub. L. of 2010, Part A, Section 4(a)(iii)(2) be stricken and removed from the first amendment to the master contract, to wit; and (ii) The division shall not owe any amount pursuant to said subsection 4(a)(iii) in any given marketing year unless, pursuant to § 42-61.2-7(a), the state has received net terminal income for such marketing year in an amount equal to or exceeding the amount of net terminal income the state received for the state's fiscal year 2009. The requirements so stricken shall allow the marketing program and payments due thereunder to be in effect for fiscal year 2015 pursuant to the terms and conditions set forth in said section.

(3) Except to the extent amended hereby, the terms, provisions and conditions of the master contract, including without limitation those terms, provisions and conditions relating to the marketing program, shall remain in full force and effect. If there is a conflict between any provision of the master contract and this article, the provisions of this article control.

SECTION 6. This article shall take effect upon passage.
SECTION 1. Sections 30-15-5 and 30-15-6 of the General Laws in Chapter 30-15 entitled "Emergency Management" are hereby amended to read as follows:

30-15-5. Emergency management preparedness agency created – Personnel – Facilities. -- (a) There is hereby created within the executive department, the Rhode Island emergency management agency (hereinafter in this chapter called the "agency"), to be headed by the adjutant general of the Rhode Island national guard an executive director, who shall be appointed by and serve at the pleasure of, the governor and who shall be in the unclassified service.

(b) The adjutant general executive director may employ such technical, clerical, stenographic, and other personnel, all of whom shall be in the classified service, and may make such expenditures within the appropriation therefor, or from other funds made available for the purposes of this chapter, as may be necessary to carry out the purposes of this chapter, consistent with other applicable provisions of law.

(c) The agency may provide itself with appropriate office space, furniture, equipment, supplies, stationery, and printing.

(d) The adjutant general, executive director, subject to the direction and control of the governor, shall be the executive head of the agency, and shall be responsible to the governor for carrying out the program for disaster preparedness of this state. The adjutant general executive director shall coordinate the activities of all organizations for disasters within the state, and shall maintain liaison with and cooperate with disaster agencies and organizations of other states and of the federal government. The adjutant general executive director shall have such additional authority, duties, and responsibilities authorized by this chapter as may be prescribed by the governor.

30-15-6. Advisory council. – (a) There is hereby created the Rhode Island emergency management advisory council (hereinafter in this chapter called the "council"). The council will consist of forty (40) members as follows:

(1) Twenty-two (22) ex officio members as follows:

(i) The lieutenant governor;
(ii) The adjutant general;
(iii) The director of administration/statewide planning;
(iv) The director of health;
(v) The director of transportation;
(vi) The director of human services;
(vii) The superintendent of state police;
(viii) The public utilities administrator;
(ix) The director of the department of environmental management;
(x) The director of mental health, retardation, and hospitals department of behavioral healthcare, developmental disabilities and hospitals;
(xi) The director of elderly affairs;
(xii) The chairperson of the state water resources board;
(xiii) The chairperson of the governor's commission on disabilities;
(xiv) The chairperson of the Rhode Island public transit authority;
(xv) The executive director of the coastal resources management council or his or her designee;
(xvi) The executive director of the American Red Cross, Rhode Island chapter;
(xvii) The executive director of the Rhode Island emergency management agency;
(xviii) The state court administrator;
(xix) The executive director of the commission on the deaf and hard of hearing;
(xx) The director of the Providence emergency management agency;
(xxi) The executive director of E-911 emergency telephone system division;
(xxii) The federal security director of the transportation security administration for Rhode Island; and

(2) Eighteen (18) members appointed by and serving at the pleasure of the governor, as follows:

(i) Two (2) members of the senate, recommended by the president of the senate, not more than one of whom shall be from the same political party;
(ii) Two (2) members of the house of representatives, recommended by the speaker of the house, not more than one of whom shall be from the same political party;
(iii) One representative of the electric industry;
(iv) One representative of the gas industry;
(v) One representative of the telephone industry;
(vi) The executive director of the Rhode Island petroleum association or other similarly
situated person;

(vii) Two (2) representatives of the general public, one who shall have expertise in disaster preparedness;

(viii) One representative of the Rhode Island league of cities and towns;

(ix) One representative of the media;

(x) One representative of the water supply industry;

(xi) One representative of the health care industry;

(xii) One representative of the Rhode Island firefighters association;

(xiii) One representative of the Rhode Island association of fire chiefs;

(xiv) One representative of a private ambulance company; and

(xv) One representative of a level I trauma hospital who shall have direct expertise in disaster preparedness.

(b) It shall be the duty of the council to advise the governor and the adjutant general executive director on all matters pertaining to disaster preparedness. The lieutenant governor shall serve as chairperson of the council and the adjutant general executive director shall serve as vice-chairperson. In providing advice to the governor and the adjutant general, executive director, the council shall, among other matters reasonably related to their authority, do the following:

(1) Establish a regular meeting schedule and form subcommittees as may be appropriate;

(2) Review emergency management plans and other matters as may be acted upon or otherwise provided for in this chapter;

(3) Establish priorities and goals on emergency management matters on an annual basis;

(4) Study emergency management plans in conjunction with the adjutant general, and otherwise conduct such other studies as may be deemed appropriate;

(5) Review the coordination of the state's emergency management programs with appropriate authorized agencies and conduct studies on the programs as may be necessary;

(6) Review the plans and operations of the various cities and towns in disaster preparedness in conjunction with the director and his or her office as required or necessary; and

(7) [Deleted by P.L. 2000, ch. 170, § 2];

(8) Provide an annual report on its activities in conjunction with the adjutant general executive director.

SECTION 2. Section 39-1-27.12 of the General Laws in Chapter 39-1 entitled "Public Utilities Commission" is hereby amended to read as follows:


(a) The Low Income Home Energy Assistance Program Enhancement Plan (hereinafter "LIHEAP
Enhancement Plan”) is hereby created to supplement the federal Low Income Household Home Energy Assistance Program (“LIHEAP”) funding being received by customers of Rhode Island electric and gas distribution companies.

(b) Within a period of time sufficient to accomplish the purposes of this section, but not longer than ninety (90) days after the effective date of this chapter, the Office of Energy Resources department of human services shall develop a recommended monthly “LIHEAP Enhancement Charge” rate for the following year and make a filing with the commission pursuant to this chapter recommending rates. Thereafter annually but no later than October 15 of each year, the office department shall make filings with the commission to recommend the LIHEAP Enhancement Charge rates for each class of electric and natural gas distribution company customer for the following year.

(c) A LIHEAP Enhancement Charge approved by the Commission shall have the following limitations:

(1) For electric distribution company customers, the charge shall not be more than ten dollars ($10.00) per year.

(2) For natural gas distribution company customers, the charge shall not be more than ten dollars ($10.00) per year.

(3) The total projected annual revenue for the LIHEAP Enhancement Plan through charges to all electric and natural gas distribution company customers shall not exceed seven million five hundred thousand dollars ($7,500,000) and shall not be below six million five hundred thousand dollars ($6,500,000).

(d) The commission shall open a docket to consider for approval LIHEAP Enhancement Charge rates proposed by the office department. In reviewing the recommended rates the commission shall give due consideration to the recommendations of the office department and the standards set forth in subsection (c) of this section. The commission shall issue a decision within sixty (60) days after said recommendations and report are filed with the commission establishing the Enhancement Plan Charge rates.

(e) The electric or gas distribution company shall use the funds collected through this Enhancement Plan Charge to provide a credit to customers accounts that are receiving federal LIHEAP assistance payments. The office of energy resources department of human services shall designate to the gas or electric distribution company the qualifying customer accounts and the amounts to be credited to those customer accounts, provided that the total amount to be credited to those accounts shall be fully funded by and not exceed the total amount collected through the Enhancement Plan Charge. The electric or gas distribution company's added administrative
expenses to process the credit assignments provided to it by the department of energy resources will be recoverable either from the LIHEAP Enhancement Charge or through a separate charge approved by the Public Utilities Commission.

(f) As used in this section, "electric and natural gas distribution company" means a company as defined in subsection 39-1-2(12), but not including the Block Island Power Company or the Pascoag Utility District.

SECTION 3. Section 42-17.1-2 of the General Laws in Chapter 42-17.1 entitled "Department of Environmental Management" is hereby amended to read as follows:

42-17.1-2. Powers and duties. -- The director of environmental management shall have the following powers and duties:

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

(2) To exercise all functions, powers, and duties heretofore vested in the department of agriculture and conservation, and in each of the divisions of the department, such as the promotion of agriculture and animal husbandry in their several branches, including the inspection and suppression of contagious diseases among animals, the regulation of the marketing of farm products, the inspection of orchards and nurseries, the protection of trees and shrubs from injurious insects and diseases, protection from forest fires, the inspection of apiaries and the suppression of contagious diseases among bees, prevention of the sale of adulterated or misbranded agricultural seeds, promotion and encouragement of the work of farm bureaus in cooperation with the University of Rhode Island, farmers' institutes and the various organizations established for the purpose of developing an interest in agriculture, together with such other agencies and activities as the governor and the general assembly may from time to time place under the control of the department, and as heretofore vested by such of the following chapters and sections of the general laws as are presently applicable to the department of environmental management and which were previously applicable to the department of natural resources and the department of agriculture and conservation or to any of its divisions: chapters 1 through 22, inclusive, as amended, in title 2 entitled "Agriculture and Forestry;" chapters 1 through 17, inclusive, as amended, in title 4 entitled "Animals and Animal Husbandry;" chapters 1 through 19, inclusive, as amended, in title 20 entitled "Fish and Wildlife;" chapters 1 through 32, inclusive, as amended, in title 21 entitled "Food and Drugs;" chapter 7 of title 23 as amended, entitled "Mosquito Abatement;" and by any other general or public law relating to the department...
of agriculture and conservation or to any of its divisions or bureaus;

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

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

(5) To exercise all the functions, powers and duties heretofore vested in the department of health by chapters 25, 18.9, and 19.5 of title 23, as amended, entitled "Health and Safety;" and by chapters 12 and 16 of title 46, as amended, entitled "Waters and Navigation"; by chapters 3, 4, 5, 6, 7, 9, 11, 13, 18, and 19 of title 4, as amended, entitled "Animals and Animal Husbandry;" and those functions, powers, and duties specifically vested in the director of environmental management by the provisions of § 21-22, as amended, entitled "Inspection of Animals and Milk;" together with other powers and duties of the director of the department of health as are incidental to or necessary for the performance of the functions transferred by this section;

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

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

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

(9) To cooperate with the water resources board and to provide to the board facilities, administrative support, staff services, and such other services as the board shall reasonably require for its operation and, in cooperation with the board and the statewide planning program to formulate and maintain a long range guide plan and implementing program for development of major water sources transmissions systems needed to furnish water to regional and local distribution systems;
(10) To cooperate with the solid waste management corporation and to provide to the corporation such facilities, administrative support, staff services and such other services within the department as the corporation shall reasonably require for its operation;

(11) To provide for the maintenance of waterways and boating facilities, consistent with chapter 6.1 of title 46, by: (i) establishing minimum standards for upland beneficial use and disposal of dredged material; (ii) promulgating and enforcing rules for water quality, ground water protection, and fish and wildlife protection pursuant to § 42-17.1-24; (iii) planning for the upland beneficial use and/or disposal of dredged material in areas not under the jurisdiction of the council pursuant to § 46-23-6(2); and (iv) cooperating with the coastal resources management council in the development and implementation of comprehensive programs for dredging as provided for in §§ 46-23-6(1)(ii)(H) and 46-23-13.3; and (v) monitoring dredge material management and disposal sites in accordance with the protocols established pursuant to § 46-6.1-5(3) and the comprehensive program provided for in § 46-23-6(1)(ii)(H); no powers or duties granted herein shall be construed to abrogate the powers or duties granted to the coastal resources management council under chapter 23 of title 46, as amended;

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

(13) To enforce, by such means as provided by law, the standards for the quality of air, and water, and the design, construction and operation of all sewage disposal systems; any order or notice issued by the director relating to the location, design, construction or maintenance of a sewage disposal system shall be eligible for recordation under chapter 13 of title 34. The director shall forward the order or notice to the city or town wherein the subject property is located and the order or notice shall be recorded in the general index by the appropriate municipal official in the land evidence records in the city or town wherein the subject property is located. Any subsequent transferee of that property shall be responsible for complying with the requirements of the order or notice. Upon satisfactory completion of the requirements of the order or notice, the director shall provide written notice of the same, which notice shall be similarly eligible for recordation. The original written notice shall be forwarded to the city or town wherein the subject property is located and the notice of satisfactory completion shall be recorded in the general index by the appropriate municipal official in the land evidence records in the city or town wherein the subject property is located. A copy of the written notice shall be forwarded to the owner of the subject property within five (5) days of a request for it, and, in any event, shall be forwarded to the owner of the subject property within thirty (30) days after correction;
(14) To establish minimum standards for the establishment and maintenance of salutary environmental conditions, including standards and methods for the assessment and the consideration of the cumulative effects on the environment of regulatory actions and decisions, which standards for consideration of cumulative effects shall provide for: (i) evaluation of potential cumulative effects that could adversely affect public health and/or impair ecological functioning; (ii) analysis of such other matters relative to cumulative effects as the department may deem appropriate in fulfilling its duties, functions and powers; which standards and methods shall only be applicable to ISDS systems in the town of Jamestown in areas that are dependent for water supply on private and public wells, unless broader use is approved by the general assembly. The department shall report to the general assembly not later than March 15, 2008 with regard to the development and application of such standards and methods in Jamestown.

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

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

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

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

(19) To issue and enforce such rules, regulations, and orders as may be necessary to carry out the duties assigned to the director and the department by any provision of law; and to conduct such investigations and hearings and to issue, suspend, and revoke such licenses as may be necessary to enforce those rules, regulations, and orders.

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

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

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

(ii) All administrative inspections shall be conducted pursuant to administrative
guidelines promulgated by the department in accordance with chapter 35 of title 42.

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

(I) For closely regulated industries;

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

(III) In emergency situations;

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

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

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

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

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

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

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

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

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

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

(21) To give notice of an alleged violation of law to the person responsible therefor whenever the director determines that there are reasonable grounds to believe that there is a violation of any provision of law within his or her jurisdiction or of any rule or regulation adopted pursuant to authority granted to him or her, unless other notice and hearing procedure is specifically provided by that law. Nothing in this chapter shall limit the authority of the attorney general to prosecute offenders as required by law.

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

(ii) Whenever the director determines that there exists a violation of any law, rule, or regulation within his or her jurisdiction which requires immediate action to protect the environment, he or she may, without prior notice of violation or hearing, issue an immediate compliance order stating the existence of the violation and the action he or she deems necessary.
The compliance order shall become effective immediately upon service or within such time as is specified by the director in such order. No request for a hearing on an immediate compliance order may be made.

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

(iii) The director may, at his or her discretion and for the purposes of timely and effective resolution and return to compliance, cite a person for alleged noncompliance through the issuance of an expedited citation in accordance with subsection 42-17.6-3(c).

(iv) If a person upon whom a notice of violation has been served under the provisions of this section or if a person aggrieved by any such notice of violation requests a hearing before the director within ten (10) days of the service of notice of violation, the director shall set a time and place for the hearing, and shall give the person requesting that hearing at least five (5) days written notice thereof. After the hearing, the director may make findings of fact and shall sustain, modify, or withdraw the notice of violation. If the director sustains or modifies the notice, that decision shall be deemed a compliance order and shall be served upon the person responsible in any manner provided for the service of the notice in this section.

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

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

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

certiorari;

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

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

(i) Director: The term "director" shall mean the director of environmental management of
the state of Rhode Island or his or her duly authorized agent.

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

(iii) Service: (A) Service upon a corporation under this section shall be deemed to include
service upon both the corporation and upon the person having active and general supervision of
the properties of such corporation.

(B) For purposes of calculating the time within which a claim for a hearing is made
pursuant to subdivision (21)(i) of this section heretofore, service shall be deemed to be the date of
receipt of such notice or three (3) days from the date of mailing of said notice, whichever shall
first occur.

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

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

(25) To apply for and accept grants and bequests of funds with the approval of the
director of administration from other states, interstate agencies and independent authorities, and
private firms, individuals and foundations, for the purpose of carrying out his or her lawful
responsibilities. The funds shall be deposited with the general treasurer in a restricted receipt
account created in the Natural Resources Program for funds made available for that program's
purposes or in a restricted receipt account created in the Environmental Protection Program for funds made available for that program's purposes. All expenditures from the accounts shall be subject to appropriation by the general assembly, and shall be expended in accordance with the provisions of the grant or bequest. In the event that a donation or bequest is unspecified or in the event that the trust account balance shows a surplus after the project as provided for in the grant or bequest has been completed, the director may utilize said appropriated unspecified or appropriated surplus funds for enhanced management of the department's forest and outdoor public recreation areas, or other projects or programs that promote the accessibility of recreational opportunities for Rhode Island residents and visitors.

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

(26) To establish fee schedules by regulation with the approval of the governor for the processing of applications and the performing of related activities in connection with the department's responsibilities pursuant to subdivision (12) of this section, chapter 19.1 of title 23 as it relates to inspections performed by the department to determine compliance with chapter 19.1 and rules and regulations promulgated in accordance therewith, chapter 18.9 of title 23 as it relates to inspections performed by the department to determine compliance with chapter 18.9 and the rules and regulations promulgated in accordance therewith, chapters 19.5 and 23 of title 23; chapter 12 of title 46 insofar as it relates to water quality certifications and related reviews performed pursuant to provisions of the federal Clean Water Act, the regulation and administration of underground storage tanks and all other programs administered under chapter 12 of title 46 and § 2-1-18 et seq., and chapter 13.1 of title 46 and chapter 13.2 of title 46 insofar as they relate to any reviews and related activities performed under the provisions of the Groundwater Protection Act, chapter 23-24.9 as it relates to the regulation and administration of mercury-added products, and chapter 17.7 of this title insofar as it relates to administrative appeals of all enforcement, permitting and licensing matters to the administrative adjudication division for environmental matters. Two (2) fee ranges shall be required: for "Appeal of enforcement actions", a range of fifty dollars ($50) to one hundred dollars ($100), and for "Appeal of application decisions", a range of five hundred dollars ($500) to ten thousand dollars ($10,000). The monies from the administrative adjudication fees will be deposited as general revenues and the amounts appropriated shall be used for the costs associated with operating the administrative adjudication division.

There is hereby established an account within the general fund to be called the water and...
air protection program. The account shall consist of sums appropriated for water and air pollution
control and waste monitoring programs and 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. All amounts collected under the authority of this subdivision for the sewage disposal
system program and fresh waters wetlands program will be deposited as general revenues and the
amounts appropriated shall be used for the purposes of administering and operating the programs.
The director shall submit to the house fiscal advisor and the senate fiscal advisor by January 15 of
each year a detailed report on the amount of funds obtained from fines and fees and the uses made
of such funds.

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

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

(i) The director may promulgate and enforce rules and regulations to provide for the
orderly and consistent protection, management, continuity of ownership and purpose, and
centralized records-keeping for lands, water, and open spaces owned in fee or controlled in full or
in part through other interests, rights, or devices such as conservation easements or restrictions,
by private and public land trusts in Rhode Island. The director may charge a reasonable fee for
filing of each document submitted by a land trust.

(ii) The term "public land trust" means any public instrumentality created by a Rhode
Island municipality for the purposes stated herein and financed by means of public funds
collected and appropriated by the municipality. The term "private land trust" means any group of
five (5) or more private citizens of Rhode Island who shall incorporate under the laws of Rhode
Island as a nonbusiness corporation for the purposes stated herein, or a national organization such
as the nature conservancy. The main purpose of either a public or a private land trust shall be the
protection, acquisition, or control of land, water, wildlife, wildlife habitat, plants, and/or other
natural features, areas, or open space for the purpose of managing or maintaining, or causing to
be managed or maintained by others, the land, water, and other natural amenities in any
undeveloped and relatively natural state in perpetuity. A private land trust must be granted
exemption from federal income tax under Internal Revenue Code 501c(3) [26 U.S.C. § 501(c)(3)]
within two (2) years of its incorporation in Rhode Island or it may not continue to function as a

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RELATING TO GOVERNMENT REORGANIZATION
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land trust in Rhode Island. A private land trust may not be incorporated for the exclusive purpose
of acquiring or accepting property or rights in property from a single individual, family, corporation, business, partnership, or other entity. Membership in any private land trust must be
open to any individual subscribing to the purposes of the land trust and agreeing to abide by its
rules and regulations including payment of reasonable dues.

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

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

(29) The director will contact in writing, not less often than once every two (2) years,
each public or private land trust to ascertain: that all lands held by the land trust are recorded with
the director; the current status and condition of each land holding; that any funds or other assets
of the land trust held as endowment for specific lands have been properly audited at least once
within the two (2) year period; the name of the successor organization named in the public or
private land trust's bylaws or articles of association; and any other information the director deems
essential to the proper and continuous protection and management of land and interests or rights
in land held by the land trust. In the event that the director determines that a public or private land
trust holding land or interest in land appears to have become inactive, he or she shall initiate
proceedings to effect the termination of the land trust and the transfer of its lands, assets, land
rights, and land interests to the successor organization named in the defaulting trust's bylaws or
articles of association or to another organization created for the same or similar purposes. Should
such a transfer not be possible, then the land trust, assets, and interest and rights in land will be
held in trust by the state of Rhode Island and managed by the director for the purposes stated at
the time of original acquisition by the trust. Any trust assets or interests other than land or rights
in land accruing to the state under such circumstances will be held and managed as a separate
fund for the benefit of the designated trust lands.

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

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

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

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

(34) To promote the effective stewardship of lakes and ponds including collaboration
with associations of lakefront property owners on planning and management actions that will
prevent and mitigate water quality degradation, the loss of native habitat due to infestation of
non-native species and nuisance conditions that result from excessive growth of algal or non-
native plant species. By January 31, 2012, the director shall prepare and submit a report to the
governor and general assembly that based upon available information provides: (a) an assessment
of lake conditions including a description of the presence and extent of aquatic invasive species in
lakes and ponds; (b) recommendations for improving the control and management of aquatic
invasives species in lakes and ponds; and (c) an assessment of the feasibility of instituting a boat
sticker program for the purpose of generating funds to support implementation actions to control
aquatic invasive species in the freshwaters of the state.

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

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

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

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

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

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

(f) Development of single permits under multiple authorities otherwise provided in state
law to support comprehensive and coordinated reviews of proposed projects. The director may
address and resolve conflicting or redundant process requirements in order to achieve an effective
(g) Exploration of the use of performance-based regulations coupled with adequate inspection and oversight, as an alternative to requiring applications or submissions for approval prior to initiation of projects. The department shall work with the office of regulatory reform to evaluate the potential for adopting alternative compliance approaches and provide a report to the governor and the general assembly by May 1, 2015.

SECTION 4. Section 16-57-10 of the General Laws in Chapter 16-57 entitled "Higher Education Assistance Authority [See Title 16 Chapter 97 - The Rhode Island Board of Education Act]" is hereby amended to read as follows:

16-57-10. Reserve funds. -- (a) To assure the continued operation and solvency of the authority for the carrying out of its corporate purposes, the authority may create and establish any reserve funds as may be necessary or desirable for its corporate purposes, and may pay into the funds any money appropriated and made available by the state, the commissioner, or any other source for the purpose of the funds, and any money collected by the authority as fees for the guaranty of eligible loans.

(b) To assure continued solvency of the authority, the authority's operating fund shall be used solely for the ordinary operating expenses of the authority. Furthermore, it is the intent of the general assembly that these funds eventually be used to increase financial assistance to Rhode Island students in the form of scholarships and grants.

(c) Given the decline of available sources to support the agency, the Governor's FY 2016 budget recommendations shall include a proposal for the transfer of higher education assistance authority's programs to appropriate agencies within state government. All departments and agencies of the state shall furnish such advice and information, documentary or otherwise to the director of the department of administration and its agents as is deemed necessary or desirable to facilitate the recommendation.

SECTION 5. Section 42-35.1-5 of the General Laws in Chapter 42-35.1 entitled "Small Business Regulatory Fairness in Administrative Procedures" is hereby amended to read as follows:

42-35.1-5. Small business enforcement ombudsman. -- (a) The director of the economic development corporation office of regulatory reform shall designate an existing staff member as a "small business regulatory enforcement ombudsman", who shall report directly to the director.

(b) The ombudsman shall:

(1) Work with each agency with regulatory authority over small businesses to ensure that
small business concerns that receive or are subject to an audit, on-site inspection, compliance
assistance effort, or other enforcement related communication or contact by agency personnel are
provided with a means to comment on the enforcement activity conducted by such personnel;
(2) Establish means to receive comments from small business concerns regarding actions
by agency employees conducting compliance or enforcement activities;
(3) Within six (6) months of appointment, work with each regulating entity to develop
and publish reporting policies;
(4) Based on substantiated comments received from small business concerns the
ombudsman shall annually report to the general assembly and affected agencies evaluating the
enforcement activities of agency personnel including a rating of the responsiveness of the
regulatory agencies policies;
(5) Coordinate and report annually on the activities, findings and recommendations to the
general assembly and the directors of affected agencies; and
(6) Provide the affected agency with an opportunity to comment on reports prepared
pursuant to this chapter, and include a section of the final report in which the affected agency may
make such comments as are not addressed by the ombudsman.

SECTION 6. Sections 42-64.13-3, 42-64.13-5, and 42-64.13-6 of the General Laws in
Chapter 42-64.13 entitled “Rhode Island Regulatory Reform Act” are hereby amended to read as
follows:

42-64.13-3. Purposes of chapter. [Effective February 1, 2015.]. -- The purposes of this
chapter are to create within the Rhode Island executive office of commerce, office of
management and budget, the office of regulatory reform that will facilitate the regular review of
Rhode Island’s regulatory processes and permitting procedures, report thereon in an effort to
improve them and assist and facilitate economic development opportunities within the regulatory
and permitting processes and procedures that exist within Rhode Island state and municipal
government.

42-64.13-5. Creation of the office of regulatory reform. [Effective February 1,
2015.]. -- The Rhode Island executive office of commerce office of management and budget shall
create an office of regulatory reform that shall be adequately staffed and supervised in order to
fulfill its functions as set forth in this chapter.

42-64.13-6. Director of office of regulatory reform. [Effective February 1, 2015.]. --
The office of regulatory reform shall be managed by a director of office of regulatory reform who
shall report to the secretary of commerce within the Rhode Island executive office of commerce
director of the office of management and budget.
SECTION 7. This Article shall take effect on July 1, 2014.
ARTICLE 15 AS AMENDED

RELATING TO HEALTH AND HUMAN SERVICES

SECTION 1. Section 40-6-27.2 of the General Laws in Chapter 40-6 entitled "Public Assistance Act" is hereby amended to read as follows:

40-6-27.2. Supplementary cash assistance payment for certain supplemental security income recipients. -- There is hereby established a $206 monthly payment for disabled and elderly individuals who, on or after July 1, 2012, receive the state supplementary assistance payment for an individual in state licensed assisted living residence under section 40-6-27 and further reside in an assisted living facility that is not eligible to receive funding under Title XIX of the Social Security Act, 42 U.S.C. section 1381 et seq. or reside in any assisted living facility financed by the Rhode Island housing and mortgage finance corporation prior to January 1, 2006, and receive a payment under § 40-6-27.

SECTION 2. Section 40-5.2-20 of the General Laws in Chapter 40-5.2 entitled “The Rhode Island Works Program” is hereby amended to read as follows:

40-5.2-20. Child care assistance. -- Families or assistance units eligible for childcare assistance.

(a) The department shall provide appropriate child care to every participant who is eligible for cash assistance and who requires child care in order to meet the work requirements in accordance with this chapter.

(b) Low-Income child care. - The department shall provide child care to all other working families with incomes at or below one hundred eighty percent (180%) of the federal poverty level, if and to the extent such other families require child care in order to work at paid employment as defined in the department's rules and regulations. Beginning October 1, 2013, and until January 1, 2015, the department shall also provide child care to families with income below one hundred eighty percent (180%) of the federal poverty level if and to the extent such families require child care to participate on a short term basis, as defined in the department's rules and regulations, in training, apprenticeship, internship, on-the-job training, work experience, work immersion, or other job readiness/job attachment program sponsored or funded by the human resource investment council (governor's workforce board) or state agencies that are part of the coordinated program system pursuant to sections 42-102-9 and 42-102-11.
(c) No family/assistance unit shall be eligible for child care assistance under this chapter if the combined value of its liquid resources exceeds ten thousand dollars ($10,000). Liquid resources are defined as any interest(s) in property in the form of cash or other financial instruments or accounts which are readily convertible to cash or cash equivalents. These include, but are not limited to, cash, bank, credit union, or other financial institution savings, checking and money market accounts, certificates of deposit or other time deposits, stocks, bonds, mutual funds, and other similar financial instruments or accounts. These do not include educational savings accounts, plans, or programs; retirement accounts, plans, or programs; or accounts held jointly with another adult, not including a spouse. The department is authorized to promulgate rules and regulations to determine the ownership and source of the funds in the joint account.

(d) As a condition of eligibility for child care assistance under this chapter, the parent or caretaker relative of the family must consent to and must cooperate with the department in establishing paternity, and in establishing and/or enforcing child support and medical support orders for all children in the family in accordance with title 15 of the general laws, as amended, unless the parent or caretaker relative is found to have good cause for refusing to comply with the requirements of this subsection.

(e) For purposes of this section "appropriate child care" means child care, including infant, toddler, pre-school, nursery school, school-age, which is provided by a person or organization qualified, approved, and authorized to provide such care by the department of children, youth, and families, or by the department of elementary and secondary education, or such other lawful providers as determined by the department of human services, in cooperation with the department of children, youth and families and the department of elementary and secondary education.

(f) (1) Families with incomes below one hundred percent (100%) of the applicable federal poverty level guidelines shall be provided with free childcare. Families with incomes greater than one hundred percent (100%) and less than one hundred eighty (180%) of the applicable federal poverty guideline shall be required to pay for some portion of the childcare they receive, according to a sliding fee scale adopted by the department in the department's rules.

(2) For a twelve (12) thirty-six (36) month period beginning October 1, 2013, the Child Care Subsidy Transition Program shall function within the department of human services. Under this program, families who are already receiving childcare assistance and who become ineligible for childcare assistance as a result of their incomes exceeding one hundred eighty percent (180%) of the applicable federal poverty guidelines shall continue to be eligible for childcare assistance from October 1, 2013 to September 30, 2014 or until their incomes exceed two hundred
twenty-five percent (225%) of the applicable federal poverty guidelines, whichever occurs first. To be eligible, such families must continue to pay for some portion of the childcare they receive, as indicated in a sliding fee scale adopted in the department's rules and in accordance with all other eligibility standards.

(g) In determining the type of childcare to be provided to a family, the department shall take into account the cost of available childcare options, the suitability of the type of care available for the child, and the parent's preference as to the type of child care.

(h) For purposes of this section "income" for families receiving cash assistance under section 40-5.2-11 means gross earned income and unearned income, subject to the income exclusions in subdivisions 40-5.2-10(g)(2) and 40-5.2-10(g)(3) and income for other families shall mean gross earned and unearned income as determined by departmental regulations.

(i) The caseload estimating conference established by chapter 17 of title 35 shall forecast the expenditures for childcare in accordance with the provisions of section 35-17-1.

(j) In determining eligibility for child care assistance for children of members of reserve components called to active duty during a time of conflict, the department shall freeze the family composition and the family income of the reserve component member as it was in the month prior to the month of leaving for active duty. This shall continue until the individual is officially discharged from active duty.

SECTION 3. Section 21-28.6-12 of the General Laws in Chapter 21-28.6 entitled “The Edward O. Hawkins and Thomas C. Slater Medical Marijuana Act” is hereby amended to read as follows:

21-28.6-12. Compassion centers. -- (a) A compassion center registered under this section may acquire, possess, cultivate, manufacture, deliver, transfer, transport, supply, or dispense marijuana, or related supplies and educational materials, to registered qualifying patients and their registered primary caregivers who have designated it as one of their primary caregivers. A compassion center is a primary caregiver. Except as specifically provided to the contrary, all provisions of the Edward O. Hawkins and Thomas C. Slater Medical Marijuana Act, sections 21-28.6-1 -- 21-28.6-11, apply to a compassion center unless they conflict with a provision contained in section 21-28.6-12.

(b) Registration of compassion centers--department authority:

(1) Not later than ninety (90) days after the effective date of this chapter, the department shall promulgate regulations governing the manner in which it shall consider applications for registration certificates for compassion centers, including regulations governing:

(i) The form and content of registration and renewal applications;
(ii) Minimum oversight requirements for compassion centers;
(iii) Minimum record-keeping requirements for compassion centers;
(iv) Minimum security requirements for compassion centers; and
(v) Procedures for suspending, revoking or terminating the registration of compassion
centers that violate the provisions of this section or the regulations promulgated pursuant to this
subsection.

(2) Within ninety (90) days of the effective date of this chapter, the department shall
begin accepting applications for the operation of a single compassion center.

(3) Within one hundred fifty (150) days of the effective date of this chapter, the
department shall provide for at least one public hearing on the granting of an application to a
single compassion center.

(4) Within one hundred ninety (190) days of the effective date of this chapter, the
department shall grant a single registration certificate to a single compassion center, providing at
least one applicant has applied who meets the requirements of this chapter.

(5) If at any time after fifteen (15) months after the effective date of this chapter, there is
no operational compassion center in Rhode Island, the department shall accept applications,
provide for input from the public, and issue a registration certificate for a compassion center if a
qualified applicant exists.

(6) Within two (2) years of the effective date of this chapter, the department shall begin
accepting applications to provide registration certificates for two (2) additional compassion
centers. The department shall solicit input from the public, and issue registration certificates if
qualified applicants exist.

(7) Any time a compassion center registration certificate is revoked, is relinquished, or
expires, the department shall accept applications for a new compassion center.

(8) If at any time after three (3) years after the effective date of this chapter, fewer than
three (3) compassion centers are holding valid registration certificates in Rhode Island, the
department shall accept applications for a new compassion center. No more than three (3)
compassion centers may hold valid registration certificates at one time.

(9) Any compassion center application selected for approval by the department prior to
January 1, 2012, shall remain in full force and effect, notwithstanding any provisions of this
chapter to the contrary, and shall be subject to state law adopted herein and rules and regulations
adopted by the department subsequent to passage of this legislation.

(c) Compassion center and agent applications and registration:

(1) Each application for a compassion center shall include:
(i) A non-refundable application fee paid to the department in the amount of two hundred fifty dollars ($250);

(ii) The proposed legal name and proposed articles of incorporation of the compassion center;

(iii) The proposed physical address of the compassion center, if a precise address has been determined, or, if not, the general location where it would be located. This may include a second location for the cultivation of medical marijuana;

(iv) A description of the enclosed, locked facility that would be used in the cultivation of marijuana;

(v) The name, address, and date of birth of each principal officer and board member of the compassion center;

(vi) Proposed security and safety measures which shall include at least one security alarm system for each location, planned measures to deter and prevent the unauthorized entrance into areas containing marijuana and the theft of marijuana, as well as a draft employee instruction manual including security policies, safety and security procedures, personal safety and crime prevention techniques; and

(vii) Proposed procedures to ensure accurate record keeping;

(2) Any time one or more compassion center registration applications are being considered, the department shall also allow for comment by the public and shall solicit input from registered qualifying patients, registered primary caregivers; and the towns or cities where the applicants would be located;

(3) Each time a compassion center certificate is granted, the decision shall be based upon the overall health needs of qualified patients and the safety of the public, including, but not limited to, the following factors:

(i) Convenience to patients from throughout the state of Rhode Island to the compassion centers if the applicant were approved;

(ii) The applicants' ability to provide a steady supply to the registered qualifying patients in the state;

(iii) The applicants' experience running a non-profit or business;

(iv) The interests of qualifying patients regarding which applicant be granted a registration certificate;

(v) The interests of the city or town where the dispensary would be located;

(vi) The sufficiency of the applicant's plans for record keeping and security, which records shall be considered confidential health care information under Rhode Island law and are
intended to be deemed protected health care information for purposes of the Federal Health Insurance Portability and Accountability Act of 1996, as amended; and

(vii) The sufficiency of the applicant's plans for safety and security, including proposed location, security devices employed, and staffing;

(4) After a compassion center is approved, but before it begins operations, it shall submit the following to the department:

(i) A fee paid to the department in the amount of five thousand dollars ($5,000);
(ii) The legal name and articles of incorporation of the compassion center;
(iii) The physical address of the compassion center; this may include a second address for the secure cultivation of marijuana;
(iv) The name, address, and date of birth of each principal officer and board member of the compassion center;
(v) The name, address, and date of birth of any person who will be an agent of, employee or volunteer of the compassion center at its inception;

(5) The department shall track the number of registered qualifying patients who designate each compassion center as a primary caregiver, and issue a written statement to the compassion center of the number of qualifying patients who have designated the compassion center to serve as a primary caregiver for them. This statement shall be updated each time a new registered qualifying patient designates the compassion center or ceases to designate the compassion center and may be transmitted electronically if the department's regulations so provide. The department may provide by regulation that the updated written statements will not be issued more frequently than twice each week;

(6) Except as provided in subdivision (7), the department shall issue each principal officer, board member, agent, volunteer and employee of a compassion center a registry identification card or renewal card within ten (10) days of receipt of the person's name, address, date of birth; a fee in an amount established by the department; and notification to the department by the state police that the registry identification card applicant has not been convicted of a felony drug offense or has not entered a plea of nolo contendere for a felony drug offense and received a sentence of probation. Each card shall specify that the cardholder is a principal officer, board member, agent, volunteer, or employee of a compassion center and shall contain the following:

(i) The name, address, and date of birth of the principal officer, board member, agent, volunteer or employee;
(ii) The legal name of the compassion center to which the principal officer, board member, agent, volunteer or employee is affiliated;
(iii) A random identification number that is unique to the cardholder;

(iv) The date of issuance and expiration date of the registry identification card; and

(v) A photograph, if the department decides to require one;

(7) Except as provided in this subsection, the department shall not issue a registry identification card to any principal officer, board member, agent, volunteer, or employee of a compassion center who has been convicted of a felony drug offense or has entered a plea of nolo contendere for a felony drug offense and received a sentence of probation. The department shall notify the compassion center in writing of the purpose for denying the registry identification card. The department may grant such person a registry identification card if the department determines that the offense was for conduct that occurred prior to the enactment of the Edward O. Hawkins and Thomas C. Slater Medical Marijuana Act or that was prosecuted by an authority other than the state of Rhode Island and for which the Edward O. Hawkins and Thomas C. Slater Medical Marijuana Act would otherwise have prevented a conviction;

(i) All registry identification card applicants shall apply to the state police for a national criminal identification records check that shall include fingerprints submitted to the federal bureau of investigation. Upon the discovery of a felony drug offense conviction or a plea of nolo contendere for a felony drug offense with a sentence of probation, and in accordance with the rules promulgated by the director, the state police shall inform the applicant, in writing, of the nature of the felony and the state police shall notify the department, in writing, without disclosing the nature of the felony, that a felony drug offense conviction or a plea of nolo contendere for a felony drug offense with probation has been found.

(ii) In those situations in which no felony drug offense conviction or plea of nolo contendere for a felony drug offense with probation has been found, the state police shall inform the applicant and the department, in writing, of this fact.

(iii) All registry identification card applicants shall be responsible for any expense associated with the criminal background check with fingerprints.

(8) A registry identification card of a principal officer, board member, agent, volunteer, or employee shall expire one year after its issuance, or upon the expiration of the registered organization's registration certificate, or upon the termination of the principal officer, board member, agent, volunteer or employee's relationship with the compassion center, whichever occurs first.

(d) Expiration or termination of compassion center:

(1) A compassion center's registration shall expire two (2) years after its registration certificate is issued. The compassion center may submit a renewal application beginning sixty
(60) days prior to the expiration of its registration certificate;

(2) The department shall grant a compassion center's renewal application within thirty
(30) days of its submission if the following conditions are all satisfied:

(i) The compassion center submits the materials required under subdivision (c)(4),
including a five thousand dollar ($5,000) fee;

(ii) The compassion center's registration has never been suspended for violations of this
chapter or regulations issued pursuant to this chapter;

(iii) The legislative oversight committee's report, if issued pursuant to subsection (4)(j),
indicates that the compassion center is adequately providing patients with access to medical
marijuana at reasonable rates; and

(iv) The legislative oversight committee's report, if issued pursuant to subsection (4)(j),
does not raise serious concerns about the continued operation of the compassion center applying
for renewal.

(3) If the department determines that any of the conditions listed in paragraphs (d)(2)(i)
- (iv) have not been met, the department shall begin an open application process for the operation
of a compassion center. In granting a new registration certificate, the department shall consider
factors listed in subdivision (c)(3) of this section;

(4) The department shall issue a compassion center one or more thirty (30) day
temporary registration certificates after that compassion center's registration would otherwise
expire if the following conditions are all satisfied:

(i) The compassion center previously applied for a renewal, but the department had not
yet come to a decision;

(ii) The compassion center requested a temporary registration certificate; and

(iii) The compassion center has not had its registration certificate revoked due to
violations of this chapter or regulations issued pursuant to this chapter.

(5) A compassion center's registry identification card shall be subject to revocation if the
compassion center:

(i) Possesses an amount of marijuana exceeding the limits established by this chapter;

(ii) Is in violation of the laws of this state;

(iii) Is in violation of other departmental regulations; or

(iv) Employs or enters into a business relationship with a medical practitioner who
provides written certification of a qualifying patient's medical condition.

(e) Inspection. - Compassion centers are subject to reasonable inspection by the
department of health, division of facilities regulation. During an inspection, the department may
review the compassion center's confidential records, including its dispensing records, which shall track transactions according to qualifying patients' registry identification numbers to protect their confidentiality.

(f) Compassion center requirements:

(1) A compassion center shall be operated on a not-for-profit basis for the mutual benefit of its patients. A compassion center need not be recognized as a tax-exempt organization by the Internal Revenue Services;

(2) A compassion center may not be located within one thousand feet (1000’) of the property line of a preexisting public or private school;

(3) A compassion center shall notify the department within ten (10) days of when a principal officer, board member, agent, volunteer or employee ceases to work at the compassion center. His or her card shall be deemed null and void and the person shall be liable for any penalties that may apply to any nonmedical possession or use of marijuana by the person;

(4) A compassion center shall notify the department in writing of the name, address, and date of birth of any new principal officer, board member, agent, volunteer or employee and shall submit a fee in an amount established by the department for a new registry identification card before that person begins his or her relationship with the compassion center;

(5) A compassion center shall implement appropriate security measures to deter and prevent the unauthorized entrance into areas containing marijuana and the theft of marijuana and shall insure that each location has an operational security alarm system. Each compassion center shall request that the Rhode Island state police visit the compassion center to inspect the security of the facility and make any recommendations regarding the security of the facility and its personnel within ten (10) days prior to the initial opening of each compassion center. Said recommendations shall not be binding upon any compassion center, nor shall the lack of implementation of said recommendations delay or prevent the opening or operation of any center. If the Rhode Island state police do not inspect the compassion center within the ten (10) day period there shall be no delay in the compassion center's opening.

(6) The operating documents of a compassion center shall include procedures for the oversight of the compassion center and procedures to ensure accurate record keeping;

(7) A compassion center is prohibited from acquiring, possessing, cultivating, manufacturing, delivering, transferring, transporting, supplying, or dispensing marijuana for any purpose except to assist registered qualifying patients with the medical use of marijuana directly or through the qualifying patient’s other primary caregiver;

(8) All principal officers and board members of a compassion center must be residents of Rhode Island.
the state of Rhode Island;

(9) Each time a new registered qualifying patient visits a compassion center, it shall provide the patient with frequently asked questions sheet designed by the department, which explains the limitations on the right to use medical marijuana under state law;

(10) Each compassion center shall develop, implement, and maintain on the premises employee, volunteer and agent policies and procedures to address the following requirements:

(i) A job description or employment contract developed for all employees and agents and a volunteer agreement for all volunteers, which includes duties, authority, responsibilities, qualifications, and supervision; and

(ii) Training in and adherence to state confidentiality laws.

(11) Each compassion center shall maintain a personnel record for each employee, agent and volunteer that includes an application and a record of any disciplinary action taken;

(12) Each compassion center shall develop, implement, and maintain on the premises an on-site training curriculum, or enter into contractual relationships with outside resources capable of meeting employee training needs, which includes, but is not limited to, the following topics:

(i) Professional conduct, ethics, and patient confidentiality; and

(ii) Informational developments in the field of medical use of marijuana.

(13) Each compassion center entity shall provide each employee, agent and volunteer, at the time of his or her initial appointment, training in the following:

(i) The proper use of security measures and controls that have been adopted; and

(ii) Specific procedural instructions on how to respond to an emergency, including robbery or violent accident;

(14) All compassion centers shall prepare training documentation for each employee and volunteer and have employees and volunteers sign a statement indicating the date, time, and place the employee and volunteer received said training and topics discussed, to include name and title of presenters. The compassion center shall maintain documentation of an employee's and a volunteer's training for a period of at least six (6) months after termination of an employee's employment or the volunteer's volunteering.

(g) Maximum amount of usable marijuana to be dispensed:

(1) A compassion center or principal officer, board member, agent, volunteer or employee of a compassion center may not dispense more than two and one half ounces (2.5 oz) of usable marijuana to a qualifying patient directly or through a qualifying patient's other primary caregiver during a fifteen (15) day period;

(2) A compassion center or principal officer, board member, agent, volunteer or
employee of a compassion center may not dispense an amount of usable marijuana or marijuana plants to a qualifying patient or a qualifying patient's other primary caregiver that the compassion center, principal officer, board member, agent, volunteer, or employee knows would cause the recipient to possess more marijuana than is permitted under the Edward O. Hawkins and Thomas C. Slater Medical Marijuana Act.

(h) Immunity:

(1) No registered compassion center shall be subject to prosecution; search, except by the department pursuant to subsection (e); seizure; or penalty in any manner or denied any right or privilege, including, but not limited to, civil penalty or disciplinary action by a business, occupational, or professional licensing board or entity, solely for acting in accordance with this section to assist registered qualifying patients to whom it is connected through the department's registration process with the medical use of marijuana;

(2) No registered compassion center shall be subject to prosecution; seizure or penalty in any manner or denied any right or privilege, including, but not limited to, civil penalty or disciplinary action by a business, occupational, or professional licensing board or entity, for selling, giving or distributing marijuana in whatever form and within the limits established by the department to another registered compassion center;

(3) No principal officers, board members, agents, volunteers, or employees of a registered compassion center shall be subject to arrest, prosecution, search, seizure, or penalty in any manner or denied any right or privilege, including, but not limited to, civil penalty or disciplinary action by a business, occupational, or professional licensing board or entity, solely for working for or with a compassion center to engage in acts permitted by this section.

(4) No state employee shall be subject to arrest, prosecution or penalty in any manner, or denied any right or privilege, including, but not limited to, civil penalty, disciplinary action, termination, or loss of employee or pension benefits, for any and all conduct that occurs within the scope of his or her employment regarding the administration, execution and/or enforcement of this act, and the provisions of Rhode Island general laws, sections 9-31-8 and 9-31-9 shall be applicable to this section.

(i) Prohibitions:

(1) A compassion center shall not possess an amount of marijuana at any given time that exceeds the following limitations:

(i) One hundred fifty (150) marijuana plants of which no more than ninety-nine (99) shall be mature; and

(ii) One thousand five hundred ounces (1500 oz.) of usable marijuana must limit its
inventory of seedlings, plants, and usable marijuana to reflect the projected needs of registered qualifying patients.

(2) A compassion center may not dispense, deliver, or otherwise transfer marijuana to a person other than a qualifying patient who has designated the compassion center as a primary caregiver or to such patient's other primary caregiver;

(3) A person found to have violated paragraph (2) of this subsection may not be an employee, agent, volunteer, principal officer, or board member of any compassion center;

(4) An employee, agent, volunteer, principal officer or board member of any compassion center found in violation of paragraph (2) above shall have his or her registry identification revoked immediately; and

(5) No person who has been convicted of a felony drug offense or has entered a plea of nolo contendere for a felony drug offense with a sentence or probation may be the principal officer, board member, agent, volunteer, or employee of a compassion center unless the department has determined that the person's conviction was for the medical use of marijuana or assisting with the medical use of marijuana in accordance with the terms and conditions of this chapter. A person who is employed by or is an agent, volunteer, principal officer, or board member of a compassion center in violation of this section is guilty of a civil violation punishable by a fine of up to one thousand dollars ($1,000). A subsequent violation of this section is a misdemeanor:

(j) Legislative oversight committee:

(1) The general assembly shall appoint a nine (9) member oversight committee comprised of: one member of the house of representatives; one member of the senate; one physician to be selected from a list provided by the Rhode Island medical society; one nurse to be selected from a list provided by the Rhode Island state nurses association; two (2) registered qualifying patients; one registered primary caregiver; one patient advocate to be selected from a list provided by the Rhode Island patient advocacy coalition; and the superintendent of the Rhode Island state police or his/her designee.

(2) The oversight committee shall meet at least six (6) times per year for the purpose of evaluating and making recommendations to the general assembly regarding:

(i) Patients' access to medical marijuana;

(ii) Efficacy of compassion center;

(iii) Physician participation in the Medical Marijuana Program;

(iv) The definition of qualifying medical condition;

(v) Research studies regarding health effects of medical marijuana for patients.
(3) On or before January 1 of every even numbered year, the oversight committee shall report to the general assembly on its findings.

SECTION 4. Section 1 of this article shall take effect on October 1, 2014. The remainder of this article shall take effect upon passage.
ARTICLE 16 AS AMENDED

RELATING TO HEALTH CARE

SECTION 1. Section 23-17-38.1 of the General Laws in Chapter 23-17 entitled "Licensing of Health Care Facilities" is hereby amended to read as follows:

23-17-38.1. Hospitals – Licensing fee. -- (a) There is imposed a hospital licensing fee at the rate of five and thirty-five hundredths percent (5.35%) upon the net patient services revenue of every hospital for the hospital's first fiscal year ending on or after January 1, 2011, except that the license fee for all hospitals located in Washington County, Rhode Island shall be discounted by thirty-seven percent (37%). The discount for Washington County hospitals is subject to approval by the Secretary of the US Department of Health and Human Services of a state plan amendment submitted by the Executive Office of Health and Human Services for the purpose of pursuing a waiver of the uniformity requirement for the hospital license fee. This licensing fee shall be administered and collected by the tax administrator, division of taxation within the department of revenue, and all the administration, collection and other provisions of 51 of title 44 shall apply. Every hospital shall pay the licensing fee to the tax administrator on or before July 15, 2013 and payments shall be made by electronic transfer of monies to the general treasurer and deposited to the general fund. Every hospital shall, on or before June 17, 2013, make a return to the tax administrator containing the correct computation of net patient services revenue for the hospital fiscal year ending September 30, 2011, and the licensing fee due upon that amount. All returns shall be signed by the hospital's authorized representative, subject to the pains and penalties of perjury.

(b)[a] There is also imposed a hospital licensing fee at the rate of five and two hundred forty-six thousandths percent (5.246%) five and four hundred eighteen thousandths percent (5.418%) upon the net patient services revenue of every hospital for the hospital's first fiscal year ending on or after January 1, 2012, except that the license fee for all hospitals located in Washington County, Rhode Island shall be discounted by thirty-seven percent (37%). The discount for Washington County hospitals is subject to approval by the Secretary of the US Department of Health and Human Services of a state plan amendment submitted by the Executive Office of Health and Human Services for the purpose of pursuing a waiver of the uniformity requirement for the hospital license fee. This licensing fee shall be administered and collected by the tax administrator, division of taxation within the department of revenue, and all the
administration, collection and other provisions of 51 of title 44 shall apply. Every hospital shall pay the licensing fee to the tax administrator on or before July 14, 2014 and payments shall be made by electronic transfer of monies to the general treasurer and deposited to the general fund. Every hospital shall, on or before June 16, 2014, make a return to the tax administrator containing the correct computation of net patient services revenue for the hospital fiscal year ending September 30, 2012, and the licensing fee due upon that amount. All returns shall be signed by the hospital's authorized representative, subject to the pains and penalties of perjury.

(b) There is also imposed a hospital licensing fee at the rate of five and seven hundred three thousandths percent (5.703%) upon the net patient services revenue of every hospital for the hospital's first fiscal year ending on or after January 1, 2013, except that the license fee for all hospitals located in Washington County, Rhode Island shall be discounted by thirty-seven percent (37%). The discount for Washington County hospitals is subject to approval by the Secretary of the US Department of Health and Human Services of a state plan amendment submitted by the Executive Office of Health and Human Services for the purpose of pursuing a waiver of the uniformity requirement for the hospital license fee. This licensing fee shall be administered and collected by the tax administrator, division of taxation within the department of revenue, and all the administration, collection and other provisions of 51 of title 44 shall apply. Every hospital shall pay the licensing fee to the tax administrator on or before July 13, 2015 and payments shall be made by electronic transfer of monies to the general treasurer and deposited to the general fund. Every hospital shall, on or before June 15, 2015, make a return to the tax administrator containing the correct computation of net patient services revenue for the hospital fiscal year ending September 30, 2013, and the licensing fee due upon that amount. All returns shall be signed by the hospital's authorized representative, subject to the pains and penalties of perjury.

(c) For purposes of this section the following words and phrases have the following meanings:

(1) "Hospital" means a person or governmental unit duly licensed in accordance with this chapter to establish, maintain, and operate a hospital, except a hospital whose primary service and primary bed inventory are psychiatric.

(2) "Gross patient services revenue" means the gross revenue related to patient care services.

(3) "Net patient services revenue" means the charges related to patient care services less (i) charges attributable to charity care, (ii) bad debt expenses, and (iii) contractual allowances.

(d) The tax administrator shall make and promulgate any rules, regulations, and procedures not inconsistent with state law and fiscal procedures that he or she deems necessary.
for the proper administration of this section and to carry out the provisions, policy and purposes of this section.

(e) The licensing fee imposed by this section shall apply to hospitals as defined herein which are duly licensed on July 1, 2013, and shall be in addition to the inspection fee imposed by § 23-17-38 and to any licensing fees previously imposed in accordance with § 23-17-38.1.

SECTION 2. Section 23-1-46 of the General Laws in Chapter 23-1 entitled “Department of Health” is hereby amended to read as follows:

23-1-46. Insurers. — (a) Beginning in the fiscal year 2007, each insurer licensed or regulated pursuant to the provisions of chapters 18, 19, 20, and 41 of title 27 shall be assessed a child immunization assessment and an adult immunization assessment for the purposes set forth in this section. The department of health shall make available to each insurer, upon its request, information regarding the department of health’s immunization programs and the costs related to the program. Further, the department of health shall submit to the general assembly an annual report on the immunization programs and cost related to the programs, on or before February 1 of each year. Annual assessments shall be based on direct premiums written in the year prior to the assessment and for the child immunization program shall not include any Medicare Supplement Policy (as defined in section 27-18.2-1(g)), Medicaid or Medicare premiums. Adult influenza immunization program annual assessments shall include contributions related to the program costs from Medicare, Medicaid and Medicare Managed Care. As to accident and sickness insurance, the direct premium written shall include, but is not limited to, group, blanket, and individual policies. Those insurers assessed greater than ten thousand dollars ($10,000) for the year shall be assessed four (4) quarterly payments of twenty-five percent (25%) of their total assessment. Beginning July 1, 2001, the annual rate of assessment shall be determined by the director of health in concurrence with the primary payors, those being insurers assessed at greater than ten thousand dollars ($10,000) for the previous year. This rate shall be calculated by the projected costs for the Advisory Committee on Immunization Practices (ACIP) recommended and state mandated vaccines after the federal share has been determined by the Centers for Disease Control and Prevention. The primary payors shall be informed of any recommended change in rates at least six (6) months in advance, and rates shall be adjusted no more frequently than one time annually. For the childhood vaccine program the director of the department of health shall deposit these amounts in Beginning January 1, 2016, a portion of the amount collected pursuant to § 42-7-4-3, up to the actual amount expended or projected to be expended by the state for vaccines for children that are recommended by the Advisory Committee on
Immunization Practices (ACIP), the American Academy of Pediatrics (AAP), and/or mandated by state law, less the federal share determined by the Centers for Disease Control and Prevention, less any amount collected in excess of the prior year’s funding requirement as indicated in subsection (b) (the "child immunization funding requirement") shall be deposited into the "childhood immunization account" described in § 23-1-45(a). These assessments funds shall be used solely for the purposes of the "childhood immunization programs" described in §23-1-44, and no other. For the adult immunization program the director of the department of health shall deposit these amounts in the “adult immunization account”. Beginning January 1, 2016, a portion of the amount collected from the healthcare services funding method described in § 42-7.4-3, up to the actual amount expended or projected to be expended by the state for adult immunizations recommended by ACIP and/or mandated by state law, less the federal share determined by the Centers for Disease Control and Prevention, less any amount collected in excess of the prior year’s funding requirement as indicated in subsection (b) (the "adult immunization funding requirement") shall be deposited into the “adult immunization account” described in § 23-1-45(c). These funds shall be used solely for the purposes of the "adult immunization programs" described in § 23-1-44 and no other.

(b) The department of health shall submit to the general assembly an annual report on the immunization programs and costs related to the programs, on or before February 1 of each year.

Any funds collected in excess of funds needed to carry-out ACIP recommendations, taking into account a reasonable annual carry forward surplus, shall be deducted from the subsequent year’s assessments funding requirements.

SECTION 3. Section 42-12-29 of the General Laws in Chapter 42-12 entitled "Department of Human Services" is hereby amended to read as follows:

42-12-29. Children’s health account. -- (a) There is created within the general fund a restricted receipt account to be known as the "children's health account". All money in the account shall be utilized by the department of human services to effectuate coverage for the following service categories: (1) home health services, which include pediatric private duty nursing and certified nursing assistant services; (2) comprehensive, evaluation, diagnosis, assessment, referral and evaluation (CEDARR) services, which include CEDARR family center services, home based therapeutic services, personal assistance services and supports (PASS) and kids connect services and (3) child and adolescent treatment services (CAITS). All money received pursuant to this section shall be deposited in the children's health account. The general treasurer is authorized and directed to draw his or her orders on the account upon receipt of properly authenticated vouchers from the department of human services.
(b) Beginning in the fiscal year 2007, each insurer licensed or regulated pursuant to the provisions of chapters 18, 19, 20, and 11 of title 27 shall be assessed for the purposes set forth in this section. The department of human services shall make available to each insurer, upon its request, information regarding the department of human services child health program and the costs related to the program. Further, the department of human services shall submit to the general assembly an annual report on the program and cost related to the program, on or before February 1 of each year. Annual assessments shall be based on direct premiums written in the year prior to the assessment and shall not include any Medicare Supplement Policy (as defined in section 27-18-2.1(g)), Medicare managed care, Medicare, Federal Employees Health Plan, Medicaid/RIte Care or dental premiums. As to accident and sickness insurance, the direct premium written shall include, but is not limited to, group, blanket, and individual policies. Those insurers assessed greater than five hundred thousand dollars ($500,000) for the year shall be assessed four (4) quarterly payments of twenty-five percent (25%) of their total assessment. Beginning July 1, 2006, the annual rate of assessment shall be determined by the director of human services in concurrence with the primary payors, those being insurers likely to be assessed at greater than five hundred thousand dollars ($500,000). The director of the department of human services shall deposit that amount Beginning January 1, 2016, a portion of the amount collected pursuant to § 42-7.4-3, up to the actual amount expended or projected to be expended by the state for the services described in § 42-12-29(a), less any amount collected in excess of the prior year’s funding requirement as indicated in § 42-12-29(c), but in no event more than the limit set forth in § 42-12-29(d) (the "child health services funding requirement"), shall be deposited in the "children's health account". The assessment funds shall be used solely for the purposes of the "children's health account", and no other.

(c) The office of health and human services shall submit to the general assembly an annual report on the program and costs related to the program, on or before February 1 of each year. The department shall make available to each insurer required to make a contribution pursuant to § 42-7.4-3, upon its request, detailed information regarding the children's health programs described in subsection (a) and the costs related to those programs. Any funds collected in excess of funds needed to carry out the programs shall be deducted from the subsequent year's assessment funding requirements.

(d) The total annual assessment on all insurers amount required to be deposited into the children's health account shall be equivalent to the amount paid by the department of human services for all services, as listed in subsection (a), but not to exceed seven thousand five hundred dollars ($7,500) per child per service per year.
(c) The children's health account shall be exempt from the indirect cost recovery provisions of section 35-4-27 of the general laws.

SECTION 4. Title 42 of the General Laws entitled "STATE AFFAIRS AND GOVERNMENT" is hereby amended by adding thereto the following chapter:

CHAPTER 7.4

THE HEALTHCARE SERVICES FUNDING PLAN ACT

42-7.4-1. Short title. -- The Healthcare services funding plan act. -- This chapter shall be known and may be cited as "The Healthcare Services Funding Plan Act."

42-7.4-2. Definitions. -- The following words and phrases as used in this chapter shall have the following meaning:

(1) "Secretary" means the secretary of health and human services.

(2)(i) "Insurer" means all persons offering, administering, and/or insuring healthcare services, including, but not limited to:

(A) Policies of accident and sickness insurance, as defined by chapter 18 of title 27;

(B) Nonprofit hospital or medical service plans, as defined by chapters 19 and 20 of title 27;

(C) Any person whose primary function is to provide diagnostic, therapeutic, or preventive services to a defined population on the basis of a periodic premium;

(D) All domestic, foreign, or alien insurance companies, mutual associations and organizations;

(E) Health maintenance organizations, as defined by chapter 41 of title 27;

(F) All persons providing health benefit coverage on a self-insurance basis;

(G) All third-party administrators described in chapter 20.7 of title 27; and

(H) All persons providing health benefit coverage under Title XIX of the Social Security Act (Medicaid) as a Medicaid managed care organization offering managed Medicaid.

(ii) "Insurer" shall not include any nonprofit dental service corporation as defined in § 27-20.1-2, nor any insurer offering only those coverages described in § 42-7.4-14.

(3)(i) "Contribution enrollee" means an individual residing in this state, with respect to whom an insurer administers, provides, pays for, insures, or covers health care services, unless excepted by this section.

(ii) "Contribution enrollee" shall not include an individual whose healthcare services are paid or reimbursed by Part A or Part B of the Medicare program, a Medicare supplemental policy as defined in section 1882(g)(1) of the Social Security Act, 42 U.S.C. 1395ss(g)(1), or Medicare managed care policy, the federal employees' health benefit program, Tricare, CHAMPUS, the
Veterans' healthcare program, the Indian health service program, or any local governmental
corporation, district, or agency providing health benefits coverage on a self-insured basis;
(iii) Delayed applicability for state employees, retirees, and dependents and not-for-profit
healthcare corporations. An individual whose healthcare services are paid or reimbursed by the
state of Rhode Island pursuant to chapter 12 of title 36 or a not-for-profit healthcare corporation
subject to the provisions of § 23-17-38.1 of the Rhode Island General Laws shall not be treated as
a "contribution enrollee" until July 1, 2016.

(d) "Person" means any individual, corporation, company, association, partnership,
limited liability company, firm, state governmental corporations, districts, and agencies, joint
stock associations, trusts, and the legal successor thereof.

(5) "Healthcare services funding contribution" means per capita amount each contributing
insurer must contribute to support the programs funded by the method established under this
section, with respect to each contribution enrollee; provided, however, that, with respect to an
insurer that is a Medicaid managed care organization offering managed Medicaid, the healthcare
funding services contribution for any contribution enrollee whose healthcare services are paid or
reimbursed under Title XIX of the Social Security Act (Medicaid) shall not include the children's
health services funding requirement described in § 42-12-29.

42-7.4-3. Imposition of healthcare services funding contribution. -- (a) Each insurer is
required to pay the healthcare services funding contribution for each contribution enrollee of the
insurer at the time the contribution is calculated and paid, at the rate set forth in this section.
(1) Beginning January 1, 2016, the secretary shall set the healthcare services funding
contribution each fiscal year in an amount equal to: (i) The child immunization funding
requirement described in § 23-1-46; plus (ii) The adult immunization funding requirement
described in § 23-1-46; plus (iii) The children's health services funding requirement described in
§ 42-12-29; and all as divided by (iv) The number of contribution enrollees of all insurers.
(2) The contribution set forth herein shall be in addition to any other fees or assessments
upon the insurer allowable by law.
(b) The contribution shall be paid by the insurer; provided, however, a person providing
health benefits coverage on a self-insurance basis that uses the services of a third-party
administrator shall not be required to make a contribution for a contribution enrollee where the
contribution on that enrollee has been or will be made by the third-party administrator.
(c) The secretary shall create a process to facilitate the transition to the healthcare
services funding contribution method that: (i) assures adequate funding beginning July 1, 2016,
(ii) reflects that funding via the healthcare services funding contribution method initially will be
for only a portion of the state’s fiscal year, and (iii) avoids duplicate liability for any insurer that
made a payment under the premium assessment method in effect prior to January 1, 2016, for a
period for which it would also be liable for a contribution under the healthcare services funding
contribution method as described in this chapter.

42-7.4-4. Returns and payment. -- (a) Subject to subsection (b), every insurer required
to make a contribution shall, on or before the last day of July, October, January and April of each
year, make a return to the secretary together with payment of the quarterly healthcare services
funding contribution for the preceding three (3) month period.

(b)(1) Upon request of the director of the department of health, the secretary shall
develop a process whereby an insurer required to make the contribution may be directed to make
estimated payments for the portion of the liability arising under § 42-7.4-3 and the secretary shall
make that pre-paid amount available to the department of health, as requested.

(2) Unless requested to make an estimated payment as described in subsection (b)(1)
above, any insurer required to make the contribution that can substantiate that the insurer's
contribution liability would average less than twenty-five thousand dollars ($25,000) per month
may file returns and remit payment annually on or before the last day of June each year; provided,
however, that the insurer shall be required to make quarterly payments if the secretary determines
that:

(i) The insurer has become delinquent in either the filing of the return or the payment of
the healthcare services funding contribution due thereon; or

(ii) The liability of the insurer exceeds seventy-five thousand dollars ($75,000) in
healthcare services funding contribution per quarter for any two (2) subsequent quarters.

(c) All returns shall be signed by the insurer required to make the contribution, or by its
authorized representative, subject to the pains and penalties of perjury.

(d) If a return shows an overpayment of the contribution due, the secretary shall refund or
credit the overpayment to the insurer required to make the contribution, or the insurer may deduct
the overpayment from the next quarterly or annual return.

(e) The secretary, for good cause shown, may extend the time within which an insurer is
required to file a return, and if the return is filed during the period of extension no penalty or late
filing charge may be imposed for failure to file the return at the time required by this section, but
the insurer shall be liable for interest as prescribed in this section. Failure to file the return during
the period for the extension shall void the extension.

42-7.4-5. Set-off for delinquent payment. -- If an insurer required to make the
contribution pursuant to this chapter shall fail to pay a contribution within thirty (30) days of its
due date, the secretary may request any agency of state government making payments to the
insurer to set-off the amount of the delinquency against any payment or amount due the insurer
from the agency of state government and remit the sum to the secretary. Upon receipt of the setoff
request from the secretary, any agency of state government is authorized and empowered to set-
off the amount of the delinquency against any payment or amounts due the insurer. The amount
of set-off shall be credited against the contribution due from the insurer.

42-7.4-6. Assessment on available information -- Interest on delinquencies --
Penalties -- Collection powers. -- If any insurer shall fail to file a return within the time required
by this chapter, or shall file an insufficient or incorrect return, or shall not pay the contribution
imposed by this section when it is due, the secretary shall assess the contribution upon the
information as may be available, which shall be payable upon demand and shall bear interest at
the annual rate provided by § 44-1-7, from the date when the contribution should have been paid.
If the failure is due, in whole or part, to negligence or intentional disregard of the provisions of
this section, a penalty of ten percent (10%) of the amount of the determination shall be added to
the contribution. The secretary shall collect the contribution with interest. The secretary may
request any agency to assist in collection, including the tax administrator, who may collect the
contribution with interest in the same manner and with the same powers as are prescribed for
collection of taxes in title 44.

42-7.4-7. Claims for refund -- Hearing upon denial. -- (a) Any insurer required to pay
the contribution may file a claim for refund with the secretary at any time within two (2) years
after the contribution has been paid. If the secretary shall determine that the contribution has been
overpaid, he or she shall make a refund with ten percent (10%) interest from the date of
overpayment.
(b) Any insurer whose claim for refund has been denied may, within thirty (30) days from
the date of the mailing by the secretary of the notice of the decision, request a hearing and the
secretary shall, as soon as practicable, set a time and place for the hearing and shall notify the
person.

42-7.4-8. Hearing by secretary on application. -- Any insurer aggrieved by the action
of the secretary in determining the amount of any contribution or penalty imposed under the
provisions of this chapter may apply to the secretary, within thirty (30) days after the notice of the
action is mailed to it, for a hearing relative to the contribution or penalty. The secretary shall fix a
time and place for the hearing and shall so notify the person. Upon the hearing the secretary shall
correct manifest errors, if any, disclosed at the hearing and thereupon assess and collect the
amount lawfully due together with any penalty or interest thereon.
42-7.4-9. Appeals. -- Appeals from administrative orders or decisions made pursuant to any provisions of this chapter shall be pursued pursuant to chapter 35 of title 42. The right to appeal under this section shall be expressly made conditional upon prepayment of all contribution, interest, and penalties unless the insurer demonstrates to the satisfaction of the court that the insurer has a reasonable probability of success on the merits and is unable to prepay all contribution, interest, and penalties, considering not only the insurer’s own financial resources but also the ability of the insurer to borrow the required funds. If the court, after appeal, holds that the insurer is entitled to a refund, the insurer shall also be paid interest on the amount at the rate provided in § 44-1-7.1 of the Rhode Island general laws, as amended.

42-7.4-10. Records. -- Every insurer required to make the contribution shall:

1. Keep records as may be necessary to determine the amount of its liability under this section;
2. Preserve those records for a period of three (3) years following the date of filing of any return required by this section, or until any litigation or prosecution under this section is finally determined; and
3. Make those records available for inspection by the secretary or his/her authorized agents, upon demand, at reasonable times during regular business hours.

42-7.4-11. Method of payment and deposit of contribution. -- (a) The payments required by this chapter may be made by electronic transfer of monies to the general treasurer.

(b) The general treasurer shall take all steps necessary to facilitate the transfer of monies to:

1. The "childhood immunization account" described in § 23-1-45(a) in the amount described in § 23-1-46(a);
2. The "adult immunization account" described in § 23-1-45(c) in the amount described in § 23-1-46(a);
3. The "children's health account" described in § 42-12-29(a) in the amount described in § 42-12-29(b); and
4. Any remainder of the payments shall be proportionally distributed to those accounts and credited against the next year’s healthcare services funding contribution.

(c) The general treasurer shall provide the secretary with a record of any monies transferred and deposited.

42-7.4-12. Rules and regulations. -- The secretary is authorized to make and promulgate rules, regulations, and procedures not inconsistent with state law and fiscal procedures as he or she deems necessary for the proper administration of this healthcare services funding plan act and
to carry out the provisions, policies, and purposes of this chapter including, but not limited to, data it must collect from insurers for the correct computation of the healthcare services funding contribution, collaboration with other state agencies for collecting necessary information, and the form of the return and the data that it must contain for the correct computation of the healthcare services funding contribution.

42-7.4-13. Excluded coverage from the healthcare services funding plan act. --
(a) In addition to any exclusion and exemption contained elsewhere in this chapter, this chapter shall not apply to insurance coverage providing benefits for, nor shall an individual be deemed a contribution enrollee solely by virtue of receiving benefits for the following:

(1) Hospital confinement indemnity;
(2) Disability income;
(3) Accident only;
(4) Long-term care;
(5) Medicare supplement;
(6) Limited benefit health;
(7) Specified disease indemnity;
(8) Sickness or bodily injury or death by accident or both; and
(9) Other limited benefit policies.

42-7.4-14. Impact on Health Insurance Rates. (a) Allocation -- An insurer required to make a healthcare services funding contribution may pass on the cost of that contribution in the cost of its services, such as its premium rates (for insurers), without being required to specifically allocate those costs to individuals or populations that actually incurred the contribution. The costs are to be fairly allocated among the market segments incurring such costs.
(b) Oversight - The health insurance commissioner shall ensure, through the rate review and approval process, that the rates filed for fully insured groups and individuals, pursuant to chapter 18.5, 18.6 or 50 of title 27, reflect the transition to the funding method described in this section.

42-7.4-15. Study on Expansion of Health Care Services Funding Program.-- Recognizing the value of the immunization programs to municipal employees, police, fire, and other public safety officers, and to teachers and other school district employees, the director of the department of health or his or her designee shall meet with representatives and agencies of local governments, including but not limited to the league of cities and towns, the division of municipal finance, the association of police chiefs, the association of fire chiefs, and the association of school committees, to obtain and share information regarding the effectiveness of
the program and the manner and timing under which municipalities shall become included in the
funding method described in this section. The department shall also seek clarification from the
Centers for Medicare and Medicaid Services regarding the extent to which Medicare, Medicare
managed care organizations, and Medicare supplement plans could become included in the
funding method described in this section. The department shall report its findings to the
chairpersons of the house finance committee and senate finance committee not later than April 1,
2015.

SECTION 5. Section 1 of this article shall take effect upon passage. The remainder of
this article shall take effect as of January 1, 2016.
ARTICLE 17

RELATING TO HOSPITAL UNCOMPENSATED CARE

SECTION 1. Sections 40-8.3-2 and 40-8.3-3 of the General Laws in Chapter 40-8.3 entitled “Uncompensated Care” are hereby amended to read as follows:

40-8.3-2. Definitions. -- As used in this chapter:

(1) "Base year" means for the purpose of calculating a disproportionate share payment for any fiscal year ending after September 30, 2012, the period from October 1, 2010 through September 30, 2011, and for any fiscal year ending after September 30, 2013, the period from October 1, 2011 through September 30, 2012.

(2) "Medical assistance inpatient utilization rate for a hospital" means a fraction (expressed as a percentage) the numerator of which is the hospital's number of inpatient days during the base year attributable to patients who were eligible for medical assistance during the base year and the denominator of which is the total number of the hospital's inpatient days in the base year.

(3) "Participating hospital" means any nongovernment and nonpsychiatric hospital that:

(i) was licensed as a hospital in accordance with chapter 17 of title 23 during the base year; (ii) achieved a medical assistance inpatient utilization rate of at least one percent (1%) during the base year; and (iii) continues to be licensed as a hospital in accordance with chapter 17 of title 23 during the payment year.

(4) "Uncompensated care costs" means, as to any hospital, the sum of: (i) the cost incurred by such hospital during the base year for inpatient or outpatient services attributable to charity care (free care and bad debts) for which the patient has no health insurance or other third-party coverage less payments, if any, received directly from such patients; and (ii) the cost incurred by such hospital during the base year for inpatient or out-patient services attributable to Medicaid beneficiaries less any Medicaid reimbursement received therefor; multiplied by the uncompensated care index.

(5) "Uncompensated care index" means the annual percentage increase for hospitals established pursuant to § 27-19-14 for each year after the base year, up to and including the payment year, provided, however, that the uncompensated care index for the payment year ending September 30, 2007 shall be deemed to be five and thirty-eight hundredths percent (5.38%), and
that the uncompensated care index for the payment year ending September 30, 2008 shall be
deemed to be five and forty-seven hundredths percent (5.47%), and that the uncompensated care
index for the payment year ending September 30, 2009 shall be deemed to be five and thirty-eight
hundredths percent (5.38%), and that the uncompensated care index for the payment years ending
September 30, 2014 and September 30, 2015 shall be deemed to be five and thirty-hundredths
percent (5.30%).

40-8.3-3. Implementation. -- (a) For the fiscal year commencing on October 1, 2011 and
ending September 30, 2012, the executive office of health and human services shall submit to the
Secretary of the U.S. Department of Health and Human Services a state plan amendment to the
Rhode Island Medicaid state plan for disproportionate share hospital payments (DSH Plan) to
provide:

(1) That the disproportionate share hospital payments to all participating hospitals, not to
exceed an aggregate limit of $126.2 million, shall be allocated by the executive office of health
and human services to the Pool A, Pool C and Pool D components of the DSH Plan; and,

(2) That the Pool D allotment shall be distributed among the participating hospitals in
direct proportion to the individual participating hospital's uncompensated care costs for the base
year, inflated by the uncompensated care index to the total uncompensated care costs for the base
year inflated by uncompensated care index for all participating hospitals. The disproportionate
share payments shall be made on or before July 16, 2012 and are expressly conditioned upon
approval on or before July 9, 2012 by the Secretary of the U.S. Department of Health and Human
Services, or his or her authorized representative, of all Medicaid state plan amendments necessary
to secure for the state the benefit of federal financial participation in federal fiscal year 2012 for
the disproportionate share payments.

(b) For federal fiscal year 2013, commencing on October 1, 2012 and ending
September 30, 2013, the executive office of health and human services shall submit to the
Secretary of the U.S. Department of Health and Human Services a state plan amendment to the
Rhode Island Medicaid state plan for disproportionate share hospital payments (DSH Plan) to
provide:

(1) That the disproportionate share hospital payments to all participating hospitals, not to
exceed an aggregate limit of $128.3 million, shall be allocated by the executive office of health
and human services to the Pool A, Pool C and Pool D components of the DSH Plan; and,

(2) That the Pool D allotment shall be distributed among the participating hospitals in
direct proportion to the individual participating hospital's uncompensated care costs for the base
year, inflated by the uncompensated care index to the total uncompensated care costs for the base
year inflated by uncompensated care index for all participating hospitals. The disproportionate
share payments shall be made on or before July 15, 2013 and are expressly conditioned upon
approval on or before July 8, 2013 by the Secretary of the U.S. Department of Health and Human
Services, or his or her authorized representative, of all Medicaid state plan amendments necessary
to secure for the state the benefit of federal financial participation in federal fiscal year 2013 for
the disproportionate share payments.

(b) For federal fiscal year 2014, commencing on October 1, 2013 and ending
September 30, 2014, the executive office of health and human services shall submit to the
Secretary of the U.S. Department of Health and Human Services a state plan amendment to the
Rhode Island Medicaid state plan for disproportionate share hospital payments (DSH Plan) to
provide:

(1) That the disproportionate share hospital payments to all participating hospitals, not to
exceed an aggregate limit of $128.3 $136.8 million, shall be allocated by the executive office of
health and human services to the Pool A, Pool C and Pool D components of the DSH Plan; and,
(2) That the Pool D allotment shall be distributed among the participating hospitals in
direct proportion to the individual participating hospital's uncompensated care costs for the base
year, inflated by the uncompensated care index to the total uncompensated care costs for the base
year inflated by uncompensated care index for all participating hospitals. The disproportionate
share payments shall be made on or before July 14, 2014 and are expressly conditioned upon
approval on or before July 7, 2014 by the Secretary of the U.S. Department of Health and Human
Services, or his or her authorized representative, of all Medicaid state plan amendments necessary
to secure for the state the benefit of federal financial participation in federal fiscal year 2014 for
the disproportionate share payments.

c) For federal fiscal year 2015, commencing on October 1, 2014 and ending September
30, 2015, the executive office of health and human services shall submit to the Secretary of the
U.S. Department of Health and Human Services a state plan amendment to the Rhode Island
Medicaid state plan for disproportionate share hospital payments (DSH Plan) to provide:

(1) That the disproportionate share hospital payments to all participating hospitals, not to
exceed an aggregate limit of $136.8 million, shall be allocated by the executive office of health
and human services to the Pool A, Pool C and Pool D components of the DSH Plan; and,
(2) That the Pool D allotment shall be distributed among the participating hospitals in
direct proportion to the individual participating hospital's uncompensated care costs for the base
year, inflated by the uncompensated care index to the total uncompensated care costs for the base
year inflated by uncompensated care index for all participating hospitals. The disproportionate share payments shall be made on or before July 13, 2015 and are expressly conditioned upon approval on or before July 6, 2015 by the Secretary of the U.S. Department of Health and Human Services, or his or her authorized representative, of all Medicaid state plan amendments necessary to secure for the state the benefit of federal financial participation in federal fiscal year 2015 for the disproportionate share payments.

(d) No provision is made pursuant to this chapter for disproportionate share hospital payments to participating hospitals for uncompensated care costs related to graduate medical education programs.

SECTION 2. Section 40-8.3-10 of the General Laws in Chapter 40-8.3 entitled "Uncompensated Care" is hereby amended to read as follows:

40-8.3-10. Outpatient adjustment payments. -- Hospital adjustment payments. -

Effective July 1, 2012 and for each subsequent year, the executive office of health and human services is hereby authorized and directed to amend its regulations for reimbursement to hospitals for inpatient and outpatient services as follows:

(a) Each hospital in the state of Rhode Island, as defined in subdivision 23-17-38.19(b)(1), shall receive a quarterly outpatient adjustment payment each state fiscal year of an amount determined as follows:

(1) Determine the percent of the state's total Medicaid outpatient and emergency department services (exclusive of physician services) provided by each hospital during each hospital's prior fiscal year;

(2) Determine the sum of all Medicaid payments to hospitals made for outpatient and emergency department services (exclusive of physician services) provided during each hospital's prior fiscal year;

(3) Multiply the sum of all Medicaid payments as determined in subdivision (2) by seventy-four and ninety-seven hundredths percent (74.97%) a percentage defined as the total identified upper payment limit for all hospitals divided by the sum of all Medicaid payments as determined in subdivision (2); and then multiply that result by each hospital's percentage of the state's total Medicaid outpatient and emergency department services as determined in subdivision (1) to obtain the total outpatient adjustment for each hospital to be paid each year;

(4) Pay each hospital on or before July 20, October 20, January 20, and April 20 one quarter (1/4) of its total outpatient adjustment as determined in subdivision (3) above.

(b) Each hospital in the state of Rhode Island, as defined in subdivision 3-17-38.19(b)(1), shall receive a quarterly inpatient adjustment payment each state fiscal year of an amount
determined as follows:

(1) Determine the percent of the state's total Medicaid inpatient services (exclusive of physician services) provided by each hospital during each hospital's prior fiscal year;

(2) Determine the sum of all Medicaid payments to hospitals made for inpatient services (exclusive of physician services) provided during each hospital's prior fiscal year;

(3) Multiply the sum of all Medicaid payments as determined in subdivision (2) by a percentage defined as the total identified upper payment limit for all hospitals divided by the sum of all Medicaid payments as determined in subdivision (2); and then multiply that result by each hospital's percentage of the state's total Medicaid inpatient services as determined in subdivision (1) to obtain the total inpatient adjustment for each hospital to be paid each year;

(4) Pay each hospital on or before July 20, October 20, January 20, and April 20 one quarter (1/4) of its total inpatient adjustment as determined in subdivision (3) above.

(e) The amounts determined in subsections (a) and (b) are in addition to Medicaid inpatient and outpatient payments and emergency services payments (exclusive of physician services) paid to hospitals in accordance with current state regulation and the Rhode Island Plan for Medicaid Assistance pursuant to Title XIX of the Social Security Act and are not subject to recoupment or settlement.

SECTION 4. This article shall take effect as of July 1, 2014.
ARTICLE 18 AS AMENDED

RELATING TO MEDICAL ASSISTANCE

SECTION 1. Sections 40-8-13.4 and 40-8-19 of the General Laws in Chapter 40-8 entitled "Medical Assistance" are hereby amended to read as follows:

40-8-13.4. Rate methodology for payment for in state and out of state hospital services.-- (a) The executive office of health and human services shall implement a new methodology for payment for in state and out of state hospital services in order to ensure access to and the provision of high quality and cost-effective hospital care to its eligible recipients.

(b) In order to improve efficiency and cost effectiveness, the executive office of health and human services shall:

1. With respect to inpatient services for persons in fee for service Medicaid, which is non-managed care, implement a new payment methodology for inpatient services utilizing the Diagnosis Related Groups (DRG) method of payment, which is, a patient classification method which provides a means of relating payment to the hospitals to the type of patients cared for by the hospitals. It is understood that a payment method based on Diagnosis Related Groups may include cost outlier payments and other specific exceptions. The executive office will review the DRG payment method and the DRG base price annually, making adjustments as appropriate in consideration of such elements as trends in hospital input costs, patterns in hospital coding, beneficiary access to care, and the Center for Medicare and Medicaid Services national CMS Prospective Payment System (IPPS) Hospital Input Price index.

2. With respect to inpatient services, (i) it is required as of January 1, 2011 until December 31, 2011, that the Medicaid managed care payment rates between each hospital and health plan shall not exceed ninety and one tenth percent (90.1%) of the rate in effect as of June 30, 2010. Negotiated increases in inpatient hospital payments for each annual twelve (12) month period beginning January 1, 2012 may not exceed the Centers for Medicare and Medicaid Services national CMS Prospective Payment System (IPPS) Hospital Input Price index for the applicable period; (ii) provided, however, for the twelve (12) twenty-four (24) month period beginning July 1, 2013 the Medicaid managed care payment rates between each hospital and health plan shall not exceed the payment rates in effect as of January 1, 2013; (iii) negotiated increases in inpatient hospital payments for each annual twelve (12) month period beginning July...
may not exceed the Centers for Medicare and Medicaid Services national CMS Prospective Payment System (IPPS) Hospital Input Price Index, less Productivity Adjustment, for the applicable period; (iv) The Rhode Island executive office of health and human services will develop an audit methodology and process to assure that savings associated with the payment reductions will accrue directly to the Rhode Island Medicaid program through reduced managed care plan payments and shall not be retained by the managed care plans; (v) All hospitals licensed in Rhode Island shall accept such payment rates as payment in full; and (vi) for all such hospitals, compliance with the provisions of this section shall be a condition of participation in the Rhode Island Medicaid program.

(2) With respect to outpatient services and notwithstanding any provisions of the law to the contrary, for persons enrolled in fee for service Medicaid, the executive office will reimburse hospitals for outpatient services using a rate methodology determined by the executive office and in accordance with federal regulations. Fee-for-service outpatient rates shall align with Medicare payments for similar services. Notwithstanding the above, there shall be no increase in the Medicaid fee-for-service outpatient rates effective on July 1, 2013 or July 1, 2014. Thereafter, changes to outpatient rates will be implemented on July 1 each year and shall align with Medicare payments for similar services from the prior federal fiscal year. With respect to the outpatient rate, (i) it is required as of January 1, 2011 until December 31, 2011, that the Medicaid managed care payment rates between each hospital and health plan shall not exceed one hundred percent (100%) of the rate in effect as of June 30, 2010. Negotiated increases in hospital outpatient payments for each annual twelve (12) month period beginning January 1, 2012 may not exceed the Centers for Medicare and Medicaid Services national CMS Outpatient Prospective Payment System (OPPS) hospital price index for the applicable period; (ii) provided, however, for the twelve (12) twenty-four (24) month period beginning July 1, 2013 the Medicaid managed care outpatient payment rates between each hospital and health plan shall not exceed the payment rates in effect as of January 1, 2013; (iii) negotiated increases in outpatient hospital payments for each annual twelve (12) month period beginning July 1, 2014 may not exceed the Centers for Medicare and Medicaid Services national CMS Outpatient Prospective Payment System (OPPS) Hospital Input Price Index, less Productivity Adjustment, for the applicable period.

(c) It is intended that payment utilizing the Diagnosis Related Groups method shall reward hospitals for providing the most efficient care, and provide the executive office the opportunity to conduct value based purchasing of inpatient care.

(d) The secretary of the executive office of health and human services is hereby authorized to promulgate such rules and regulations consistent with this chapter, and to establish
fiscal procedures he or she deems necessary for the proper implementation and administration of
this chapter in order to provide payment to hospitals using the Diagnosis Related Group payment
methodology. Furthermore, amendment of the Rhode Island state plan for medical assistance
(Medicaid) pursuant to Title XIX of the federal Social Security Act is hereby authorized to
provide for payment to hospitals for services provided to eligible recipients in accordance with
this chapter.

(e) The executive office shall comply with all public notice requirements necessary to
implement these rate changes.

(f) As a condition of participation in the DRG methodology for payment of hospital
services, every hospital shall submit year-end settlement reports to the executive office within one
year from the close of a hospital's fiscal year. Should a participating hospital fail to timely submit
a year-end settlement report as required by this section, the executive office shall withhold
financial cycle payments due by any state agency with respect to this hospital by not more than
ten percent (10%) until said report is submitted. For hospital fiscal year 2010 and all subsequent
fiscal years, hospitals will not be required to submit year-end settlement reports on payments for
outpatient services. For hospital fiscal year 2011 and all subsequent fiscal years, hospitals will not
be required to submit year-end settlement reports on claims for hospital inpatient services.

Further, for hospital fiscal year 2010, hospital inpatient claims subject to settlement shall include
only those claims received between October 1, 2009 and June 30, 2010.

(g) The provisions of this section shall be effective upon implementation of the
amendments and new payment methodology pursuant to this section and § 40-8-13.3, which shall
in any event be no later than March 30, 2010, at which time the provisions of §§ 40-8-13.2, 27-
19-14, 27-19-15, and 27-19-16 shall be repealed in their entirety.

40-8-19. Rates of payment to nursing facilities. (a) Rate reform. (1) The rates to be
paid by the state to nursing facilities licensed pursuant to chapter 17 of title 23, and certified to
participate in the Title XIX Medicaid program for services rendered to Medicaid-eligible
residents, shall be reasonable and adequate to meet the costs which must be incurred by
efficiently and economically operated facilities in accordance with 42 U.S.C. § 1396a(a)(13). The
executive office of health and human services shall promulgate or modify the principles of
reimbursement for nursing facilities in effect as of July 1, 2011 to be consistent with the
provisions of this section and Title XIX, 42 U.S.C. § 1396 et seq., of the Social Security Act.

(2) The executive office of health and human services ("Executive Office") shall review
the current methodology for providing Medicaid payments to nursing facilities, including other
long-term care services providers, and is authorized to modify the principles of reimbursement to
replace the current cost based methodology rates with rates based on a price based methodology
to be paid to all facilities with recognition of the acuity of patients and the relative Medicaid
occupancy, and to include the following elements to be developed by the executive office:

(i) A direct care rate adjusted for resident acuity;
(ii) An indirect care rate comprised of a base per diem for all facilities;
(iii) A rearrangement of costs for all facilities every three (3) years beginning October, 2015,
which may or may not result in automatic per diem revisions;
(iv) Application of a fair rental value system;
(v) Application of a pass-through system; and
(vi) Adjustment of rates by the change in a recognized national nursing home inflation
index to be applied on October 1st of each year, beginning October 1, 2012. This adjustment will
not occur on October 1, 2013, but will resume on October 1, 2014. Said inflation
index shall be applied without regard for the transition factor in subsection (b)(2) below.

(b) Transition to full implementation of rate reform. For no less than four (4) years after
the initial application of the price-based methodology described in subdivision (a) (2) to payment
rates, the executive office of health and human services shall implement a transition plan to
moderate the impact of the rate reform on individual nursing facilities. Said transition shall
include the following components:

(1) No nursing facility shall receive reimbursement for direct care costs that is less than
the rate of reimbursement for direct care costs received under the methodology in effect at the
time of passage of this act; and

(2) No facility shall lose or gain more than five dollars ($5.00) in its total per diem rate
the first year of the transition. The adjustment to the per diem loss or gain may be phased out by
twenty-five percent (25%) each year; and

(3) The transition plan and/or period may be modified upon full implementation of
facility per diem rate increases for quality of care related measures. Said modifications shall be
submitted in a report to the general assembly at least six (6) months prior to implementation.

SECTION 2. Chapter 40-8 of the General Laws entitled “Medical Assistance” is hereby
amended by adding thereto the following section:

40-8-31. Payments to out-of-state facilities. – Effective September 1, 2014, the office of
health and human services shall require that any payment to an out-of-state provider from whom
a Medicaid eligible individual receives services must be a facility that applies for and is approved
to participate in the Rhode Island Medicaid program. This excludes payments to out-of-state
providers that do not participate in the Rhode Island Medicaid program but that are determined to
be acceptable due to extenuating circumstances by the secretary of the office of health and human services. Furthermore, the department of children, youth and families is required to submit a bi-weekly report to the chair of the house committee on finance, the chair of the senate committee on finance, the house fiscal advisor, the senate fiscal advisor, and the office of management and budget detailing payments for placements to out-of-state facilities. The report should also indicate the entity recommending or ordering the placement, the types of services required, and reason for using an out-of-state facility. This change may require the adoption of new or amended rules, regulations and procedures.


WHEREAS, the General Assembly enacted Chapter 12.4 of Title 42 entitled "The Rhode Island Medicaid Reform Act of 2008"; and

WHEREAS, a Joint Resolution is required pursuant to Rhode Island General Laws § 42-12.4-1, et seq.; and

WHEREAS, Rhode Island General Law § 42-12.4-7 provides that any change that requires the implementation of a rule or regulation or modification of a rule or regulation in existence prior to the implementation of the global consumer choice section 1115 demonstration ("the demonstration") shall require prior approval of the general assembly; and further provides that any category II change or category III change as defined in the demonstration shall also require prior approval by the general assembly; and

WHEREAS, Rhode Island General Law § 42-7.2-5 provides that the Secretary of the Office of Health and Human Services is responsible for the "review and coordination of any Global Consumer Choice Compact Waiver requests and renewals as well as any initiatives and proposals requiring amendments to the Medicaid state plan or category II or III changes as described in the demonstration, with "the potential to affect the scope, amount, or duration of publicly-funded health care services, provider payments or reimbursements, or access to or the availability of benefits and services provided by Rhode Island general and public laws"; and

WHEREAS, in pursuit of a more cost-effective consumer choice system of care that is fiscally sound and sustainable, the Secretary requests general assembly approval of the following proposals to amend the demonstration:

(a) Nursing Facility Payment Rates – Delay Rate Increase. The Medicaid single state agency proposes to delay the projected nursing facility rate increase that would otherwise take effect on October 1, 2014 to April 1, 2015. A category II change is required to implement this proposal under the terms and conditions of the demonstration. Further, this change may also require the adoption of new or amended rules, regulations and procedures.
(b) Medicaid Hospital Payments – Eliminate Rate Increases for Hospital Inpatient and Outpatient Payments. The Medicaid single state agency proposes to reduce inpatient and outpatient hospital payments by eliminating the projected rate increase for both managed care and fee-for-service for state fiscal year 2015. A category II change is required to implement this proposal under the terms and conditions of the Section 1115 waiver demonstration.

(c) Medicaid Manage Care Payments Reduction. The Medicaid agency seeks to reduce the projected growth in capitation payments to managed care organizations for SFY 2015. Implementation of this reduction requires a Category II change under the terms and conditions of the Medicaid demonstration to assure payment rates remain actuarially sound as is required by federal laws and regulation.

(d) Community First Choice (1915k) Option – Increase Federal Reimbursement for Home and Community-Based Alternatives. The Medicaid Agency proposed to pursue the Community First Choice (CFC) Medicaid State Plan option as part of ongoing reforms to promote home and community-based alternatives to institutionally-based long-term services and supports. Implementation of the CFC option requires approval of a Medicaid State Plan Amendments and may require changes to the demonstration. New and amended rules, regulations and procedures may also be necessary related to these program changes.

(e) Qualified Health Plan (QHP) Coverage for Medicaid-eligible Pregnant and Post-Partum Women – Promote QHP Coverage. With the implementation of health care reform in Rhode Island, many pregnant women with income from 133 to 250 percent of the federal poverty level (FPL) will have access to coverage through a commercial plan. This initiative proposes to support enrollment/retention of coverage in these commercial plans by providing: 1) a RIte Share-like premium subsidy to assist in paying for the out-of-pocket costs in a commercial plan; and 2) wraparound coverage for services available if covered through Medicaid. Such an arrangement would result in a net savings to the Medicaid program. Implementation of this initiative requires Section 1115 waiver authority and may necessitate changes to EOHHS’ rules, regulations and procedures.

(f) Approved Authorities: Section 1115 Waiver Demonstration Extension. The Medicaid agency proposes to implement authorities approved under the Section 1115 waiver demonstration extension request – formerly known as the Global Consumer Choice Waiver – that (1) continue efforts to re-balance the system of long term services and supports by assisting people in obtaining care in the most appropriate and least restrictive setting; (2) pursue utilization of care management models that offer a "health home", promote access to preventive care, and provide an integrated system of services; (3) use payments and purchasing to finance and support
Medicaid initiatives that fill gaps in the integrated system of care; and (4) recognize and assure access to the non-medical services and supports, such as peer navigation and employment and housing stabilization services, that are essential for optimizing a person's health, wellness and safety and reduce or delay the need for long term services and supports.

(g) Medicaid Requirements and Opportunities under the U.S. Patient Protection and Affordable Care Act of 2010 (PPACA). The Medicaid agency proposes to pursue any requirements and/or opportunities established under the PPACA that may warrant a Medicaid State Plan Amendment, category II or III change under the terms and conditions of Rhode Island's Section 1115 Waiver, its successor, or any extension thereof. Any such actions the Medicaid agency takes shall not have an adverse impact on beneficiaries or cause there to be an increase in expenditures beyond the amount appropriated for state fiscal year 2015; now, therefore, be it

RESOLVED, that the general assembly hereby approves proposals (a) through (g) listed above to amend the Section 1115 demonstration waiver; and be it further

RESOLVED, that the secretary of the office of health and human services is authorized to pursue and implement any waiver amendments, category II or category III changes, state plan amendments and/or changes to the applicable department's rules, regulations and procedures approved herein and as authorized by § 42-12.4-7.

SECTION 4. Katie Beckett State Plan Option. The Katie Beckett State Plan Option allows children who need an institutional level of care to obtain Medicaid coverage for the care they receive at home. Children eligible under this option typically have family income and resources that exceed Medicaid eligibility limits; though the Katie Beckett option enables these children to obtain Medicaid coverage by excluding their parents' family income and resources when determining Medicaid eligibility. At present, the families of Katie Beckett children are not required to contribute to the cost of Medicaid-funded care, irrespective of income. The office of health and human services shall collect annual tax and any other financial information it deems appropriate from the family of a child applying for, or currently receiving, services through the Katie Beckett State Plan Option. The information shall not affect a child's eligibility for the services.

SECTION 5. A pool is hereby established of up to $1.5 million to support Medicaid Graduate Education funding for Academic Medical Centers with level I Trauma Centers who provide care to the state's critically ill and indigent populations. The office of Health and Human Services shall utilize this pool to provide up to $3 million per year in additional Medicaid payments to support Graduate Medical Education programs to hospitals meeting all of the
following criteria:

(a) Hospital must have a minimum of 25,000 inpatient discharges per year for all patients regardless of coverage.

(b) Hospital must be designated as Level I Trauma Center.

(c) Hospital must provide graduate medical education training for at least 250 interns and residents per year.

The Secretary of the Executive Office of Health and Human Services shall determine the appropriate Medicaid payment mechanism to implement this program and amend any state plan documents required to implement the payments.

Payments for Graduate Medical Education programs shall be effective July 1, 2014.

SECTION 6. Title 40 of the General Laws entitled "HUMAN SERVICES" is hereby amended by adding thereto the following chapter:

CHAPTER 8.13

LONG-TERM MANAGED CARE ARRANGEMENTS

40-8.13-1. Definitions. -- For purposes of this section the following terms shall have the meanings indicated:

(1) "Beneficiary" means an individual who is eligible for medical assistance under the Rhode Island Medicaid state plan established in accordance with 42 U.S.C. 1396, and includes individuals who are additionally eligible for benefits under the Medicare program (42 U.S.C. 1395 et seq.) or other health plan.

(2) "Duals Demonstration Project" means a demonstration project established pursuant to the financial alignment demonstration established under section 2602 of the Patient Protection and Affordable Care Act (Pub. L. 111-148), involving a three-way contract between Rhode Island, the Federal Centers for Medicare and Medicaid Services ("CMS") and qualified health plans, and covering health care services provided to beneficiaries.

(3) "EOHHS" means the Rhode Island executive office of health and human services.

(4) "EOHHS level of care tool" refers to a set of criteria established by EOHHS and used in January, 2014 to determine the long-term care needs of a beneficiary as well as the appropriate setting for delivery of that care.

(5) "Long-term care services and supports" means a spectrum of services covered by the Rhode Island Medicaid program and/or the Medicare program, that are required by individuals with functional impairments and/or chronic illness, and includes skilled or custodial nursing facility care, as well as various home and community-based services.

(6) "Managed long-term care arrangement" means any arrangement under which a
managed care organization is granted some or all of the responsibility for providing and/or paying
for long-term care services and supports that would otherwise be provided or paid under the
Rhode Island Medicaid program. The term includes, but is not limited to, a duals demonstration
project, and/or phase I and phase II of the integrated care initiative established by the executive
office of health and human services.

(7) “Managed care organization” means any health plan, health maintenance
organization, managed care plan, or other person or entity that enters into a contract with the state
under which it is granted the authority to arrange for the provision of, and/or payment for, long-
term care supports and services to eligible beneficiaries under a managed long-term care
arrangement.

(8) “Plan of care” means a care plan established by a nursing facility in accordance with
state and federal regulations, and which identifies specific care and services provided to a
beneficiary.

40-8.13-2. Beneficiary choice. -- Any managed long-term care arrangement shall offer
beneficiaries the option to decline participation and remain in traditional Medicaid and, if a duals
demonstration project, traditional Medicare. Beneficiaries must be provided with sufficient
information to make an informed choice regarding enrollment, including:

(1) Any changes in the beneficiary's payment or other financial obligations with respect
to long-term care services and supports as a result of enrollment;

(2) Any changes in the nature of the long-term care services and supports available to the
beneficiary as a result of enrollment, including specific descriptions of new services that will be
available or existing services that will be curtailed or terminated;

(3) A contact person who can assist the beneficiary in making decisions about
enrollment;

(4) Individualized information regarding whether the managed care organization's
network includes the health care providers with whom beneficiaries have established provider
relationships. Directing beneficiaries to a website identifying the plan's provider network shall not
be sufficient to satisfy this requirement; and

(5) The deadline by which the beneficiary must make a choice regarding enrollment, and
the length of time a beneficiary must remain enrolled in a managed care organization before
being permitted to change plans or opt out of the arrangement.

40-8.13-3. Ombudsman process. -- EOHHS shall designate an ombudsperson to
advocate for beneficiaries enrolled in a managed long-term care arrangement. The ombudsperson
shall advocate for beneficiaries through complaint and appeal processes and ensure that necessary
health care services are provided. At the time of enrollment, a managed care organization must inform enrollees of the availability of the ombudsperson, including contact information.

40-8.13-4. Provider/plan liaison. -- EOHHS shall designate an individual, not employed by or otherwise under contract with a participating managed care organization, who shall act as liaison between health care providers and managed care organizations, for the purpose of facilitating communications and assuring that issues and concerns are promptly addressed.

40-8.13-5. Financial savings under managed care. -- To the extent that financial savings are a goal under any managed long-term care arrangement, it is the intent of the legislature to achieve such savings through administrative efficiencies, care coordination, and improvements in care outcomes, rather than through reduced reimbursement rates to providers. Therefore, any managed long-term care arrangement shall include a requirement that the managed care organization reimburse providers for services in accordance with the following:

(1) For a duals demonstration project, the managed care organization:
   (i) Shall not combine the rates of payment for post-acute skilled and rehabilitation care provided by a nursing facility and long-term and chronic care provided by a nursing facility in order to establish a single payment rate for dual eligible beneficiaries requiring skilled nursing services;
   (ii) Shall pay nursing facilities providing post-acute skilled and rehabilitation care or long-term and chronic care rates that reflect the different level of services and intensity required to provide these services; and

(2) For a managed long-term care arrangement that is not a duals demonstration project, the managed care organization shall reimburse providers in an amount not less than the rate that would be paid for the same care by EOHHS under the Medicaid program.

40-8.13-6. Payment incentives. -- In order to encourage quality improvement and promote appropriate utilization incentives for providers in a managed long-term care arrangement, a managed care organization may use incentive or bonus payment programs that are in addition to the rates identified in § 40-18.13-5.

40-8.13-7. Willing provider. -- A managed care organization must contract with and cover services furnished by any nursing facility licensed under chapter 17 of title 23 and certified by CMS that provides Medicaid-covered nursing facility services pursuant to a provider agreement with the state, provided that the nursing facility is not disqualified under the managed care organization's quality standards that are applicable to all nursing facilities; and the nursing facility is willing to accept the reimbursement rates described in § 40-18.13-5.

40-8.13-8. Level of care tool. -- A managed long-term care arrangement must require
that all participating managed care organizations use only the EOHHS level of care tool in determining coverage of long-term care supports and services for beneficiaries. EOHHS may amend the level of care tool provided that any changes are established in consultation with beneficiaries and providers of Medicaid-covered long-term care supports and services, and are based upon reasonable medical evidence or consensus, in consideration of the specific needs of Rhode Island beneficiaries. Notwithstanding any other provisions herein, however, in the case of a duals demonstration project, a managed care organization may use a different level of care tool for determining coverage of services that would otherwise be covered by Medicare, since the criteria established by EOHHS are directed towards Medicaid-covered services; provided, that such level of care tool is based on reasonable medical evidence or consensus in consideration of the specific needs of Rhode Island beneficiaries.

40-8.13-9. Case management/plan of care. -- No managed care organization acting under a managed long-term care arrangement may require a provider to change a plan of care if the provider reasonably believes that such an action would conflict with the provider's responsibility to develop an appropriate care plan under state and federal regulations.

40-8.13-10. Care transitions. -- In the event that a beneficiary:

(1) Has been determined to meet level of care requirements for nursing facility coverage as of the date of his or her enrollment in a managed care organization; or

(2) Has been determined to meet level of care requirements for nursing facility coverage by a managed care organization after enrollment; and there is a change in condition whereby the managed care organization determines that the beneficiary no longer meets such level of care requirements, the nursing facility shall promptly arrange for an appropriate and safe discharge (with the assistance of the managed care organization if the facility requests it), and the managed care organization shall continue to pay for the beneficiary's nursing facility care at the same rate until the beneficiary is discharged.

40-8.13-11. Reporting requirements. -- EOHHS shall report to the general assembly and shall make available to interested persons a separate accounting of state expenditures for long-term care supports and services under any managed long-term care arrangement, specifically and separately identifying expenditures for home and community-based services, assisted living services, hospice services within nursing facilities, hospice services outside of nursing facilities, and nursing facility services. Such reports shall be made twice annually, six (6) months apart, beginning six (6) months following the implementation of any managed long-term care arrangement, and shall include a detailed report of utilization of each such service. In order to facilitate such reporting, any managed long-term care arrangement shall include a requirement
that a participating managed care organization make timely reports of the data necessary to
compile such reports.

SECTION 7. This article shall take effect upon passage.
ARTICLE 19

RELATING TO MEDICAL ASSISTANCE RECOVERIES

SECTION 1. Chapter 34-4 of the General Laws entitled "Estates in Real Property" is hereby amended by adding thereto the following section:

34-4-2.1. Reservation of Life Estate with enhanced powers. -- A grantor may convey title to real estate and reserve a life estate therein, coupled with the reserved power and authority, during his or her lifetime, to sell, convey, mortgage, or otherwise dispose of the real property without the consent or joinder by the holder(s) of the remainder interest. A duly-executed conveyance by the life tenant exercising such reserved powers shall, upon recording, vest good title to the interest conveyed in the grantee thereof, free and clear of any right, title and interest of the holder(s) of the remainder interest without the necessity of any additional conveyance by any such holder(s) of the remainder interest.

SECTION 2. Section 40-6-9 of the General Laws in Chapter 40-6 entitled "Public Assistance Act" is hereby amended to read as follows:

40-6-9. Assignment and subrogation for recovery of child, spousal and medical support rights. -- (a) An applicant for or recipient of public assistance under this chapter or under title XIX of the federal Social Security Act, 42 U.S.C. § 1396 et seq., for and on behalf of himself or herself and for and on behalf of a child or children, shall be deemed, without the necessity of signing any document for purposes of recovery, to have made an assignment and given a right of subrogation to the executive office of health and human services and/or the department of human services, as applicable, of any and all rights and interests in any cause of action, past, present, or future, that the applicant or recipient may have against any person failing to or obligated to provide for the support, maintenance, and medical care of the applicant, recipient, and/or minor child or children, for the period of time that assistance is being paid by the executive office of health and human services and/or the department. The executive office of health and human services and/or the department shall be subrogated to any and all property belonging to the obligated or non-supporting person in the enforcement of any claim for child, spousal, and medical support, whether liquidated through court order or not. The applicant or recipient shall also be deemed, without the necessity of signing any document, to have appointed the executive...
Art19

RELATING TO MEDICAL ASSISTANCE RECOVERIES

section, an applicant or recipient shall provide to the executive office of health and human
services and/or the department of human services all relevant information regarding the assigned
and subrogated rights, and shall execute any documents relating thereto, in accordance with rules
and regulations to be adopted by the executive office of health and human services and/or the
department.

(e) With respect to any assignment and subrogation rights for medical or financial
support or other recoveries under this section, the executive office of health and human services
and/or the department of human services shall be considered to have acquired the rights of such
individual to payment by any third party for such medical care and support, and financial support
and other recoveries.

(f) An applicant for or a recipient of medical assistance provided by the executive office
of health and human services in accordance with chapter 40-8 shall also be subject to the
provisions of chapter 27-57.1. Funds available to be paid for the payment of child support shall
supersede any payment made pursuant to this chapter and chapter 27-57.1.

(g) The executive office of health and human services and/or the department of human
services shall, in accordance with this section and all applicable state and federal laws, be entitled
to any payments by a third party to recover costs from the full amount of an applicant's or
recipient's liability settlement(s). For this purpose, the executive office of health and human
services may place a lien against an applicant's or recipient's liability settlement(s). Nothing in
these sections shall limit the executive office of health and human services and/or the department
of human services from recovery, to the extent of the distribution, in accordance with all state and
federal laws.

SECTION 3. Chapter 40-8 of the General Laws entitled "Medical Assistance" is hereby
amended by adding thereto the following section:

40-8-3.1. Life estate in property-retained powers. – When an applicant or recipient of
Medicaid owns a life estate in property that is his or her principal place of residence with the
reserved power and authority, during his or her lifetime, to sell, convey, mortgage, or otherwise
dispose of the real property without the consent or joinder by the holder(s) of the remainder
interest, said principal place of residence shall not be regarded as an excluded resource for the
purpose of Medicaid eligibility, unless the applicant or recipient individually or through his or her
guardian, conservator or attorney in fact, conveys all outstanding remainder interest to him or
herself.

An applicant or recipient who, by a deed created, executed and recorded on or before
June 30, 2014, has reserved a life estate in property that is his or her principal place of residence
with the reserved power and authority, during his or her lifetime, to sell, convey, mortgage, or
otherwise dispose of the real property without the consent or joinder by the holder(s) of the
remainder interest, shall not be ineligible for Medicaid on the basis of such deed, regardless of
whether the transferee of such remainder interest is a person or persons, trust or entity.

SECTION 4. Section 2 of this article shall take effect as of October 1, 2016. The
remainder of this article shall take effect upon passage.
ARTICLE 20 AS AMENDED

RELATING TO BOARD OF EDUCATION

SECTION 1. Board of Education Organizational Structure.

WHEREAS, Pursuant to Rhode Island Public Law 2012, Chapter 241, Article 4, Section 3 enacted by the General Assembly, the Rhode Island Board of Education was established, "…to modernize the manner in which education shall be governed for future generations"; and

WHEREAS, The Rhode Island Board of Education was charged by the General Assembly to "…establish a plan for distributing the assets, responsibilities, powers, authorities, and duties of the office of higher education to the three (3) higher education institutions and appropriate state agencies"; and,

WHEREAS, The Board is responsible for submitting a permanent governance structure to the General Assembly for consideration that at a minimum would: "...(1) Provide clear guidance on statutory, legal, financial and contractual obligations; (2) Establish a policy framework that furthers the goals of this chapter; and (3) Establish appropriate administrative structures, support, policies and procedures."; now, therefore, be it

RESOLVED, That the Rhode Island Board of Education recommends the General Assembly enact a new governance structure to effectuate the permanent establishment of the Board of Education in order to achieve the goals articulated by the preamble of Rhode Island Public Law 2012, Chapter 241, Article 4, Section 3.

SECTION 2. Chapter 16-32 of the General Laws entitled "University of Rhode Island" is hereby amended by adding thereto the following section:

16-32-2.1. Additional powers of the President of the University.-- In addition to any powers granted to the president of the University of Rhode Island by law or regulation, and consistent with shared governance practices, in conformity with § 16-32-10, the president shall have the following additional powers and duties:

(a) To create, and consolidate departments, divisions, programs, and courses of study within the university with the assistance of the commissioner of postsecondary education within the approved role and scope adopted by the council on postsecondary education pursuant to § 16-59-4. Any new or proposed eliminations of departments, divisions, programs or courses of study that are outside the role and scope approved by the council shall require the review and approval
of the council on postsecondary education.

(b) To adopt a budget for the university and submit it to the council on postsecondary education for approval.

c) To be responsible for the general management of property of the university.

d) To recommend to the council on postsecondary education, after consultation with the commissioner of postsecondary education, tables of organization for the university.

e) To submit to the office of postsecondary commissioner and to compile and analyze the following information for presentation to the council on postsecondary education and the board of education annually by May 1st the following:

1. A detailed departmental breakdown of all faculty members employed at the university by rank (including all professors, associate professors, assistant professors, lecturers, and instructors) and tenure (tenured and non-tenured, and other) and by race (African American, Hispanic, Native American, and Asian) and gender.

2. A detailed report on current student enrollments for each class at the university by race and gender, by academic department, and by outreach program (e.g. talent development), guaranteed admissions program, and the current levels of funding and staff support for each of these programs.

3. A report on the current status of the African and Afro-American studies programs at the university and a five (5) year budgetary history of the programs along with projections for budgetary support for the next two (2) years.

4. A plan for recruitment of African American and Hispanic faculty into tenure track positions at the university with specific reference to and planned involvement with the New England higher education's minority faculty recruitment and development plan.

5. Copies of the report shall be furnished to the council of postsecondary education and the board of education.

SECT. 3. Chapter 16-33 of the General Laws entitled "Rhode Island College" is hereby amended by adding thereto the following section:

16-33-2.1. Additional powers of the President of the College. -- In addition to any powers granted to the president of Rhode Island College by law or regulation, and consistent with shared governance practices, in conformity with § 16-33-6, the president shall have the following additional powers and duties:

(a) To create and consolidate departments, divisions, programs, and courses of study within the college with the assistance of the commissioner of postsecondary education within the approved role and scope adopted by the council on postsecondary education pursuant to § 16-59-
4. Any new or proposed eliminations of departments, divisions, programs or courses of study that are outside the role and scope approved by the council shall require the review and approval of the council on postsecondary education.

(b) To adopt a budget for the college and submit it to the council for postsecondary education for approval.

(c) To be responsible for the general management of property of the college.

(d) To recommend to the council on postsecondary education, after consultation with the commissioner of postsecondary, education tables of organization for the college.

(e) To submit to the office of postsecondary commissioner and to compile and analyze the following information for presentation to the council for postsecondary education and the board of education annually by May 1st the following:

1. A detailed departmental breakdown of all faculty members employed at the college by rank (including all professors, associate professors, assistant professors, lecturers, and instructors) and tenure (tenured and non-tenured, and other) and by race (African American, Hispanic, Native American, and Asian) and gender.

2. A detailed report on current student enrollments for each class at the college by race and gender, by academic department, and by outreach program (e.g. talent development), guaranteed admissions program, and the current levels of funding and staff support for each of these programs.

3. A report on the current status of the African and Afro-American studies programs at the college and a five (5) year budgetary history of the programs along with projections for budgetary support for the next two (2) years.

4. A plan for recruitment of African American and Hispanic faculty into tenure track positions at the college with specific reference to and planned involvement with the New England higher education's minority faculty recruitment and development plan.

5. Copies of the report shall be furnished to the council of postsecondary education and the board of education.

SECTION 4. Chapter 16-33.1 of the General Laws entitled “Community College of Rhode Island” is hereby amended by adding thereto the following section:

16-33.1-2.1 Additional powers of the President of the College. -- In addition to any powers granted to the president of the Community College of Rhode Island by law or regulation, and consistent with shared governance practices, in conformity with § 16-33.1-3, the president shall have the following additional powers and duties:

(a) To create and consolidate departments, divisions, programs, and courses of study
within the college with the assistance of the commissioner of postsecondary education within the
approved role and scope adopted by the council on postsecondary education pursuant to § 16-59-4. Any new or proposed eliminations of departments, divisions, programs or courses of study that
are outside the role and scope approved by the council shall require the review and approval of
the council on postsecondary education.

(b) To adopt a budget for the college and submit it to the council on postsecondary
education for approval.

(c) To be responsible for the general management of property of the college.

(d) To recommend to the council on postsecondary education, after consultation with the
commissioner of postsecondary education, tables of organization for the college.

(e) To submit to the office of postsecondary commissioner and to compile and analyze
the following information for presentation to the council on postsecondary education and the
board of education annually by May 1st the following:

(1) A detailed departmental breakdown of all faculty members employed at the college
by rank (including all professors, associate professors, assistant professors, lecturers, and
instructors) and tenure (tenured and non-tenured, and other) and by race (African American,
Hispanic, Native American, and Asian) and gender.

(2) A detailed report on current student enrollments for each class at the college by race
and gender, by academic department, and by outreach program (e.g. talent development),
guaranteed admissions program, and the current levels of funding and staff support for each of
these programs.

(3) A report on the current status of the African and Afro-American studies programs at
the college and a five (5) year budgetary history of the programs along with projections for
budgetary support for the next two (2) years.

(4) A plan for recruitment of African American and Hispanic faculty into tenure track
positions at the college with specific reference to and planned involvement with the New England
higher education's minority faculty recruitment and development plan.

(5) Copies of the report shall be furnished to the council on postsecondary education and
the board of education.

hereby amended to read as follows:

16-59-1. Board of governors for higher education established. Council on Postsecondary Education established. -- (a) There is created a board of governors for higher
council on postsecondary education, sometimes referred to as the "board" or the "board of governors" council, which shall be and is constituted a public corporation, empowered to sue and be sued in its own name, to have a corporate seal, and to exercise all the powers, in addition to those specifically enumerated in this chapter, usually appertaining to public corporations entrusted with control of postsecondary educational institutions and functions. The board shall be protected from sudden changes in membership and reversal of policy by having staggered terms for its public members. Upon its organization the board of governors council shall be invested with the legal title (in trust for the state) to all property, real and personal, now owned by and/or under the control or in custody of the board of regents for education for the use of the University of Rhode Island, Rhode Island College, Community College of Rhode Island and the system of community colleges of Rhode Island including all departments, divisions, and branches of these.

(b) The board of governors council is empowered to hold and operate the property in trust for the state; to acquire, hold, and dispose of the property and other like property as deemed necessary for the execution of its corporate purposes. The board of governors council is made successor to all powers, rights, duties, and privileges formerly belonging to the board of regents for education pertaining to postsecondary education and the board of governors for higher education.

c) The board of governors shall consist of thirteen (13) members as follows: twelve (12) public members, appointed pursuant to the terms of § 16-59-2, one of whom shall be a full time student in good standing at the University of Rhode Island, Rhode Island College or the Community College of Rhode Island, and a member of the board of regents for elementary and secondary education designated by the governor.

d) The public members of the board of governors shall not be compensated for their service in attending meetings or duly organized subcommittee meetings of the board.

e) The governor shall designate one of the public members as chairperson of the board of governors. The board may elect from among its members such other officers as it deems necessary. Seven (7) voting members of the board shall constitute a quorum and a majority vote of those present and voting shall be required for action.

c) The council shall be the employer of record for higher education and the office of postsecondary education. It shall retain all authority formerly vested in the board of education regarding the employment of faculty and staff at the public higher education institutions.

16-59-2. Appointment of members of the board of governors for higher education council on postsecondary education. -- Appointment of members of the council on postsecondary education. -- (a) The governor shall...
establish the board of education established pursuant to chapter 16-97 to serve in staggered terms, as members of the council, until the expiration of their term as a member of the board of education and their successor is appointed. In addition the governor shall appoint one (1) student member who shall be a full time student in good standing at the University of Rhode Island, Rhode Island College or the Community College of Rhode Island and who shall serve in a non-voting, ex-officio capacity for a single two (2) year term and shall rotate among the three (3) public institutions. The governor shall appoint the chair of the council on an annual basis from among the eight (8) voting council members. The chair of the board of education shall serve on the council in voting, ex-officio capacity. Five (5) voting members of the council shall constitute a quorum and the vote of a majority of those present and voting shall be required for action. The appointments shall be made for terms of three (3) years commencing on February 1 in the year of the appointment and ending on January 31 in the third (3rd) year thereafter, except in the case of the student member whose appointment shall be for a period of two (2) years.

(b) At the expiration of their terms members shall remain and continue in their official capacity until a new member is appointed and confirmed. Any vacancy among the public members of the board shall be filled by appointment of the governor for the remainder of the unexpired term. In the selection and appointment of members of the board, the governor shall seek persons who best serve the entire needs of the state. Public members shall not be appointed for more than three (3) successive three (3) year terms each; provided, however, that this limitation shall not apply to that person designated as chairperson by the governor who may be a member so long as he or she shall serve as chairperson. Student members shall be appointed by the governor for a single two (2) year term and shall rotate among the three (3) public institutions.

(c) No person shall be eligible for appointment to the board after the effective date of this act [March 24, 2006] unless he or she is a resident of this state.

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

16-59-4. Powers and duties of board, council on postsecondary education. (a) The board of governors for higher education shall have, in addition to those enumerated in § 16-59-1, the following powers and duties:

(1) To approve a systematic program of information gathering, processing, and analysis addressed to every level, aspect, and form of higher education in this state especially as that
information relates to current and future educational needs so that current needs may be met with
reasonable promptness and plans formulated to meet future needs as they arise in the most
efficient and economical manner possible.

(2) To develop and approve a master strategic plan defining implementing broad goals
and objectives for higher education in the state as established by the board of education, including
a comprehensive capital development program. These goals and objectives shall be expressed in
terms of what men and women should know and be able to do as a result of their educational
experience. The board of governors shall continuously evaluate the efforts and results of
education in the light of these objectives.

(3) To formulate broad policy to implement the goals and objectives established and
adopted by the board of governors to adopt standards and require enforcement and to
exercise general supervision over all higher public education in the state and over independent
higher education in the state as provided in subdivision (8) and (9) of this section. The board of
governors education and the council shall not engage in the operation or administration of any
subordinate committee, university, junior college, or community college, except its own office of
higher postsecondary education and except as specifically authorized by an act of the general
assembly; provided, the presidents of each institution of higher learning shall be the chief
administrative and executive officers of that institution; and provided that nothing contained in
this section shall prohibit their direct access to or interfere with the relationship between the
presidents and the board of governors education and the council. The adoption and submittal of
the budget, the approval of tables of organization, the creation, abolition, and consolidation of
departments, divisions, programs, and courses of study, and the acquisition, holding, disposition,
and general management of property shall not be construed to come within the purview of the
preceding prohibition. The board shall communicate with and seek the advice of the
commissioner of higher education and all those concerned with and affected by its determinations
as a regular procedure in arriving at its conclusions and in setting its policy.

(4) To communicate with and seek the advice of the commissioner of postsecondary
education, the presidents of the public higher education institutions and all those concerned with
and affected by its determinations as a regular procedure in arriving at its conclusions and in
setting its policy.

(4) To prepare and maintain a five (5) year funding plan for higher education that
implements the strategic financing recommendations of the board of education; to prepare with
the assistance of the commissioner of higher postsecondary education and to present annually to
the state budget officer in accordance with § 35-3-4 a state higher educational education budget,
which shall include, but not be limited to, the budget of the office of higher postsecondary education and the budget of the state colleges. In the preparation of the budget, the board council shall determine implement the priorities established by the board of education of expenditures for public higher education purposes of state revenues and other public resources made available for the support of higher public education. Prior to submitting the budget to the state budget officer as required by the budget office instructions and this subsection, the council shall present the budget to the board of education for its review and approval. Nothing contained in this subdivision shall authorize the board council to alter the allocation of grants or aid otherwise provided by law.

(5)(6) To maintain an office of higher education postsecondary commissioner; to provide for its staffing and organization; and to appoint manage and oversee a commissioner of higher postsecondary education pursuant to duties and responsibilities defined in § 16-59-6 and § 16-59-7, who shall serve at its pleasure. The commissioner of higher postsecondary education and the office of higher education postsecondary commissioner shall have the duties and responsibilities as defined in §§ 16-59-6 and 16-59-7.

(6)(7) To appoint and dismiss presidents of the public institutions of higher learning with the assistance of the commissioner of higher postsecondary education, and to establish procedures for this, and with the assistance of the commissioner to approve or disapprove vice presidents of the public institutions of higher learning appointed by the respective presidents of the public institutions of higher learning.

(7)(8) To establish other educational agencies or subcommittees necessary or desirable for the conduct of any or all aspects of higher education and to determine all powers, functions, and composition of any agencies or subcommittees and to dissolve them when their purpose shall have been fulfilled.

(8)(9) To exercise the authority vested in the board of regents for education with relation to independent higher educational institutions within the state under the terms of chapter 40 of this title, and other laws affecting independent higher education in the state.

(9)(10) To enforce the provisions of all laws relating to higher education, public and independent.

(10)(11) To be responsible for all the functions, powers, and duties which were vested in the board of regents for education relating to higher education, including but not limited to the following specific functions:

(i) To approve the tables of organization role and scope of programs at public institutions of higher learning with the assistance of the commissioner of higher education postsecondary.
education which shall include but not be limited to populations to be served, the type and level of
programs and academic fields offered.

(ii) To adopt and require standard accounting procedures for the office of higher
education postsecondary commissioner and all public colleges and universities.

(iii) To create, abolish, and consolidate departments, divisions, programs, and courses of
study within the public colleges and universities with the assistance of the commissioner of
higher education after consultation with the presidents.

(iv) To establish approve a clear and definitive mission for each public institution of
higher learning with the assistance of the commissioner of higher education, postsecondary
education that is consistent with the role and scope of programs at the public institutions.

(v) To promote maximum efficiency, economy, and cooperation in the delivery of
public higher educational services in the state and cooperation with independent institutions of
higher education.

(1) To incorporate into its own affirmative action reporting process periodic reports
monitoring specific faculty and staff searches by the chairperson of the search committee to
include the rationale for granting those interviews and the final hiring results. The institutions
must empower its affirmative action officer to monitor searches in this manner, to intervene
during the search, and, when necessary, to cause a search to cease if affirmative action goals are
not being adequately served.

(2) To incorporate a specific category for accountability on affirmative action goals
and implementation as part of the board's annual evaluations and three (3) year reviews for the
presidents of each of the public institutions of higher education.

(3) To make a formal request of the governor that whenever an opportunity arises to
make new appointments to the board, that the governor make every effort to increase the number
of African Americans, Native Americans, Asians, and Hispanics on the board.

(4) Within ninety (90) days after the end of each fiscal year, the board shall submit an
annual report to the governor, the speaker of the house of representatives, and the president of the
senate of its activities during that fiscal year. The report shall provide an operating statement
summarizing meetings or hearings held, subjects addressed, decisions rendered, rules or
regulations promulgated, studies conducted, policies and plans developed, approved, or modified,
and programs administered or initiated; a consolidated financial statement of all funds received
and expended including the source of the funds, a listing of any staff supported by these funds,
and a summary of any clerical, administrative or technical support received; a summary of
performance during the previous fiscal year including accomplishments, shortcomings and
remedies; a synopsis of hearings, complaints, suspensions, or other legal matters related to the
authority of the board; a briefing on anticipated activities in the upcoming fiscal year; and
findings and recommendations for improvements. The director of the department of
administration shall be responsible for the enforcement of the provisions of this subsection.

(15) The board shall conduct a training course for newly appointed and qualified
members within six (6) months of their qualification. The course shall be developed by the
chairperson of the board, approved by the board, and conducted by the chairperson of the board.
The board may approve the use of any board or staff members or other individuals to assist with
training. The training course shall include instruction in the following areas: the provisions of
chapters 42-46, 36-14, and 38-2; and the board's own rules. The director of the department of
administration shall, within ninety (90) days of the effective date of this act [March 24, 2006],
prepare and disseminate training materials relating to the provisions of chapters 42-46, 36-14, and
38-2.

(15) To develop coherent plans for the elimination of unnecessary duplication in public
higher education and addressing the future needs of public education within the state in the most
efficient and economical manner possible.

(16) To delegate to the presidents of each public higher education institution the authority
and responsibility for operational and management decisions related to their institutions,
consistent with the goals of the statewide strategic plan for postsecondary education provided
however that the presidents may be required to provide information or updates to the council
regarding any delegated operational or management decisions.

16-59-6. Commissioner of higher postsecondary education. -- The board council on postsecondary education, with approval of the
board, shall appoint a commissioner of higher postsecondary education, who shall serve at the
pleasure of the board council, provided that his or her initial engagement by the board council
shall be for a period of not more than three (3) years. For the purpose of appointing, retaining, or
dismissing a commissioner of higher postsecondary education, the governor shall serve as an
additional voting member of the board council, and provided that in the case of a tie, the president
of the senate shall cast the deciding vote. The position of commissioner shall be in the
unclassified service of the state and he or she shall serve as the chief executive officer of the
board of governors council on postsecondary education and as the chief administrative officer of
the office of higher education postsecondary commissioner. The commissioner of higher
postsecondary education shall have any duties that are defined in this section and in this title and
other additional duties as may be determined by the board council, and shall perform any other
It shall be the duty of the commissioner of higher postsecondary education:

(1) To develop and implement a systematic program of information gathering, processing, and analysis addressed to every aspect of higher education in the state, especially as that information relates to current and future educational needs.

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

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

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

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

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

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

(8) To recommend to the board of governors, after consultation with the presidents, tables of organization for the public institutions of higher learning.

(9) To annually recommend to the board of governors, council on postsecondary education after consultation with the presidents, the creation, abolition, retention, or consolidation of departments, divisions, programs, and courses of study within the public colleges and
universities to eliminate unnecessary duplication in public higher education and to address the future needs of public higher education in the state, and to advance proposals recommended by the presidents of the public colleges and universities pursuant to sections 16-32-2.1, 16-33-2.1 and 16-33.1-2.1 of the general laws.

(10) To supervise the operations of the office of higher education postsecondary commissioner and any other additional duties and responsibilities that may be assigned by the board council.

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

(12) To be responsible for the administration of policies, rules, and regulations of the board of governors, the council on postsecondary education with relation to the entire field of higher education within the state, not specifically granted to any other department, board, or agency and not incompatible with law.

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

(14) To carry out the policies and directives of the board of governors, education and the council on postsecondary education through the office of higher education postsecondary commissioner and through utilization of the resources of the public institutions of higher learning.

(15) To direct the office of higher education to compile and analyze the following information for presentation to the speaker of the house and the governor by May 1st annually:

(A) A detailed departmental breakdown of all faculty members employed at each state run college and university by rank (including all professors, associate professors, assistant professors, lecturers, instructors) and tenure (tenured and non-tenured, other) and by race (African American, Hispanic, Native American, and Asian) and gender.

(B) A detailed report on current student enrollments for each class at each state run college and university by race and gender, by academic department, and by outreach program (e.g. talent development), guaranteed admissions program, and the current levels of funding and staff support for each of these programs.

(C) A report on the current status of the African and Afro-American studies programs at each institution and a five (5) year budgetary history of the programs along with projections for budgetary support for the next two (2) years.

(D) A plan for recruitment of African American and Hispanic faculty into tenure track positions at each institution with specific reference to and planned involvement with the New
England higher education's minority faculty recruitment and development plan.

(ii) Certified copies of the report shall be furnished to the board of governors and the presidents of the state colleges and universities.

16-59-7.1. Permanent status for non-classified employees. — All non-classified employees of the board of governors council on postsecondary education who shall have twenty (20) years, not necessarily consecutive, of service credit, these credits having been earned in either the classified, non-classified, or unclassified service or any combination of these, shall be deemed to have acquired full status in their positions as the status is defined by § 36-4-59; provided that this provision shall not apply to those employees whose base entry date is after August 7, 1996; and provided that this provision shall not apply to faculty employed by the board of governors council on postsecondary education nor shall it apply to non-classified employees who have acquired tenure as faculty.

16-59-9. Educational budget and appropriations. — (a) The general assembly shall annually appropriate any sums it deems necessary for support and maintenance of higher education in the state and the state controller is authorized and directed to draw his or her orders upon the general treasurer for the payment of the appropriations or so much of the sums that are necessary for the purposes appropriated, upon the receipt by him or her of proper vouchers as the board of governors for higher education council on postsecondary education may by rule provide. The board council shall receive, review, and adjust the budgets budget of its several subordinate committees and agencies and for the office of higher education postsecondary commissioner and present the budget as part of the budget for higher education under the requirements of § 35-3-4.

(b) The office of higher education postsecondary commissioner and the institutions of public higher education shall establish working capital accounts.

(c) Any tuition or fee increase schedules in effect for the institutions of public higher education shall be received by the board of governors council on postsecondary education for allocation for the fiscal year for which state appropriations are made to the board of governors council by the general assembly; provided that no further increases may be made by the board of governors education or the council on postsecondary education for the year for which appropriations are made. Except that these provisions shall not apply to the revenues of housing, dining, and other auxiliary facilities at the University of Rhode Island, Rhode Island College, and the Community Colleges including student fees as described in P.L. 1962, ch. 257 pledged to secure indebtedness issued at any time pursuant to P.L. 1962, ch. 257 as amended.

(d) All housing, dining, and other auxiliary facilities at all public institutions of higher learning shall be self-supporting and no funds shall be appropriated by the general assembly to
pay operating expenses, including principal and interest on debt services, and overhead expenses
for the facilities. Any debt service costs on general obligation bonds presented to the voters in
November 2000 and November 2004 or appropriated funds from the Rhode Island capital plan for
the housing auxiliaries at the University of Rhode Island and Rhode Island College shall not be
subject to this self-supporting requirement in order to provide funds for the building construction
and rehabilitation program. The institutions of public higher education will establish policies and
procedures which enhance the opportunity for auxiliary facilities to be self-supporting, including
that all faculty provide timely and accurate copies of booklist for required textbooks to the public
higher educational institution's bookstore.

(e) The additional costs to achieve self-supporting status shall be by the implementation
of a fee schedule of all housing, dining, and other auxiliary facilities, including but not limited to,
operating expenses, principal, and interest on debt services, and overhead expenses.

16-59-22. Applicability of merit system – Teacher certification – List of positions
transferable to classified service. –-(a) The appointment, promotion, salaries, tenure, and
dismissal of administrative, instructional, and research employees, and secretarial employees not
exceeding ten (10) in number, of the state colleges shall not be subject in any manner or degree to
to control by the personnel administrator or by any officer or board other than the board of
governors for higher education council on postsecondary education. The certification of teachers
at the University of Rhode Island is abolished, except for teachers that elect to come or remain
under it.

(b) All positions that are exempt from the Merit System Law, chapter 4 of title 36, which
become vacant or that are to be established, must be forwarded to the personnel administrator,
who in consultation with the deputy assistant commissioner of education in charge of personnel
and labor relations shall determine whether the position(s) in question shall remain in the board of
governors for higher education council on postsecondary education non-classified service or be
established in the classified service of the state.

(c) No position presently in the classified service of the state subject to the Merit System
Law, chapter 4 of title 36, shall be changed or modified so as to establish the position in the board
of governors for higher education council on postsecondary education non-classified service.

(d) Faculty positions, presidents, vice presidents, deans, assistant deans, and student
employees of the higher education institutions shall not be covered by the preceding provisions
and shall remain in the board of governors for higher education council on postsecondary
education non-classified service.

entitled “Board of Governors for Higher Education” are hereby repealed.

16-59-4.1. Administration of higher education. The director of the department of administration is hereby directed to conduct research and analysis to recommend a revised plan for the organizational structure for higher education governance, staff support and resource allocation in Rhode Island. This plan shall address the goal of improving affordability and accessibility to public higher education; and maximizing efficiencies while providing sufficient support to the governance structure of public higher education. The director of the department of administration is directed to report findings, recommendations and alternative designs to the general assembly no later than November 1, 2011 with copies to the speaker of the house, senate president, chairs of the house and senate finance committees and their respective fiscal advisors.

The report shall include a strategic plan that outlines the mission, goals, and the estimated cost and timelines to implement said recommendations. The report shall provide a clear definition of roles and responsibilities, including those responsible for implementing the proposed recommendations. The analysis shall develop measures of success, and an appropriate timeline to measure implementation progress. It shall also include:

(1) An examination of the various organizational structures in other states, evaluating their strengths and weaknesses, and how they may or may not be applicable in Rhode Island. This should include an evaluation of the best practices regarding organizational structures for higher education.

(2) An analysis of what functions could be allocated to other institutions, and which might be centralized to translate into efficiencies and more effective higher education policy. This should include, but not be limited to, strategies to reorganize and or centralize finance, purchasing, human resources, information technology, and facilities management within an office of higher education, with specific direction on the allocation of resources, staff and responsibilities.

The report should explore the feasibility of permanently allocating all operational activities and other responsibilities currently held within the office of higher education to the three (3) higher education institutions or other viable alternatives while maintaining the board of governors.

All departments and agencies of the state shall furnish such advice and information, documentary or otherwise to the director of the department of administration and its agents as is deemed necessary or desirable to facilitate the purposes of the study.

16-59-8. Operating executive committee. (a) There is established an operating executive committee which shall be composed of the president of the University of Rhode Island.
the president of Rhode Island College, the president of Community College of Rhode Island and
the commissioner of higher education. The commissioner of higher education shall serve as the
chairperson of the committee.

(b) The committee shall meet on a regular basis, provided, that they shall meet not less
than twelve (12) times per year, and the purpose of the committee shall include but not be limited
to developing coherent plans for the elimination of unnecessary duplication in public higher
education and addressing the future needs of public higher education within the state in the most
efficient and economical manner possible. All recommendations and information gathered at the
meetings of the committee shall be forwarded to the board of governors by the commissioner of
higher education in conjunction with the presidents for approval and disapproval.

(c) Prior to the presentation of any proposal to the board of governors, the committee
shall fully examine its impact on higher education, including but not limited to its impact on
educational budgetary requirements, quality of higher education and elimination of unnecessary
duplication. The chairperson of the committee may invite additional participation by faculty and
other employees when he or she deems it necessary.

SECTION 7. Sections 16-60-1, 16-60-2, 16-60-4 and 16-60-6 of the General Laws in
Chapter 16-60 entitled "Board of Regents for Elementary and Secondary Education” are hereby
amended to read as follows:

16-60-1. Board council on elementary and secondary education established. -- (a)
There is created a board of regents for elementary and secondary education sometimes referred to
as the “regents” or the “board of regents,” council on elementary and secondary education which
shall be and is constituted a public corporation, empowered to sue and be sued in its own name, to
have a corporate seal, and to exercise all the powers, in addition to those specifically enumerated
in this chapter, usually appertaining to public corporations entrusted with control of elementary
and secondary education institutions and functions. The regents council on elementary and
secondary education shall be protected from sudden changes in membership and reversal of
policy by having staggered terms for its public members.

(b) Upon its organization the board of regents council on elementary and secondary
education shall be invested with the legal title (in trust for the state) to all property, real and
personal, now owned by and/or under the control or in the custody of the board of regents for
education for the use of the department of elementary and secondary education. The board of
regents council on elementary and secondary education is made successor to all powers, rights,
duties, and privileges pertaining to elementary and secondary education.

(c) The board of regents for elementary and secondary education shall consist of ten (10)
members as follows: Eight (8) public members appointed pursuant to the terms of subsection 16-60-2(a), one student member who shall be ex officio and nonvoting elected pursuant to the provisions of subsection 16-60-2(d), and a member of the board of governors for higher education designated by the governor. Five (5) voting members of the board shall constitute a quorum and the vote of a majority of those present and voting shall be required for action.

The public members of the board of regents shall not be compensated for service in attending meetings or duly organized subcommittee meetings of the board at which business is transacted.

d. The governor shall designate one of the public members as chairperson of the board of regents. The board may elect from among its members such other officers as it deems necessary.

c. The council on elementary and secondary education is made successor to all powers, rights, duties, and privileges formerly belonging to the board of regents for elementary and secondary education, unless otherwise specified in law.

16-60-2. Appointment of board members. -- (a) The governor shall with the advice and consent of the senate establish the board by appointing eight (8) members to serve staggered terms. The appointments shall be made for terms of three (3) years commencing on February 1 in the year of appointment and ending on January 31 in the third (3rd) year after this, except, at the expiration of their terms members shall remain and continue in their official capacity until a new member is appointed and confirmed. Any vacancy among the public members of the board shall be filled by appointment of the governor for the remainder of the unexpired term. In the selection and appointment of members of the board the governor shall seek persons who best serve the entire needs of the state. Public members shall not be appointed for more than three (3) successive three (3) year terms each; provided, that this limitation shall not apply to that person designated as chairperson by the governor who may be a member so long as he or she shall serve as chairperson, establish the council on elementary and secondary education by appointing eight (8) members of the board of education established pursuant to chapter 16-97 to serve as members of the council until the expiration of their term and appointment of their successor as a member of the board of education. The chair of the board of education shall serve on the council in a voting, ex-officio capacity. Five (5) voting members of the council shall constitute a quorum and the vote of the majority of those present and voting shall be required for action. The governor shall appoint the chair of the council on an annual basis from among the eight (8) council members.

(b) No person shall be eligible for appointment to the board after the effective date of this act [March 24, 2006] unless he or she is a resident of this state.
(c) Members of the board shall be removable by the governor pursuant to the provisions of § 36-1-7 of the general laws and for cause only, and removal solely for partisan or personal reasons unrelated to capacity or fitness for the office shall be unlawful.

(d) (c) There is hereby established a student advisory council to the board of regents council on elementary and secondary education, consisting of one elected high school student representative from each public secondary school in the state of Rhode Island.

(1) Each public secondary school shall hold elections for its representative to the student advisory council no earlier than the first (1st) day of March and no later than the end of the second (2nd) full week of April. Each school shall elect only one representative. Elected members shall be notified of their election on or before the Friday of the third (3rd) week of April of the year of their election. No person shall be eligible to be elected to the student advisory council unless at the time of his or her election he or she is enrolled as a student in a secondary school between the grades of nine (9) and eleven (11) within the state of Rhode Island. No person shall be allowed to vote if they are not currently enrolled in a Rhode Island public secondary school between the grades of nine (9) and eleven (11). If at any time during his or her term of office a member of the student advisory council ceases to be so enrolled, his or her membership shall be terminated and his or her position shall be deemed vacant. This vacancy shall be filled by the public secondary school within thirty (30) school days of the opening of the vacancy.

(2) The student advisory council will serve from the first (1st) day of May of the year it is elected until the last day of April of the following year. A student may serve no more than three (3) terms.

(3) Said student advisory council shall meet from time to time and shall consider such matters as it deems appropriate.

(4) Prior to the first (1st) day of June of each annual session the student advisory council shall adopt a set of bylaws.

(5) Members of the council shall not be compensated for service in attending meetings except that they shall be reimbursed for necessary expenses incurred in travelling to and from meetings.

(6) The members of said student advisory council shall, by majority vote prior to the first (1st) day of June in each year, elect from their members a chairperson who shall serve for a term of one year beginning on the first (1st) day of June. Said chairperson shall serve as an ex officio and nonvoting member of the board of regents council for a term of one year, unless the student advisory council removes said chairperson from his or her position in a manner described within the bylaws of that council and/or if he or she is otherwise removed by the governor.
16-60-4. Board of regents for elementary and secondary education. Council on elementary and secondary education—Powers and duties. -- The board of regents for elementary and secondary education Council on Elementary and Secondary Education shall have in addition to those enumerated in § 16-60-1, the following powers and duties:

(1) To approve a systematic program of information gathering, processing, and analysis addressed to every aspect of elementary and secondary education in this state especially as that information relates to current and future educational needs so that current needs may be met with reasonable promptness and plans formulated to meet future needs as they arise in the most efficient and economical manner possible.

(2) To approve a master plan defining implementing the broad goals and objectives for elementary and secondary education in the state that have been established by the board of education. These goals and objectives shall be expressed in terms of what men and women should know and be able to do as a result of their educational experience. The regents council on elementary and secondary education shall continually evaluate the efforts and results of education in the light of these objectives.

(3) To formulate broad policy to implement the goals and objectives established and adopted by the board of regents; to adopt standards and require enforcement and to exercise general supervision over all elementary and secondary public and nonpublic education in the state as provided in subdivision (8) of this section. The board of regents council on secondary education shall not engage in the operation or administration of any subordinate committee, local school district, school, school service, or school program, except its own department of elementary and secondary education, and except as specifically authorized by an act of the general assembly. The adoption and submittal of the budget and the allocation of appropriations, the acquisition, holding, disposition, and general management of property shall not be construed to come within the purview of the preceding prohibition. The regents council on elementary and secondary education shall communicate with and seek the advice of the commissioner of elementary and secondary education and all those concerned with and affected by its determinations as a regular procedure in arriving at its conclusions and in setting its policy.

(4) To allocate and coordinate the various educational functions among the educational agencies of the state and local school districts and to promote cooperation among them so that maximum efficiency and economy shall be achieved.

(5) To prepare with the assistance of the commissioner of elementary and secondary education and to present annually to the state budget officer, in accordance with § 35-3-4, a total educational budget for the elementary and secondary sector which shall include, but not be
limited to, the budgets of the department of elementary and secondary education, subordinate
boards and agencies, and state aid to local school districts. Prior to submitting the budget as
required by the budget office instructions and this subsection the council shall present the budget
to the board of education for review and approval.

(ii) In the preparation of the budget, the regents council on elementary and secondary
education shall determine implement the priorities established by the board of education of
expenditures for elementary and secondary education purposes of state revenues and other public
resources made available for the support of public elementary and secondary education among
the various education agencies of the state. Nothing contained in this section shall authorize any
individual or group of individuals to reallocate resources in a manner other than that prescribed in
the budget as appropriations by the general assembly.

(6) To maintain a department of elementary and secondary education, to provide for its
staffing and organization and to appoint a commissioner of elementary and secondary education
pursuant to § 16-60-6 who shall serve at its pleasure. The commissioner of elementary and
secondary education and the department of elementary and secondary education shall have any
duties and responsibilities as defined in §§ 16-60-6 and 16-60-7.

(7) To establish other educational agencies or subcommittees necessary or desirable for
the conduct of any or all aspects of elementary and secondary education and to determine all
powers, functions, and composition of any agencies or subcommittees and to dissolve them when
their purpose shall have been fulfilled; provided that nothing contained in this subdivision shall
be construed to grant the regents council the power to establish subcommittees or agencies
performing the duties and functions of local school committees except as provided in § 16-1-10.

(8) To exercise the authority previously vested in the board of regents for education with
relation to secondary nonpublic educational institutions within the state under the terms of
chapter 40 of this title and other laws affecting nonpublic education in the state, and to cause the
department of elementary and secondary education to administer the provisions of that section.

(9) To exercise all the functions, powers and duties which previously were vested in the
board of regents for education, under the provisions of former § 16-49-4(9), including but not
limited to the following specific functions:

(i) To approve the basic subjects and courses of study to be taught and instructional
standards required to be maintained in the public elementary and secondary schools of the state.

(ii) To adopt standards and qualifications for the certification of teachers and to provide
for the issuance of certificates, and to establish fees for the certification of teachers. The fees
collected for the certification of teachers along with various education licensing and testing fees
shall be deposited by the board of regents council on elementary and secondary education as general revenues. The funds appropriated by the general assembly shall be utilized by the department of elementary and secondary education to establish and support programs which enhance the quality and diversity of the teaching profession. The commissioner of elementary and secondary education shall regularly make recommendations to the board about specific programs and projects to be supported by those funds. The commissioner shall oversee the funds, assess the effectiveness of its programs and projects, and make recommendations about the general use and operation of the funds to the board.

(iii) To be responsible for the distribution of state school funds.

(iv) To determine the necessity of school construction and to approve standards for design and construction of school buildings throughout the state.

(v) To set standards for school libraries and school library services.

(vi) To make recommendations relative to transportation of pupils to school, school bus routes, time schedules, and other matters relating to pupil transportation.

(vii) To enforce the provisions of all laws relating to elementary and secondary education.

(viii) To decide and determine appeals from decisions of the commissioner.

(ix) To prescribe forms for the use of local school committees and local officers when reporting to the department of elementary and secondary education.

(x) To adopt and require standard accounting procedures for local school districts, except as provided for in subdivision (3) of § 16-24-2.

(xi) To adopt and require standard uniform operating and capital budgeting procedures for local school districts.

(10) To establish rules for the approval and accrediting of elementary and secondary schools.

(11) To recommend to the general assembly changes in the size and number of the school districts within the state; and to make any further and other recommendations to the general assembly as the board of regents council on elementary and secondary education may determine to be necessary or desirable, including, but not limited to, proposals for incentives for the coordination of services and facilities of certain school districts and the feasibility of granting taxing authority to local school committees upon their request, and the impact upon the quality of education within that particular community by granting the request. In carrying out this duty, the board of regents council on elementary and secondary education shall periodically issue reports in school district organizations for selected regions and school districts.

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(12) To exercise all other powers with relation to the field of elementary and secondary education within this state not specifically granted to any other department, board, or agency, and not incompatible with law, which the board of regents for elementary and secondary education council on elementary and secondary education may deem advisable.

(13) To exercise the authority previously vested in the board of regents for education with relation to adult education as defined in § 16-58-2 and to establish definitive goals for and operate a comprehensive delivery system for adult education programs and services, including the counseling and testing of persons interested in obtaining high school equivalency diplomas, the issuance of diplomas, and the maintenance of a permanent record of applications, tests, and equivalency diplomas.

(14) To promote maximum efficiency and economy in the delivery of elementary and secondary educational services in the state.

(15) To approve a training program for school committee members to enhance their individual skills and their effectiveness as a corporate body. The training program should include, but not be limited to, the following roles and responsibilities of school committees: strategic planning, human and community relations, and school finance and budgeting.

(16) Within ninety (90) days after the end of each fiscal year, the board shall submit an annual report to the governor, the speaker of the house of representatives, and the president of the senate of its activities during that fiscal year. The report shall provide: an operating statement summarizing meetings or hearings held, subjects addressed, decisions rendered, rules or regulations promulgated, studies conducted, policies and plans developed, approved, or modified, and programs administered or initiated; a consolidated financial statement of all funds received and expended including the source of the funds, a listing of any staff supported by these funds, and a summary of any clerical, administrative or technical support received; a summary of performance during the previous fiscal year including accomplishments, shortcomings and remedies; a synopsis of hearings, complaints, suspensions, or other legal matters related to the authority of the board council; a briefing on anticipated activities in the upcoming fiscal year; and findings and recommendations for improvements. The director of the department of administration shall be responsible for the enforcement of the provisions of this subsection.

(17) To prepare with the assistance of the commissioner a multi-year plan of priority educational goals and objectives. This plan should recommend policy objectives, implementation strategies, and a timetable for major policy initiatives.

(18) Each year the governor shall by writing notify the board of regents for elementary and secondary education council on elementary and secondary education concerning broad
economic, cultural, and social needs that the education system needs to consider which the board
shall address in developing educational plans and programs.

(19) Appoint a standing committee that will develop a schedule to systematically review
all board council policies over a three (3) year period.

(20) To prepare with the assistance of the commissioner a statement of regulatory policy.
This policy should set forth the goals and objectives of state regulations which are expressed in
terms of what educational inputs and outputs the board expects regulations to address.

(21) To prepare with the assistance of the commissioner of elementary and secondary
education and to present annually to the general assembly by January 1 a report on school
discipline in Rhode Island schools. This report shall include:

(A) Expulsions by district, including duration and the reason for each action.

(B) Suspensions by district, including duration and the reason for each action.

(C) Placements to alternative programs for disciplinary reasons.

(D) Assaults of teachers, students, and school staff by students.

(E) Incidents involving possession of weapons on school property. For the purpose of this
section, a weapon shall be considered any of those weapons described in §§ 11-47-2 and 11-47-42.

(F) Incidents of the sale of controlled substances by students.

(G) Incidents of the possession with the intent to sell controlled substances by students.

(H) Additional demographic information including, but not limited to, the ethnic and
racial classifications, age, and gender, as prescribed by the commissioner, of each of the students
involved in the incidents, events or actions described in subparagraphs (A) through (G) of this
subdivision.

(I) A description of the education program provided to each student suspended for over
ten (10) consecutive school days in a school year.

(ii) All school superintendents shall supply the necessary information on forms
established by the commissioner of elementary and secondary education to the board of regents
council on elementary and secondary education to assist in the preparation of the board of regents'
council's report on school discipline.

(22) To prepare and promulgate a uniform statewide school reporting system which
would provide information including, but not limited to, the following:

(i) Student and teacher attendance rates;

(ii) Standardized test scores;

(iii) Demographic profiles;
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(iv) Results of polls of students, parents, and teachers;

(v) Descriptions of goals, initiatives, and achievements;

(vi) Best teaching practices;

(vii) Alternative student assessments;

(viii) Special programs;

(ix) Number of student suspensions and teacher grievances and the amount of parental involvement.

(23) The board shall conduct a training course for newly appointed and qualified members within six (6) months of their qualification. The course shall be developed by the chairperson of the board, approved by the board, and conducted by the chairperson of the board. The board may approve the use of any board or staff members or other individuals to assist with training. The training course shall include instruction in the following areas: the provisions of chapters 42-46, 36-14, and 38-2; and the board's own rules. The director of the department of administration shall, within ninety (90) days of the effective date of this act, prepare and disseminate training materials relating to the provisions of chapters 42-46, 36-14, and 38-2.

16-60-6. Commissioner of elementary and secondary education. -- The regents council on elementary and secondary education, with the advice and consent of the board of education, shall appoint a commissioner of elementary and secondary education who shall serve at the pleasure of the regents council on elementary and secondary education, provided that the commissioner's initial engagement by the regents council shall be for a period of not more than three (3) years. For the purpose of appointing, retaining, or dismissing a commissioner, the governor shall serve as an additional voting member of the board of regents council on elementary and secondary education, and provided that in the case of a tie, the president of the senate shall cast the deciding vote. The position of commissioner shall be in the unclassified service of the state and he or she shall serve as the chief executive officer of the board of regents council on elementary and secondary education and as the chief administrative officer of the department of elementary and secondary education. The commissioner of elementary and secondary education shall have the duties that are defined in this section and in this title and any other additional duties that may be determined by the regents council on elementary and secondary education, and shall perform any other duties that may be vested in the commissioner by law. In addition to the general supervision of the department of elementary and secondary education and the appointment of the several officers and employees of the department, it shall be the duty of the commissioner of elementary and secondary education:

(1) To develop and implement a systematic program of information gathering,
processing, and analysis addressed to every aspect of elementary and secondary education in the
state, especially as that information relates to current and future educational needs.

(2) To prepare a master plan for elementary and secondary education in the state; to
coordinate the goals and objectives of the public elementary and secondary education sector with
the activities of the nonpublic elementary and secondary education sector where feasible.

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

(4) To implement broad policy as it pertains to the goals and objectives established by the
regents board of education; to enforce standards and to exercise general supervision over public
elementary and secondary education in the state and over all elementary and secondary nonpublic
education in the state as provided in subdivision (8) of this section; to assist in the preparation of
the budget for elementary and secondary education and to be responsible upon direction of the
regents council on elementary and secondary education for the allocation of appropriations, the
acquisition, holding, disposition, and general management of property.

(5) To be responsible for the coordination of the various elementary and secondary
educational functions among the educational agencies of the state including local school districts
and to encourage and to assist in the cooperation among them so that maximum efficiency and
economy may be achieved.

(6) To assist the regents council on elementary and secondary education in the
preparation and presentation annually to the state budget officer, in accordance with § 35-3-4, of
a total state elementary and secondary educational budget which shall include, but not be limited
to, the budget of the department of elementary and secondary education, subcommittees and
agencies, and state aid to local school districts.

(7) To supervise the operation of the department of elementary and secondary education,
to have the duties as defined in § 16-1-5 and in this title or in law wherever outlined, and other
additional duties and responsibilities that may be assigned by the regents council on elementary
and secondary education.

(8) To perform the duties vested in the board of regents education and council on
elementary and secondary education with relation to nonpublic elementary and secondary
educational institutions within the state under the terms of chapter 40 of this title, and other laws
that affect nonpublic elementary and secondary education in the state.

(9) To supervise the following specific functions:

(i) To recommend the basic subjects and courses of study to be taught and instructional
standards to be maintained in the public elementary and secondary schools in the state.
(ii) To recommend standards and qualifications of teachers and to issue certificates upon
approval of standards and qualifications by the regents council on elementary and secondary
education.

(iii) To distribute state school funds in accordance with law and regulations of the board
of regents council on elementary and secondary education.

(iv) To certify as to the necessity of school construction and that standards and design are
in accordance with law and regulations of the regents council on elementary and secondary
education and to approve a design for school construction throughout the state.

(v) To certify that school library standards and services are in accordance with law and
regulations of the board of regents council on elementary and secondary education.

(vi) To recommend to the board of regents council on elementary and secondary
education relating to the transportation of pupils to school.

(vii) To require the observance of all laws relating to elementary and secondary schools
and education.

(viii) To interpret school law and to decide any controversies that may be appealed to him
or her from decisions of local school committees.

(ix) To prepare and recommend standard forms for the use of local schools when
reporting to the department of elementary and secondary education.

(x) To prepare standard accounting and auditing procedures for local school districts,
except for the purposes of subdivision (3) of § 16-24-2 which shall be done in conjunction with
the auditor general.

(xi) To prepare uniform budgeting procedures for local school districts.

(xii) To determine when special purpose grants made to local school districts shall be
eligible for reimbursement through the school operations aid formula in accordance with chapter
7 of this title, and to designate the purpose(s) for which the local school district may use the
school operations aid reimbursement, including reimbursement on local matching funds used to
support the special purpose grant. The commissioner shall promulgate and adopt rules and
regulations to carry out the intent of this subsection.

(10) To approve and accredit elementary and secondary schools in accordance with the
policy and regulations of the board of regents council on elementary and secondary education.

(11) To be responsible for the administration of policies, rules, and regulations of the
board of regents education and the council on elementary and secondary education with relation
to the entire field of elementary and secondary education within the state not specifically granted
to any other department, board, or agency and not incompatible with law.
(12) To receive from law enforcement agencies a list periodically of the names of Rhode
Island missing children and to disseminate these lists to local school districts.

SECTION 8. Sections 16-97-1 and 16-97-6 of the General Laws in Chapter 16-97
entitled “The Rhode Island Board of Education Act” are hereby amended to read as follows:

16-97-1. Rhode Island board of education established. -- (a) Effective January 1, 2013,
there is created a board of education which shall be and is constituted a public corporation,
empowered to sue and be sued in its own name, to have a corporate seal, and to be vested with all
the powers and duties currently vested in the board of governors for higher education established
in chapter 16-59 and the board of regents for elementary and secondary education established in
chapter 16-60, be responsible for and shall exercise the purposes, powers and duties as defined in
this chapter and chapters 16-59 and 16-60 of the general laws. The Board is responsible for the
coordination of education from pre-k through higher education and shall set goals and policies for
the effective coordination of these public education systems.

(b) Upon its organization, the board of education shall be vested with the legal title (in
trust for the state) to all property, real and personal, now owned by and/or under the control or in
the custody of the board of governors for higher education and the board of regents for
elementary and secondary education, for the use of the board of education. The board of
education is hereby designated successor to all powers, rights, duties, and privileges pertaining to
the board of regents for elementary and secondary education and the board of governors for
higher education.

(c) The board of education shall consist of eleven (11) seventeen (17) public members
appointed by the governor with the advice and consent of the senate, eight (8) of whom shall be
designated to serve on the council for elementary and secondary education and eight (8) of who
shall be designated to serve on the council for postsecondary education. The chairperson of the
board shall serve as a member of both councils. Four (4) Six (6) of the members initially
appointed pursuant to this section shall serve terms of three (3) years; four (4) six (6) members
initially appointed pursuant to this section shall serve terms of two (2) years; and, three (3) four
members initially appointed pursuant to this section shall serve terms of one year. To the
greatest extent possible, the initial staggered terms shall be equitably divided among the councils
so as to protect against sudden changes in membership and reversal of policy. Thereafter, all
members appointed pursuant to this section shall serve terms of three (3) years. At the expiration
of their terms, members shall remain and continue in their official capacity until their successor is
appointed and qualified. Members shall not be appointed to more than three (3) successive three
year terms each; provided that the chair of the board shall have no term and shall serve at the
pleasure of the governor. Any vacancy among the members of the board shall be filled by
appointment of the governor for the remainder of the unexpired term. In the selection and
appointment of the board, the governor shall seek persons who best serve the needs of the entire
state. No person shall be eligible for appointment to the board after the effective date of this act,
unless a resident of this state. No board member shall be appointed to serve more than two (2)
three (3) year terms. Members of the board shall not be compensated for their service in attending
board or council meetings.

(c) The chair of the Governor's Workforce Board, or designee, and the chair of the Rhode
Island Commerce Corporation, or designee, shall serve as non-voting, ex-officio members of the
board.

(d) The governor shall select from the appointed members a chairperson and vice
chairperson. A quorum shall consist of six (6) nine (9) members of the board. A majority vote of
those present shall be required for action.

(e) Except as provided by subsection (b) of this section, members of the board shall be
removable by the governor for cause only. Removal solely for partisan or personal reasons
unrelated to performance, capacity or fitness for the office shall be unlawful.

(e) The statutory responsibilities of the department of elementary and secondary
education, the commissioner of elementary and secondary education, and the commissioner of
higher postsecondary education shall remain unchanged. No later than July 1, 2013, the board of
education shall submit to the governor and the general assembly its final plan for the permanent
administrative structure for higher education. As a requisite element of the administrative
structure for higher education, the board of education shall establish a plan for distributing the
assets, responsibilities, powers, authorities, and duties of the office of higher education to the
three (3) higher education institutions and appropriate state agencies. Said distribution shall be
done in a manner designed to maximize efficiency, provide greater articulation of the respective
responsibilities of elementary and secondary and higher education, and ensure that students are
prepared to succeed in school, college, careers, and life. The permanent governance structure for
higher education shall, at a minimum: (1) Provide clear guidance on statutory, legal, financial and
contractual obligations; (2) Establish a policy framework that furthers the goals of this chapter;
and (3) Establish appropriate administrative structures, support, policies and procedures.
Effective July 1, 2014, the office of higher education shall be abolished.

(g) The chair of the board of education shall consult with the chairs of the council on
elementary and secondary education, the council on postsecondary education, the commissioner
of elementary and secondary education, and the commissioner of postsecondary education in
developing agendas, goals, policies and strategic plans for the board.

16-97-6. Reporting requirements. -- The board shall submit periodic reports in an annual report to the governor, speaker of the house, senate president, chairs of the house and senate finance committees and their respective fiscal advisors, the chair of the house health, education and welfare committee, and chair of the senate education committee no later than March 1, 2015 and every March 1 thereafter on its progress towards implementation of this chapter. The first report shall be submitted no later than April 1, 2013 and quarterly thereafter until January 1, 2014. It shall submit a report annually thereafter through 2018.

SECTION 9. Chapter 16-97 of the General Laws entitled "The Rhode Island Board of Education Act" is hereby amended by adding thereto the following sections:

16-97-1.1. Purposes of the board of education. -- The Rhode Island Board of Education shall be responsible for long-range planning and for coordinating and evaluating policies and programs for the public educational systems of the state. The general assembly finds and declares that the board of education shall have the following purposes:

(a) To develop and adopt educational, financial and operational goals for the education systems of the state that represent achievable benchmarks for a ten (10) year and (20) twenty (20) year time frame and that can be implemented by the council on elementary and secondary education, the council on postsecondary education, and the commissioners for elementary and secondary education and postsecondary education;

(b) To ensure that the education systems of the state are aligned with the projected opportunities in workforce development and economic development and that the education systems are preparing students to participate in the future workforce of Rhode Island;

(c) To coordinate programs and courses of study and promote collaboration between and among pre-kindergarten through higher education institutions and agencies, including, but not limited to:

(1) improving career and college readiness;
(2) reducing the need for remedial instruction;
(3) implementing and coordinating common core and other system wide standards;
(4) ensuring a quality system for adult education and certification programs in secondary school and college;

(d) To present strategic budget and finance recommendations to the council on elementary and secondary education and council on postsecondary education that are aligned with the long-range goals adopted by the board.

16-97-1.2. Powers and duties of the board of education. -- The board of education...
shall have the following powers and duties:

(a) To develop and adopt a strategic plan defining broad goals and objectives for education in the state. These goals and objectives shall be expressed in terms of the future educational attainment of the population, quality of life and economy of Rhode Island, including but not limited to what children, men and women should know and be able to do as a result of their educational experience and the contributions of education to meeting the workforce and economic development needs of Rhode Island. The board shall approve the strategic plans for elementary and secondary education and postsecondary education in terms of the alignment of these strategic plans with the overall strategic plan of the board of education. The board shall continuously evaluate the efforts of the council on elementary and secondary education and the council on postsecondary education to implement the strategic plans and shall review the results of education in the light of these objectives;

(b) To prepare and maintain a five (5) year strategic funding plan for all levels of education in Rhode Island. The board shall determine priorities of expenditures for public education purposes of state revenues and other public resources made available for the support of public education and direct the council on elementary and secondary education and the council on postsecondary education to implement those priorities when developing the annual budget for elementary and secondary education and higher education. The councils shall present their annual budgets to the board for its review and approval. Nothing contained in this subdivision shall authorize the board to alter the allocation of grants or aid otherwise provided by law;

(c) To develop and submit to the general assembly for approval a performance funding formula for public higher education that furthers the purposes of the board and ensures that all students may achieve educational excellence;

(d) To develop policies that maximize the potential of collaboration from elementary and secondary education through higher education systems and that improve efficiencies at all levels of the education system through improved coordination of activities;

(e) To embrace the legislative findings regarding virtual education established by section 16-22.1-2 of the general laws and adopt goals and policies that address these findings and to encourage the council on elementary and secondary education and the council for postsecondary education to develop and or improve virtual learning experiences for Rhode Island students;

(f) To approve the appointment of a commissioner of elementary and secondary education,

(g) To approve the appointment of a commissioner of postsecondary education,

(h) To conduct a training course for newly appointed and qualified board members within
six (6) months of their qualification. The course shall be developed by the chairperson of the board, approved by the board, and conducted by the chairperson of the board. The board may approve the use of any board or staff members or other individuals to assist with training. The training course shall include instruction in the following areas: the provisions of chapters 42-46, 36-14, and 38-2; and the board's own rules.

SECTION 10. Sections 16-97-2 and 16-97-3 of the General Laws in Chapter 16-97 entitled "The Rhode Island Board of Education Act" are hereby repealed.

16-97-2. Executive agents of the state board of education. The state board of education shall appoint a Commissioner of Elementary and Secondary Education who shall be the board's executive agent in matters pertaining to elementary and secondary education and who shall have the duties established in R.I.G.L. 16-60-6. The state board of education shall also appoint a Commissioner of Higher Education who shall be the board's executive agent in matters pertaining to higher education and who shall have the duties established in R.I.G.L. 16-59-6. The Commissioners shall be employees of the board in the unclassified service and shall not be members of the board and shall serve at the pleasure of the board.

16-97-3. Executive committee of education. (a) There is established an executive committee of education that shall be composed of the president of the University of Rhode Island, the president of Rhode Island College, the president of Community College of Rhode Island, the commissioner of higher education, and the commissioner of elementary and secondary education. The commissioner of higher education shall serve as the chairperson of the committee.

(b) The committee shall meet on a regular basis, provided, that they shall meet not less than twelve (12) times per year, and the purpose of the committee shall include, but not be limited to, developing coherent plans for the elimination of unnecessary duplication in public education and addressing the future needs of public education within the state in the most efficient and economical manner possible. All recommendations and information gathered at the meetings of the committee shall be forwarded to the board of education for final action of the board of education.

(c) Prior to the presentation of any proposal to the board of governors, the committee shall fully examine its impact on public education, including, but not limited to, its impact on educational budgetary requirements, quality of education and elimination of unnecessary duplication. The chairperson of the committee may invite additional participation by faculty and other employees when he or she deems it necessary.

SECTION 11. This article shall take effect upon passage.
ARTICLE 21 AS AMENDED

RELATING TO TRANSPORTATION

SECTION 1. Sections 24-12-26 and 24-12-40.0 of the General Laws in Chapter 24-12 entitled "Rhode Island Turnpike and Bridge Authority" are hereby amended to read as follows:

24-12-26. Power to collect tolls and charges -- Gasoline and service concessions. -- (a)

The authority is hereby authorized, subject to the provisions of this chapter, to fix, revise, charge and collect tolls for the use of the Newport Bridge, the Mount Hope Bridge, the Sakonnet River Bridge (subject to federal regulations and approvals), the turnpike and the different parts or sections thereof, and for the use of any additional facility and the different parts or sections thereof, and to contract with any person, partnership, association or corporation for placing on any project telephone, telegraph, electric light or power lines, gas stations, garages, and restaurants if deemed necessary by the authority in connection with the project, or for the use of any project or part thereof, including the right-of-way adjoining the paved portion of the turnpike or of any additional facility or for any other purposes and to fix the terms, conditions, rents and rates of charges for such use; provided, that the authority shall construct any gasoline service facilities which it may determine are needed on the project, and provided, further, that, to afford users of the project a reasonable choice of motor fuels of different brands, each gasoline service station shall be separately offered for lease upon sealed bids and, after notice of the offer has been published once a week in three (3) consecutive weeks in a newspaper having general circulation in the state, and, in the event an acceptable bid shall be received in the judgment of the authority, each lease shall be awarded to the highest responsible bidder therefor, but no person shall be awarded or have the use of, nor shall motor fuel identified by the trade-marks, trade names, or brands of any one supplier, distributor, or retailer of such fuel be sold at more than one service station if they would constitute more than twenty-five percent (25%) of the service stations on the project. Notwithstanding the provisions of this section, members of the town of Jamestown police and fire department and ambulance service personnel of the town of Jamestown and Jamestown school department who, in the course of their duty, are required to pay a toll for use of the Newport Bridge, shall, upon the presentment of receipts for the payment of the toll to the town of Jamestown, be reimbursed for all charges on an annual basis by the town of Jamestown who in turn shall be reimbursed for all payments made by the state. Notwithstanding the provisions of...
this section, members of the city of Newport police and fire department and rescue personnel
who, in the course of their duty, are required to pay a toll for use of the Newport Bridge, shall,
upon the presentment of receipts for the payment of the toll to the city of Newport, be reimbursed
for all charges on an annual basis by the city of Newport who in turn shall be reimbursed for all
payments made by the state.

(b) Notwithstanding the provisions of this section, members of the police and fire
department and rescue personnel of any city or town in this state who, in the course of their duty,
are required to pay a toll for use of the Mount Hope Bridge or the Sakonnet River Bridge, shall,
upon the presentment of receipts for the payment of the toll to their town or city, be reimbursed
for all such charges on an annual basis by the town or city, who in turn shall be reimbursed for all
payments made by the state.

24-12-40.F. Title to Sakonnet River Bridge vested in Rhode Island turnpike and
Bridge authority -- Institution of tolls. -- All powers, control, and jurisdiction of and title to the
Sakonnet River Bridge is authorized to be transferred to the Rhode Island turnpike and bridge
authority. Beginning August 19, 2013, and concluding on June 30, 2014 the authority may charge
and collect tolls for the use of the Sakonnet River Bridge to provide funds sufficient with any
other monies available therefor for paying the costs of acquiring, leasing, maintaining, repairing
and operating, the Jamestown Verrazano Bridge, the Mount Hope Bridge, the Newport Bridge,
and the Sakonnet River Bridge, the turnpike and additional facilities. Provided, however, until
April 1, June 30, 2014, the toll imposed on the Sakonnet River Bridge shall not exceed ten cents
($0.10).

SECTION 2. Section 31-3.1-6 of the General Laws in Chapter 31-3.1 entitled
"Certificates of Title and Security Interests" is hereby amended to read as follows:

31-3.1-6. Issuance and records. -- (a) The division of motor vehicles shall file each
application received and, when satisfied as to its genuineness and regularity and that the applicant
is entitled to the issuance of a certificate of title, shall issue, upon payment of a fee of fifty dollars
($50.00), a certificate of title of the vehicle.

(b) The division of motor vehicles shall maintain a record of all certificates of title issued
by it:

(1) Under a distinctive title number assigned to the vehicle;

(2) Under the identifying number of the vehicle;

(3) Alphabetically, under the name of the owner; and

(4) At the discretion of the division of motor vehicles, in any other method it determines.

(c) Title searches, lien searches, and other transactions not cited and involving titles shall
be conducted upon payment of a fee of fifty dollars ($50.00).

(d) Beginning in fiscal year 2015 all fees collected pursuant to this section shall be deposited into the Rhode Island highway maintenance account.

SECTION 3. Section 31-34.1-2 of the General Laws in Chapter 31-34.1 entitled "Rental Vehicle Surcharge" is hereby amended to read as follows:

31-34.1-2. Rental vehicle surcharge. -- (a) Each rental company shall collect, at the time a motor vehicle is rented in this state, on each rental contract, a surcharge equal to eight percent (8.0%) of gross receipts per vehicle on all rentals for each of the first thirty (30) consecutive days. The surcharge shall be computed prior to the assessment of any applicable sales taxes, provided, however, the surcharge shall be subject to the sales tax.

(b) The surcharge shall be included on the rental contract and collected in accordance with the terms of the rental contract. Sixty percent (60%) of the surcharge shall be retained by the rental company in accordance with this section and subsection (c), and forty percent (40%) of the surcharge shall be remitted to the state for deposit in the general fund, on a quarterly basis in accordance with a schedule adopted by the tax administration. Each rental company collecting and retaining surcharge amounts may reimburse itself in accordance with this section from the funds retained for the total amount of motor vehicle licensing fees, title fees, registration fees and transfer fees paid to the state of Rhode Island and excise taxes imposed upon the rental companies' motor vehicles during the prior calendar year; provided, that rental companies shall not be authorized to reimburse themselves for title fees, motor vehicles licensing fees, transfer fees, registration fees and excise taxes unless those fees and taxes shall have been assessed and paid in full to the state or appropriate city or town prior to any reimbursement. No reimbursement shall be allowed upon the prepayment of any fees or excise taxes.

(c) At a date to be set by the state tax administrator, but not later than February 15th of any calendar year, each rental company shall, in addition to filing a quarterly remittance form, file a report with the state tax administrator on a form prescribed by him or her, stating the total amount of motor vehicles licensing fees, transfer fees, title fees, registration fees and excise taxes paid by the rental company in the previous year. The amount, if any, by which the surcharge collections exceed the amount of licensing fees, title fees, transfer fees, registration fees and excise taxes paid shall be remitted by the rental company to the state of Rhode Island for deposit in the general Rhode Island highway maintenance fund beginning in fiscal year 2015.

SECTION 4. Sections 31-36-7 and 31-36-20 of the General Laws in Chapter 31-36 entitled "Motor Fuel Tax" are hereby amended to read as follows:

31-36-7. Monthly report of distributors -- Payment of tax. -- (a) State requirements.
Every distributor shall, on or before the twentieth (20th) day of each month, render a report to the tax administrator, upon forms to be obtained from the tax administrator, of the amount (number of gallons) of fuels purchased, sold, or used by the distributor within this state and the amount of fuels sold by the distributor without this state from fuels within this state during the preceding calendar month, and, if required by the tax administrator as to purchases, the name or names of the person or persons from whom purchased and the date and amount of each purchase, and as to sales, the name or names of the person or persons to whom sold and the amount of each sale, and shall pay at the same time to the administrator tax at the rate of thirty-two cents ($0.32) per gallon on all taxable gallons of fuel sold or used in this state.

(b) Federal requirements. - In the event the federal government requires a certain portion of the gasoline tax to be dedicated for highway improvements, then the state controller is directed to establish a restricted receipt account and deposit that portion of gasoline tax receipts which brings the state into federal compliance.

Beginning July 1, 2015 and every other year thereafter, the gasoline tax shall be adjusted by the percentage of increase in the Consumer Price Index for all Urban Consumers (CPI-U) as published by the United States Bureau of Labor Statistics determined as of September 30 of the prior calendar year; said adjustment shall be rounded to the nearest one cent ($0.01) increment, provided that the total tax shall not be less than provided for in section (a).

31-36-20. Disposition of proceeds. -- (a) Notwithstanding any other provision of law to the contrary, all moneys paid into the general treasury under the provisions of this chapter or chapter 37 of this title, and title 46 shall be applied to and held in a separate fund and be deposited in any depositories that may be selected by the general treasurer to the credit of the fund, which fund shall be known as the Intermodal Surface Transportation Fund; provided, that in fiscal year 2004 for the months of July through April six and eighty-five hundredth cents ($0.0685) per gallon of the tax imposed and accruing for the liability under the provisions of section 31-36-7, less refunds and credits, shall be transferred to the Rhode Island public transit authority as provided under section 39-18-21. For the months of May and June in fiscal year 2004, the allocation shall be five and five hundredth cents ($0.0505). Thereafter, until fiscal year 2006, the allocation shall be six and twenty-five hundredth cents ($0.0625). For fiscal years 2006 through FY 2008, the allocation shall be seven and twenty-five hundredth cents ($0.0725); provided, that expenditures shall include the costs of a market survey of non-transit users and a management study of the agency to include the feasibility of moving the Authority into the Department of Transportation, both to be conducted under the auspices of the state budget officer. The state budget officer shall hire necessary consultants to perform the studies, and shall direct
payment by the Authority. Both studies shall be transmitted by the Budget Officer to the 2006
session of the General Assembly, with comments from the Authority. For fiscal year 2009, the
allocation shall be seven and seventy-five hundredths cents ($0.0775), of which one-half cent
($0.005) shall be derived from the one cent ($0.01) per gallon environmental protection fee
pursuant to section 46-12.9-11. For fiscal years 2010 and thereafter, the allocation shall be nine
and seventy-five hundredths cents ($0.0975), of which of one-half cent ($0.005) shall be derived
from the one cent ($0.01) per gallon environmental protection fee pursuant to section 46-12.9-11.
One cent ($0.01) per gallon shall be transferred to the Elderly/Disabled Transportation Program
of the department of human services, and the remaining cents per gallon shall be available for
general revenue as determined by the following schedule:

(i) For the fiscal year 2000, three and one fourth cents ($0.0325) shall be available for
general revenue.

(ii) For the fiscal year 2001, one and three-fourth cents ($0.0175) shall be available for
general revenue.

(iii) For the fiscal year 2002, one-fourth cent ($0.0025) shall be available for general
revenue.

(iv) For the fiscal year 2003, two and one-fourth cent ($0.0225) shall be available for
general revenue.

(v) For the months of July through April in fiscal year 2004, one and four-tenths cents
($0.014) shall be available for general revenue. For the months of May through June in fiscal year
2004, three and two-tenths cents ($0.032) shall be available for general revenue, and thereafter,
until fiscal year 2006, two cents ($0.02) shall be available for general revenue. For fiscal year
2006 through fiscal year 2009 one cent ($0.01) shall be available for general revenue.

(2) All deposits and transfers of funds made by the tax administrator under this section,
including those to the Rhode Island public transit authority, the department of human services, the
Rhode Island turnpike and bridge authority, and the general fund, shall be made within twenty-
four (24) hours of receipt or previous deposit of the funds in question.

(3) Commencing in fiscal year 2004, the Director of the Rhode Island Department of
Transportation is authorized to remit, on a monthly or less frequent basis as shall be determined
by the Director of the Rhode Island Department of Transportation, or his or her designee, or at the
election of the Director of the Rhode Island Department of Transportation, with the approval of
the Director of the Department of Administration, to an indenture trustee, administrator, or other
third party fiduciary, in an amount not to exceed two cents ($0.02) per gallon of the gas tax
imposed, in order to satisfy debt service payments on aggregate bonds issued pursuant to a Joint
Resolution and Enactment Approving the Financing of Various Department of Transportation Projects adopted during the 2003 session of the General Assembly, and approved by the Governor.

(4) Commencing in fiscal year 2015, three and one-half cents ($0.035) shall be transferred to the Rhode Island Turnpike and Bridge Authority to be used for maintenance, operations, capital expenditures and debt service on any of its projects as defined in chapter 12 of title 24 in lieu of a toll on the Sakonnet River Bridge. The Rhode Island turnpike and bridge authority is authorized to remit to an indenture trustee, administrator, or other third-party fiduciary any or all of the foregoing transfers in order to satisfy and/or secure its revenue bonds and notes and/or debt service payments thereon, including, but not limited to, the bonds and notes issued pursuant to the Joint Resolution set forth in Section 3 of Article 6 of Chapter 23 of the Public Laws of 2010. Notwithstanding any other provision of said Joint Resolution, the Rhode Island turnpike and bridge authority is expressly authorized to issue bonds and notes previously authorized under said Joint Resolution for the purpose of financing all expenses incurred by it for the formerly authorized tolling of the Sakonnet River Bridge and the termination thereof.

(b) Notwithstanding any other provision of law to the contrary, all other funds in the fund shall be dedicated to the department of transportation, subject to annual appropriation by the general assembly. The director of transportation shall submit to the general assembly, budget office and office of the governor annually an accounting of all amounts deposited in and credited to the fund together with a budget for proposed expenditures for the succeeding fiscal year in compliance with sections 35-3-1 and 35-3-4. On order of the director of transportation, the state controller is authorized and directed to draw his or her orders upon the general treasurer for the payments of any sum or portion of the sum that may be required from time to time upon receipt of properly authenticated vouchers.

(c) At any time the amount of the fund is insufficient to fund the expenditures of the department of transportation, not to exceed the amount authorized by the general assembly, the general treasurer is authorized, with the approval of the governor and the director of administration, in anticipation of the receipts of monies enumerated in section 31-36-20 to advance sums to the fund, for the purposes specified in section 31-36-20, any funds of the state not specifically held for any particular purpose. However, all the advances made to the fund shall be returned to the general fund immediately upon the receipt by the fund of proceeds resulting from the receipt of monies to the extent of the advances.

SECTION 5. Sections 31-41.1-7 and 31-41.1-11 of the General Laws in Chapter 31-41.1 entitled "Adjudication of Traffic Offenses" are hereby amended to read as follows:
31-41.1-7. Application for dismissal based on good driving record. -- (a) Any person who has had a motor vehicle operator's license for more than three (3) years, and who has been issued traffic violations which are his or her first violations within the preceding three (3) years, may request a hearing seeking a dismissal of the violations based upon the operator's good driving record.

(b) Upon submission of proper proof that the operator has not been issued any other traffic violation within the past three (3) years, the charge shall, except for good cause shown or as otherwise provided by law, be dismissed based upon a good driving record; provided, that the operator pay a thirty-five dollar ($35.00) administrative fee for court costs associated with the dismissal. Additionally, beginning July 1, 2014, there shall be imposed a twenty-five dollar ($25.00) surcharge on all dismissals based upon a good driving record to be deposited into the Rhode Island highway maintenance account.

(c) The traffic tribunal may not dismiss a charge pursuant to this section after six (6) months from the date of disposition. For purposes of this section, a parking ticket shall not constitute a prior violation.

(d) The following violations shall not be dismissed pursuant to this statute:

(1) Any violation within the original jurisdiction of superior or district court;

(2) A refusal to submit to a chemical test of breath, blood or urine pursuant to section 31-27-2.1;

(3) Any violation involving a school bus;

(4) Any violation involving an accident where there has been property damage or personal injury;

(5) Any speeding violation in excess of fourteen miles per hour (14 m.p.h.) above the posted speed limit;

(6) Any violation involving child restraints in motor vehicles pursuant to section 31-22-22;

(7) Any violation committed by a holder of a commercial license as defined in section 31-10.3-3 or any violation committed in a commercial motor vehicle as defined in section 31-10.3-3 by an operator who does not hold a commercial license.

(e) If the charge is dismissed pursuant to this section, records of the dismissal shall be maintained for a period of three (3) years.

(f) The judge or magistrate shall have the discretion to waive court costs and fees when dismissing a violation pursuant to this section, with the exception of the mandatory thirty-five dollars ($35.00) administrative fee and the twenty-five dollar ($25.00) surcharge provided for in
ART 21

RELATING TO TRANSPORTATION

Section 6. Section 31-47.1-11 of the General Laws in Chapter 31-47.1 entitled "Motor Vehicle Emissions Inspection Program" is hereby amended to read as follows:

31-47.1-11. Fees. -- (a) Beginning in fiscal year 2015, a fee of thirty-nine dollars ($39.00) fifty-five dollars ($55.00) is to be charged for each motor vehicle inspected. The amount of fees collected shall provide for the cost of the inspection, the costs of administering the motor vehicle emissions inspection program and other costs provided by law. The fee must be paid for each motor vehicle inspected at an emissions inspection station at the time of the inspection and is payable whether a compliance certificate, waiver certificate, or no certificate is issued. There shall be no fee charged for one reinspection of a vehicle that failed an initial inspection when the reinspection is conducted at the AIRS that conducted the initial inspection.

Of the thirty-nine dollar ($39.00) fifty-five dollar ($55.00) fee, nineteen dollars ($19.00) shall be retained by the inspection station owner to cover the costs of performing the inspection. The remaining twenty dollars ($20.00) thirty-six dollars ($36.00) shall be remitted to the program manager. The program manager shall retain no more than four dollars ($4.00) of the fee and remit no less than sixteen dollars ($16.00) thirty-two dollars ($32.00) for deposit in the state general fund Rhode Island highway maintenance account. Be it further provided that twenty dollars ($20.00) generated from the fee be deposited into the Rhode Island highway maintenance fund according to the schedule provided in subsection (b) of § 39-18.1-5. The general assembly shall annually appropriate such sums as may be required to cover the costs of administering the program by the division of motor vehicles and the department of environmental management.

(b) The general assembly shall on or before June 30th of each calendar year review the costs and fees associated with the program with the goal of eliminating all fees being directed to the general fund and to eliminate all costs and fees not directly related and necessary to pay the costs of administering the motor vehicle emission inspection program as required under 40 CFR 51.354(a).

SECTION 7. Sections 39-18.1-4 and 39-18.1-5 of the General Laws in Chapter 39-18.1 entitled "Transportation Investment and Debt Reduction Act of 2011" are hereby amended to read as follows:

39-18.1-4. Rhode Island highway maintenance account created. -- (a) There is hereby created a special account in the intermodal surface transportation fund as established in section 31-36-20 that is to be known as the Rhode Island highway maintenance account. (b) The fund shall consist of all those moneys which the state may from time to time direct to the fund, including, not necessarily limited to, moneys derived from the following sources: (1) There is
imposed a surcharge of thirty dollars ($30.00) per vehicle or truck, other than those with specific registrations set forth below in subsection (b)(1)(i). Such surcharge shall be paid by each vehicle or truck owner in order to register that owner's vehicle or truck and upon each subsequent biennial registration. This surcharge shall be phased in at the rate of ten dollars ($10.00) each year. The total surcharge will be ten dollars ($10.00) from July 1, 2013 through June 30, 2014, twenty dollars ($20.00) from July 1, 2014 through June 30, 2015, and thirty dollars ($30.00) from July 1, 2015 through June 30, 2016 and each year thereafter.  (i) For owners of vehicles or trucks with the following plate types, the surcharge shall be as set forth below and shall be paid in full in order to register the vehicle or truck and upon each subsequent renewal:

<table>
<thead>
<tr>
<th>Plate Type</th>
<th>Surcharge</th>
</tr>
</thead>
<tbody>
<tr>
<td>Antique</td>
<td>$5.00</td>
</tr>
<tr>
<td>Farm</td>
<td>$10.00</td>
</tr>
<tr>
<td>Motorcycle</td>
<td>$13.00</td>
</tr>
</tbody>
</table>

(ii) For owners of trailers, the surcharge shall be one-half (1/2) of the biennial registration amount and shall be paid in full in order to register the trailer and upon each subsequent renewal.

(2) There is imposed a surcharge of fifteen dollars ($15.00) per vehicle or truck, other than those with specific registrations set forth in subsection (b)(2)(i) below, for those vehicles or trucks subject to annual registration, to be paid annually by each vehicle or truck owner in order to register that owner's vehicle, trailer or truck and upon each subsequent annual registration. This surcharge will be phased in at the rate of five dollars ($5.00) each year. The total surcharge will be five dollars ($5.00) from July 1, 2013 through June 30, 2014, ten dollars ($10.00) from July 1, 2014 through June 30, 2015, and fifteen dollars ($15.00) from July 1, 2015 through June 30, 2016 and each year thereafter.

(i) For registrations of the following plate types, the surcharge shall be as set forth below and shall be paid in full in order to register the plate, and upon each subsequent renewal:

<table>
<thead>
<tr>
<th>Plate Type</th>
<th>Surcharge</th>
</tr>
</thead>
<tbody>
<tr>
<td>Boat Dealer</td>
<td>$6.25</td>
</tr>
<tr>
<td>Cycle Dealer</td>
<td>$6.25</td>
</tr>
<tr>
<td>In-transit</td>
<td>$5.00</td>
</tr>
<tr>
<td>Manufacturer</td>
<td>$5.00</td>
</tr>
<tr>
<td>New Car Dealer</td>
<td>$5.00</td>
</tr>
<tr>
<td>Used Car Dealer</td>
<td>$5.00</td>
</tr>
<tr>
<td>Racer Tow</td>
<td>$5.00</td>
</tr>
</tbody>
</table>
(ii) For owners of trailers, the surcharge shall be one-half (1/2) of the annual registration amount and shall be paid in full in order to register the trailer and upon each subsequent renewal.

(iii) For owners of school buses, the surcharge will be phased in at the rate of six dollars and twenty-five cents ($6.25) each year. The total surcharge will be six dollars and twenty-five cents ($6.25) from July 1, 2013 through June 30, 2014 and twelve dollars and fifty cents ($12.50) from July 1, 2014 through June 30, 2015 and each year thereafter.

(3) There is imposed a surcharge of thirty dollars ($30.00) per license to operate a motor vehicle to be paid every five (5) years by each licensed operator of a motor vehicle. This surcharge will be phased in at the rate of ten dollars ($10.00) each year. The total surcharge will be ten dollars ($10.00) from July 1, 2013 through June 30, 2014, twenty dollars ($20.00) from July 1, 2014 through June 30, 2015, and thirty dollars ($30.00) from July 1, 2015 through June 30, 2016 and each year thereafter. In the event that a license is issued or renewed for a period of less than five (5) years, the surcharge will be prorated according to the period of time the license will be valid.

(c) All funds collected pursuant to this section shall be deposited in the Rhode Island highway maintenance account and shall be used only for the purposes set forth in this chapter.

(d) Unexpended balances and any earnings thereon shall not revert to the general fund but shall remain in the Rhode Island highway maintenance account. There shall be no requirement that monies received into the Rhode Island highway maintenance account during any given calendar year or fiscal year be expended during the same calendar year or fiscal year.

(e) The Rhode Island highway maintenance account shall be administered by the director, who shall allocate and spend monies from the fund only in accordance with the purposes and procedures set forth in this chapter.

(4) All fees assessed pursuant to 31-47.1-11, title 31, chapters 3, 6, 10, and 10.1 shall be deposited into the Rhode Island Highway maintenance account, provided that for fiscal years 2016, 2017 and 2018 these fees be transferred as follows:

(i) From July 1, 2015 through June 30, 2016, twenty-five percent (25%) will be deposited;

(ii) From July 1, 2016 through June 30, 2017, seventy-five percent (75%) will be deposited; and

(iii) From July 1, 2017 and each year thereafter, one hundred percent (100%) will be deposited.
(5) All remaining funds from previous general obligation bond issues that have not  
otherwise been allocated.

39-18.1-5. Allocation of funds. -- (a) The monies in the highway maintenance fund to  
be directed to the department of transportation pursuant to subdivision (a)(1) of this section shall  
be allocated through the transportation improvement program process to provide the state match  
for federal transportation funds, in place of borrowing, as approved by the state planning council.  
The expenditure of moneys in the highway maintenance fund shall only be authorized for projects  
that appear in the state's transportation improvement program.

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

(c) Provided further that beginning July 1, 2015, five percent (5%) of available proceeds  
in the Rhode Island Highway maintenance account shall be allocated annually to the Rhode  
Island public transit authority for operating expenditures.

SECTION 8. This article shall take effect upon passage.
ARTICLE 22

RELATING TO EDUCATION

SECTION 1. Section 16-7-41.1 of the General Laws in Chapter 16-7 entitled “Foundation Level School Support [See Title 16 Chapter 97 - The Rhode Island Board Of Education Act]” is hereby amended to read as follows:

16-7-41.1. Eligibility for reimbursement, -- (a) School districts, not municipalities, may apply for and obtain approval for a project under the necessity of school construction process set forth in the regulations of the board of regents for elementary and secondary education, provided, however, in the case of municipality which issues bonds through the Rhode Island Health and Educational Building Corporation to finance or refinance school facilities for a school district which is not part of the municipality, the municipality may apply for and obtain approval for a project. Such approval will remain valid until June 30 of the third fiscal year following the fiscal year in which the board of regents for elementary and secondary education's approval is granted. Only those projects undertaken at school facilities under the care and control of the school committee and located on school property may qualify for reimbursement under sections 16-7-35 -- 16-7-47. Facilities with combined school and municipal uses or facilities that are operated jointly with any other profit or non-profit agency do not qualify for reimbursement under sections 16-7-35 -- 16-7-47. Projects completed by June 30 of a fiscal year are eligible for reimbursement in the following fiscal year. A project for new school housing or additional housing shall be deemed to be completed when the work has been officially accepted by the school committee or when the housing is occupied for its intended use by the school committee, whichever is earlier.

(b) Notwithstanding the provisions of this section, the board of regents shall not grant final approval for any project between June 30, 2011 and June 30, 2014 except for projects that are necessitated by immediate health and safety reasons. In the event that a project is requested during the moratorium because of immediate health and safety reasons, those proposals shall be reported to the chairs of the house and senate finance committees.

(c) Any project approval granted prior to the adoption of the school construction regulations in 2007, and which are currently inactive; and any project approval granted prior to the adoption of the school construction regulations in 2007 which did not receive voter approval or which has not been previously financed, are no longer eligible for reimbursement under this chapter. The department of elementary and secondary education shall develop recommendations.
for further cost containment strategies in the school housing aid program.

SECTION 2. This article shall take effect upon passage.
ARTICLE 23

RELATING TO EFFECTIVE DATE

SECTION 1. This act shall take effect as of July 1, 2014, except as otherwise provided herein.

SECTION 2. This article shall take effect upon passage.