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STATE OF RHODE ISLAND

IN GENERAL ASSEMBLY

JANUARY SESSION, A.D. 2017

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A N A C T

RELATING TO MAKING APPROPRIATIONS FOR THE SUPPORT OF THE STATE FOR
THE FISCAL YEAR ENDING JUNE 30, 2018

Introduced By: Representative Marvin L. Abney

Date Introduced: January 19, 2017

Referred To: House Finance

(Governor)

It is enacted by the General Assembly as follows:

- 1 ARTICLE 1 RELATING TO MAKING APPROPRIATIONS IN SUPPORT OF FY 2018
- 2 ARTICLE 2 RELATING TO ECONOMIC DEVELOPMENT AND TAX CREDITS
- 3 ARTICLE 3 RELATING TO RHODE ISLAND PROMISE SCHOLARSHIP
- 4 ARTICLE 4 RELATING TO DIVISION OF MOTOR VEHICLES
- 5 ARTICLE 5 RELATING TO GOVERNMENT REORGANIZATION
- 6 ARTICLE 6 RELATING TO GOVERNMENTAL REFORM
- 7 ARTICLE 7 RELATING TO STATE FUNDS
- 8 ARTICLE 8 RELATING TO TAX AND REVENUES
- 9 ARTICLE 9 RELATING TO REMOTE SELLERS SALES TAX COLLECTION
- 10 ARTICLE 10 RELATING TO MAKING REVISED APPROPRIATIONS IN SUPPORT
- 11 OF FY 2017
- 12 ARTICLE 11 RELATING TO THE MOTOR VEHICLE EXCISE TAX
- 13 ARTICLE 12 RELATING TO MEDICAID REFORM ACT OF 2008 RESOLUTION
- 14 ARTICLE 13 RELATING TO MEDICAL ASSISTANCE AND UNCOMPENSATED CARE
- 15 ARTICLE 14 RELATING TO LICENSING OF HOSPITAL FACILITIES
- 16 ARTICLE 15 RELATING TO BEHAVIORAL HEALTHCARE, DEVELOPMENTAL
- 17 DISABILITIES AND HOSPITALS – MAINTENANCE OF EFFORT
- 18 ARTICLE 16 RELATING TO DEBT MANAGEMENT ACT JOINT RESOLUTIONS

- 1 ARTICLE 17 RELATING TO LEASED OFFICE AND OPERATING SPACE
- 2 ARTICLE 18 RELATING TO EDUCATION AID
- 3 ARTICLE 19 RELATING TO ELECTRIC VEHICLE REBATE PROGRAM
- 4 ARTICLE 20 RELATING TO MINIMUM WAGES
- 5 ARTICLE 21 RELATING TO DEPARTMENT OF LABOR AND TRAINING FEES
- 6 AND FINES
- 7 ARTICLE 22 RELATING TO LEAD POISONING PREVENTION PROGRAMS
- 8 ARTICLE 23 RELATING TO BEHAVIORAL HEALTHCARE, DEVELOPMENTAL
- 9 DISABILITIES AND HOSPITALS - WAGES
- 10 ARTICLE 24 RELATING TO EFFECTIVE DATE

1 **ARTICLE 1**

2 **RELATING TO MAKING APPROPRIATIONS IN SUPPORT OF FY 2018**

3 SECTION 1. Subject to the conditions, limitations and restrictions hereinafter contained
4 in this act, the following general revenue amounts are hereby appropriated out of any money in
5 the treasury not otherwise appropriated to be expended during the fiscal year ending June 30,
6 2018. The amounts identified for federal funds and restricted receipts shall be made available
7 pursuant to section 35-4-22 and Chapter 41 of Title 42 of the Rhode Island General Laws. For
8 the purposes and functions hereinafter mentioned, the state controller is hereby authorized and
9 directed to draw his or her orders upon the general treasurer for the payment of such sums or such
10 portions thereof as may be required from time to time upon receipt by him or her of properly
11 authenticated vouchers.

12 **Administration**

13 *Central Management*

14	General Revenues	2,520,212
15	Total – Central Management	2,520,212

16 *Legal Services*

17	General Revenues	2,300,956
18	Total – Legal Services	2,300,956

19 *Accounts and Control*

20	General Revenues	4,130,796
21	Restricted Receipt – OPEB Board Administration	225,000
22	Total – Accounts and Control	4,355,796

23 *Office of Management and Budget*

24	General Revenues	8,086,236
25	Restricted Receipts	300,000
26	Other Funds	1,719,494
27	Total – Office of Management and Budget	10,105,730

28 *Purchasing*

29	General Revenues	3,072,789
30	Other Funds	233,525
31	Total – Purchasing	3,306,314

32 *Human Resources*

33	General Revenues	8,602,573
34	Federal Funds	1,068,199

1	Restricted Receipts	637,889
2	Other Funds	1,618,848
3	Total – Human Resources	11,927,509
4	<i>Personnel Appeal Board</i>	
5	General Revenues	145,130
6	Total – Personnel Appeal Board	145,130
7	<i>Information Technology</i>	
8	General Revenues	22,146,644
9	Federal Funds	6,655,755
10	Restricted Receipts	10,777,319
11	Other Funds	2,699,001
12	Total – Information Technology	42,278,719
13	<i>Library and Information Services</i>	
14	General Revenues	1,479,475
15	Federal Funds	1,157,870
16	Restricted Receipts	5,500
17	Total – Library and Information Services	2,642,845
18	<i>Planning</i>	
19	General Revenues	1,271,483
20	Federal Funds	1,000
21	Other Funds	
22	Air Quality Modeling	24,000
23	Federal Highway – PL Systems Planning	3,172,497
24	FTA – Metro Planning Grant	1,033,131
25	Total Other Funds	4,229,628
26	Total – Planning	5,502,111
27	<i>General</i>	
28	General Revenues	
29	Miscellaneous Grants/Payments	50,000
30	Provided that this amount be allocated to City Year for the Whole School Child Program,	
31	which provides individualized support to at-risk students.	
32	Torts– Courts/Awards	400,000
33	State Employees/Teachers Retiree Health Subsidy	2,321,057
34	OER Electric Vehicle Rebates	250,000

1	Resource Sharing and State Library Aid	9,362,072
2	Library Construction Aid	2,320,289
3	General Revenues Total	14,703,418
4	Restricted Receipts	700,000
5	Other Funds	
6	Rhode Island Capital Plan Funds	
7	Security Measures State Buildings	500,000
8	Energy Efficiency Improvements	1,000,000
9	Cranston Street Armory	850,000
10	Capitol Hill Campus Projects	8,450,000
11	Environmental Projects	650,000
12	Zambarano Building Rehabilitation	6,085,000
13	State Facility Projects	3,665,000
14	Pastore Center Campus Projects	8,905,000
15	State House Asset Protection Projects	3,250,000
16	Big River Management Area	100,000
17	Veterans Memorial Auditorium	205,000
18	RI Convention Center Authority	1,000,000
19	Dunkin Donuts Center	1,850,000
20	McCoy Stadium	101,761
21	Virks Building Renovations	5,236,000
22	Accessibility – Facility Renovations	1,000,000
23	Other Funds Total	42,847,761
24	Total – General	58,251,179
25	<i>Debt Service Payments</i>	
26	General Revenues	144,357,135
27	Out of the general revenue appropriations for debt service, the General Treasurer is	
28	authorized to make payments for the I-195 Redevelopment District Commission loan up to the	
29	maximum debt service due in accordance with the loan agreement.	
30	Federal Funds	1,870,830
31	Other Funds	
32	Transportation Debt Service	39,356,516
33	Investment Receipts – Bond Funds	100,000
34	Other Funds Total	39,456,516

1	Total - Debt Service Payments	185,684,481
2	<i>Energy Resources</i>	
3	Federal Funds	723,171
4	Restricted Receipts	11,543,190
5	Total – Energy Resources	12,266,361
6	<i>Rhode Island Health Exchange</i>	
7	General Revenue	2,625,841
8	Federal Funds	135,136
9	Restricted Receipts	6,807,845
10	Total – Rhode Island Health Exchange	9,568,822
11	<i>Construction Permitting, Approvals and Licensing</i>	
12	General Revenues	2,155,703
13	Restricted Receipts	1,437,870
14	Total –Approvals and Licensing	3,593,573
15	<i>Office of Diversity, Equity & Opportunity</i>	
16	General Revenues	1,382,250
17	Other Funds	86,623
18	Total – Office of Diversity, Equity & Opportunity	1,468,873
19	<i>Capital Asset Management and Maintenance</i>	
20	General Revenues	34,530,313
21	Federal Funds	1,603,917
22	Restricted Receipts	660,725
23	Other Funds	3,874,844
24	Total – Capital Asset Management and Maintenance	40,669,799
25	<i>Personnel and Operational Reforms</i>	
26	General Revenues	(5,430,124)
27	Total- Personnel and Operational Reforms	(5,430,124)
28	Grand Total – General Revenues – Administration	248,080,830
29	Grand Total – Administration	391,158,286
30	Business Regulation	
31	<i>Central Management</i>	
32	General Revenues	1,396,420
33	Total – Central Management	1,396,420
34	<i>Banking Regulation</i>	

1	General Revenues	1,843,062
2	Restricted Receipts	50,000
3	Total – Banking Regulation	1,893,062
4	<i>Securities Regulation</i>	
5	General Revenues	974,364
6	Restricted Receipts	15,000
7	Total – Securities Regulation	989,364
8	<i>Insurance Regulation</i>	
9	General Revenues	4,025,436
10	Restricted Receipts	1,826,495
11	Total – Insurance Regulation	5,851,931
12	<i>Office of the Health Insurance Commissioner</i>	
13	General Revenues	1,614,318
14	Federal Funds	892,213
15	Restricted Receipts	228,768
16	Total – Office of the Health Insurance Commissioner	2,735,299
17	<i>Board of Accountancy</i>	
18	General Revenues	6,000
19	Total – Board of Accountancy	6,000
20	<i>Commercial Licensing, Racing & Athletics</i>	
21	General Revenues	893,038
22	Restricted Receipts	1,778,614
23	Total – Commercial Licensing, Racing & Athletics	2,671,652
24	<i>Boards for Design Professionals</i>	
25	General Revenues	362,455
26	Total – Boards for Design Professionals	362,455
27	Grand Total – General Revenues – Business Regulation	11,115,093
28	Grand Total – Business Regulation	15,906,183
29	Executive Office of Commerce	
30	<i>Central Management</i>	
31	General Revenues	1,363,714
32	Total – Central Management	1,363,714
33	<i>Housing and Community Development</i>	
34	General Revenues	642,391

1	Federal Funds	17,890,642
2	Restricted Receipts	4,159,382
3	Total – Housing and Community Development	22,692,415
4	<i>Quasi–Public Appropriations</i>	
5	General Revenues	
6	Rhode Island Commerce Corporation	7,474,514
7	Airport Impact Aid	1,025,000
8	Sixty percent (60%) of the first \$1,000,000 appropriated for airport impact aid shall be	
9	distributed to each airport serving more than 1,000,000 passengers based upon its percentage of	
10	the total passengers served by all airports serving more the 1,000,000 passengers. Forty percent	
11	(40%) of the first \$1,000,000 shall be distributed based on the share of landings during the	
12	calendar year 2017 at North Central Airport, Newport-Middletown Airport, Block Island Airport,	
13	Quonset Airport, T.F. Green Airport and Westerly Airport, respectively. The Rhode Island	
14	Commerce Corporation shall make an impact payment to the towns or cities in which the airport	
15	is located based on this calculation. Each community upon which any parts of the above airports	
16	are located shall receive at least \$25,000.	
17	STAC Research Alliance	1,150,000
18	Innovative Matching Grants/Internships	1,000,000
19	I-195 Redevelopment District Commission	761,000
20	Chafee Center at Bryant	376,200
21	RI College and University Research Collaborative	150,000
22	Polaris Manufacturing Grant	550,000
23	National Security Infrastructure Fund	200,000
24	General Revenues Total	12,686,714
25	Other Funds	
26	Rhode Island Capital Plan Funds	
27	I-195 Commission	300,000
28	Quonset Piers	2,600,000
29	Other Funds Total	2,900,000
30	Total – Quasi–Public Appropriations	15,586,714
31	<i>Economic Development Initiatives Fund</i>	
32	General Revenues	
33	Innovation Initiative	2,500,000
34	I-195 Redevelopment Fund	10,100,000

1	Main Street RI Streetscape Improvements	1,250,000
2	Rebuild RI Tax Credit Fund	20,000,000
3	General Revenues Total	33,850,000
4	Total – Economic Development Initiatives Fund	33,850,000
5	<i>Commerce Programs</i>	
6	General Revenues	
7	Wavemaker Fellowship	1,600,000
8	Air Service Development	500,000
9	P-tech	1,200,000
10	General Revenues Total	3,300,000
11	Total – Commerce Programs	3,300,000
12	Grand Total - General Revenues - Commerce	51,842,819
13	Grand Total – Executive Office of Commerce	76,792,843
14	Labor and Training	
15	<i>Central Management</i>	
16	General Revenues	134,315
17	Restricted Receipts	687,604
18	Other Funds	
19	Rhode Island Capital Plan Funds	
20	Center General Asset Protection	1,130,000
21	Other Funds Total	1,130,000
22	Total – Central Management	1,951,919
23	<i>Workforce Development Services</i>	
24	General Revenues	704,517
25	Federal Funds	21,320,978
26	Restricted Receipts	12,601,385
27	Other Funds	124,643
28	Total – Workforce Development Services	34,751,523
29	<i>Workforce Regulation and Safety</i>	
30	General Revenues	3,468,398
31	Total – Workforce Regulation and Safety	3,468,398
32	<i>Income Support</i>	
33	General Revenues	4,046,748
34	Federal Funds	14,138,705

1	Restricted Receipts	2,100,020
2	Other Funds	
3	Temporary Disability Insurance Fund	197,566,522
4	Employment Security Fund	161,220,000
5	Other Funds	40,418
6	Other Funds Total	358,826,940
7	Total – Income Support	379,112,413
8	<i>Injured Workers Services</i>	
9	Restricted Receipts	8,701,434
10	Total – Injured Workers Services	8,701,434
11	<i>Labor Relations Board</i>	
12	General Revenues	397,335
13	Total – Labor Relations Board	397,335
14	Grand Total – General Revenues Labor and Training	8,751,313
15	Grand Total – Labor and Training	428,383,022
16	Department of Revenue	
17	<i>Director of Revenue</i>	
18	General Revenues	1,244,266
19	Total – Director of Revenue	1,244,266
20	<i>Office of Revenue Analysis</i>	
21	General Revenues	788,009
22	Total – Office of Revenue Analysis	788,009
23	<i>Lottery Division</i>	
24	Other Funds	375,039,436
25	Total – Lottery Division	375,039,436
26	<i>Municipal Finance</i>	
27	General Revenues	2,511,025
28	Total – Municipal Finance	2,511,025
29	<i>Taxation</i>	
30	General Revenues	22,275,987
31	Federal Funds	1,361,360
32	Restricted Receipts	945,239
33	Other Funds	
34	Motor Fuel Tax Evasion	176,148

1	Temporary Disability Insurance Fund	1,004,487
2	Other Funds Total	1,180,635
3	Total – Taxation	25,763,221
4	<i>Registry of Motor Vehicles</i>	
5	General Revenues	24,045,098
6	All unexpended or unencumbered balances as of June 30, 2018 relating to license plate	
7	reissuance are hereby re-appropriated to fiscal year 2019.	
8	Federal Funds	206,140
9	Restricted Receipts	2,094,763
10	Total – Registry of Motor Vehicles	26,346,001
11	<i>State Aid</i>	
12	General Revenues	
13	Distressed Communities Relief Fund	12,384,458
14	Payment in Lieu of Tax Exempt Properties	45,205,606
15	Motor Vehicle Excise Tax Payments	10,000,000
16	Property Revaluation Program	937,228
17	General Revenues Total	68,527,292
18	Restricted Receipts	922,013
19	Total – State Aid	69,449,305
20	Grand Total – General Revenues - Revenue	119,391,677
21	Grand Total – Revenue	501,141,263
22	Legislature	
23	General Revenues	42,522,507
24	Restricted Receipts	1,729,957
25	Grand Total – Legislature	44,252,464
26	Lieutenant Governor	
27	General Revenues	1,084,217
28	Grand Total – Lieutenant Governor	1,084,217
29	Secretary of State	
30	<i>Administration</i>	
31	General Revenues	3,382,625
32	Total – Administration	3,382,625
33	<i>Corporations</i>	
34	General Revenues	2,224,127

1	Total – Corporations	2,224,127
2	<i>State Archives</i>	
3	General Revenues	87,150
4	Restricted Receipts	414,478
5	Total – State Archives	501,628
6	<i>Elections and Civics</i>	
7	General Revenues	1,906,470
8	Total – Elections and Civics	1,906,470
9	<i>State Library</i>	
10	General Revenues	723,385
11	Total – State Library	723,385
12	Provided that \$125,000 be allocated to support the Rhode Island Historical Society	
13	pursuant to Rhode Island General Law, Section 29-2-1 and \$18,000 be allocated to support the	
14	Newport Historical Society, pursuant to Rhode Island General Law, Section 29-2-2.	
15	<i>Office of Public Information</i>	
16	General Revenues	587,562
17	Receipted Receipts	25,000
18	Total – Office of Public Information	612,562
19	Grand Total – General Revenues – Secretary of State	8,911,319
20	Grand Total – Secretary of State	9,350,797
21	General Treasurer	
22	<i>Treasury</i>	
23	General Revenues	2,456,017
24	Federal Funds	290,987
25	Other Funds	
26	Temporary Disability Insurance Fund	226,879
27	Tuition Savings Program – Administration	323,363
28	Transfers to Division of Higher Education Assistance	8,000,000
29	Other Funds Total	8,550,242
30	Total – General Treasurer	11,297,246
31	<i>State Retirement System</i>	
32	Restricted Receipts	
33	Admin Expenses – State Retirement System	9,126,238
34	Retirement – Treasury Investment Operations	1,545,880

1	Defined Contribution – Administration	178,238
2	Total – State Retirement System	10,850,356
3	<i>Unclaimed Property</i>	
4	Restricted Receipts	23,903,500
5	Total – Unclaimed Property	23,903,500
6	<i>Crime Victim Compensation Program</i>	
7	General Revenues	242,675
8	Federal Funds	599,350
9	Restricted Receipts	1,132,319
10	Total – Crime Victim Compensation Program	1,974,344
11	Grand Total – General Revenues – General Treasurer	2,698,692
12	Grand Total – General Treasurer	48,025,446
13	Board of Elections	
14	General Revenues	1,548,735
15	Grand Total – Board of Elections	1,548,735
16	Rhode Island Ethics Commission	
17	General Revenues	1,665,873
18	Grand Total – Rhode Island Ethics Commission	1,665,873
19	Office of Governor	
20	General Revenues	
21	General Revenues	5,147,554
22	Contingency Fund	250,000
23	General Revenues Total	5,397,554
24	Grand Total – Office of Governor	5,397,554
25	Commission for Human Rights	
26	General Revenues	1,258,074
27	Federal Funds	432,028
28	Grand Total – Commission for Human Rights	1,690,102
29	Public Utilities Commission	
30	Federal Funds	129,225
31	Restricted Receipts	9,604,152
32	Grand Total – Public Utilities Commission	9,733,377
33	Office of Health and Human Services	
34	<i>Central Management</i>	

1	General Revenues	26,939,377
2	Federal Funds	76,682,149
3	Restricted Receipts	7,942,269
4	Total – Central Management	111,560,795
5	<i>Medical Assistance</i>	
6	General Revenues	
7	Managed Care	289,496,481
8	Hospitals	89,905,325
9	Nursing Facilities	82,816,651
10	Home and Community Based Services	34,381,896
11	Other Services	69,811,179
12	Pharmacy	64,739,935
13	Rhody Health	280,547,143
14	General Revenues Total	911,698,610
15	Federal Funds	
16	Managed Care	366,390,881
17	Hospitals	97,052,248
18	Nursing Facilities	87,377,865
19	Home and Community Based Services	36,275,513
20	Other Services	530,209,537
21	Pharmacy	(859,173)
22	Rhody Health	294,154,472
23	Special Education	19,000,000
24	Federal Funds Total	1,429,601,343
25	Restricted Receipts	13,185,000
26	Total – Medical Assistance	2,354,484,953
27	Grand Total – General Revenues - OHHS	938,634,987
28	Grand Total – Office of Health and Human Services	2,466,045,748
29	Children, Youth, and Families	
30	<i>Central Management</i>	
31	General Revenues	7,157,480
32	Federal Funds	2,831,574
33	Total – Central Management	9,989,054
34	Children's Behavioral Health Services	

1	General Revenues	5,099,171
2	Federal Funds	5,447,794
3	Total – Children's Behavioral Health Services	10,546,965
4	<i>Juvenile Correctional Services</i>	
5	General Revenues	22,824,456
6	Federal Funds	280,282
7	Other Funds	
8	Rhode Island Capital Plan Funds	
9	Thomas C. Slater Training School Maintenance Bldg	150,000
10	Generators – Rhode Island Training School	950,000
11	Other Funds Total`	1,100,000
12	Total – Juvenile Correctional Services	24,204,738
13	<i>Child Welfare</i>	
14	General Revenues	
15	General Revenues	114,574,555
16	Federal Funds	46,455,509
17	Restricted Receipts	3,098,931
18	Total – Child Welfare	164,129,195
19	<i>Higher Education Incentive Grants</i>	
20	General Revenues	
21	Total – Higher Education Incentive Grants	200,000
22	Grand Total – General Revenues - DYCF	149,855,862
23	Grand Total – Children, Youth, and Families	209,069,952
24	Health	
25	<i>Central Management</i>	
26	General Revenues	789,523
27	Federal Funds	3,646,373
28	Restricted Receipts	4,476,359
29	Total – Central Management	8,912,255
30	<i>Community Health and Equity</i>	
31	General Revenues	1,191,032
32	Federal Funds	71,790,291
33	Restricted Receipts	32,202,603
34	Total – Community Health and Equity	105,183,926

1	<i>Environmental Health</i>	
2	General Revenues	5,100,209
3	Federal Funds	7,325,459
4	Restricted Receipts	830,142
5	Total – Environmental Health	13,255,810
6	<i>Health Laboratories and Medical Examiner</i>	
7	General Revenues	10,136,655
8	Federal Funds	2,034,544
9	Total – Health Laboratories and Medical Examiner	12,171,199
10	<i>Customer Services</i>	
11	General Revenues	6,526,439
12	Federal Funds	4,139,231
13	Restricted Receipts	1,087,647
14	Total – Customer Services	11,807,317
15	<i>Policy, Information and Communications</i>	
16	General Revenues	962,260
17	Federal Funds	2,354,457
18	Restricted Receipts	872,764
19	Total – Policy, Information and Communications	4,189,481
20	<i>Preparedness, Response, Infectious Disease & Emergency Services</i>	
21	General Revenues	1,619,131
22	Federal Funds	14,028,957
23	Total – Preparedness, Response, Infectious Disease &	
24	Emergency Services	15,648,088
25	Grand Total – General Revenues - Health	26,325,249
26	Grand Total - Health	171,168,076
27	Human Services	
28	<i>Central Management</i>	
29	General Revenues	3,410,108
30	Of this amount, \$300,000 is to support the Domestic Violence Prevention Fund to	
31	provide direct services through the Coalition Against Domestic Violence, \$250,000 is to support	
32	Project Reach activities provided by the RI Alliance of Boys and Girls Club, \$217,000 is for	
33	outreach and supportive services through Day One, \$175,000 is for food collection and	
34	distribution through the Rhode Island Community Food Bank, \$300,000 for services provided to	

1	the homeless at Crossroad Rhode Island, and \$520,000 for the Community Action Fund.	
2	Federal Funds	3,973,906
3	Restricted Receipts	507,991
4	Total – Central Management	7,892,005
5	<i>Child Support Enforcement</i>	
6	General Revenues	3,381,319
7	Federal Funds	7,868,794
8	Total – Child Support Enforcement	11,250,113
9	<i>Individual and Family Support</i>	
10	General Revenues	20,879,984
11	Federal Funds	98,430,476
12	Restricted Receipts	386,650
13	Other Funds	
14	Intermodal Surface Transportation Fund	4,428,478
15	Rhode Island Capital Plan Funds	
16	Blind Vending Facilities	165,000
17	Other Funds Total	4,593,478
18	Total – Individual and Family Support	124,290,588
19	<i>Office of Veterans' Affairs</i>	
20	General Revenues	20,601,826
21	Of this amount \$200,000 to provide support services through Veteran's organization.	
22	Federal Funds	59,211,211
23	Restricted Receipts	2,241,167
24	Total – Office Veterans' Affairs	82,054,204
25	<i>Health Care Eligibility</i>	
26	General Revenues	6,045,119
27	Federal Funds	8,001,670
28	Total – Health Care Eligibility	14,046,789
29	<i>Supplemental Security Income Program</i>	
30	General Revenues	18,454,040
31	Total – Supplemental Security Income Program	18,454,040
32	<i>Rhode Island Works</i>	
33	General Revenues	14,412,819
34	Federal Funds	77,822,727

1	Total – Rhode Island Works	92,235,546
2	<i>State Funded Programs</i>	
3	General Revenues	1,648,088
4	Of this appropriation, \$210,000 shall be used for hardship contingency payments.	
5	Federal Funds	282,060,431
6	Total – State Funded Programs	283,708,519
7	<i>Elderly Affairs</i>	
8	General Revenues	
9	General Revenues	6,512,295
10	Of this amount, \$140,000 to provide elder services, including respite, through the	
11	Diocese of Providence, \$40,000 for ombudsman services provided by the Alliance for Long Term	
12	in accordance with RIGL 42-66.7, \$85,000 for security for housing for the elderly in accordance	
13	with RIGL 42-66.1-3, \$400,000 for Senior Center Support and \$580,000 for elderly nutrition, of	
14	which \$530,000 is for Meals on Wheels.	
15	RIPAE	79,043
16	Care and Safety of the Elderly	300,850
17	General Revenues – Total	6,892,188
18	Federal Funds	12,763,393
19	Restricted Receipts	134,428
20	Total – Elderly Affairs	19,790,009
21	Grand Total – General Revenues – Human Services	95,725,491
22	Grand Total – Human Services	653,721,813
23	Behavioral Healthcare, Developmental Disabilities, and Hospitals	
24	<i>Central Management</i>	
25	General Revenues	1,655,306
26	Total – Central Management	1,655,306
27	<i>Hospital and Community System Support</i>	
28	General Revenues	2,067,954
29	Rhode Island Capital Plan Funds	
30	Medical Center Rehabilitation	250,000
31	Community Facilities Fire Code	400,000
32	Other Funds Total	650,000
33	Total – Hospital and Community System Support	2,717,954
34	<i>Services for the Developmentally Disabled</i>	

1	General Revenues	123,792,106
2	Federal Funds	129,943,094
3	Restricted Receipts	1,872,560
4	Other Funds	
5	Rhode Island Capital Plan Funds	
6	DD Private Waiver	100,000
7	Regional Center Repair/Rehabilitation	500,000
8	MR Community Facilities/Access to Independence	500,000
9	Other Funds Total	1,100,000
10	Total – Services for the Developmentally Disabled	256,707,760
11	<i>Behavioral Healthcare Services</i>	
12	General Revenues	4,543,780
13	Federal Funds	21,601,652
14	Of this federal funding, \$900,000 shall be expended on the Municipal Substance Abuse	
15	Task Forces and \$128,000 shall be expended on NAMI of RI.	
16	Restricted Receipts	100,000
17	Other Funds	
18	Rhode Island Capital Plan Funds	
19	MH Community Facilities Repair	200,000
20	MH Housing Development Thresholds	800,000
21	Substance Abuse Asset Protection	150,000
22	Other Funds Total	1,150,000
23	Total – Behavioral Healthcare Services	27,395,432
24	<i>Hospital and Community Rehabilitative Services</i>	
25	General Revenues	47,586,386
26	Federal Funds	49,202,498
27	Restricted Receipts	4,936,595
28	Other Funds	
29	Rhode Island Capital Plan Funds	
30	Zambarano Buildings and Utilities	280,000
31	Hospital Consolidation	2,310,000
32	Eleanor Slater HVAC/Elevators	250,000
33	MR Community Facilities	1,025,000
34	Hospital Equipment	300,000

1	Other Funds Total	4,165,000
2	Total - Hospital and Community Rehabilitative Services	105,890,479
3	Grand Total – General Revenues - BHDDH	179,645,532
4	Grand Total – Behavioral Healthcare, Developmental	
5	Disabilities, and Hospitals	394,366,931
6	Office of the Child Advocate	
7	General Revenues	669,708
8	Federal Funds	144,621
9	Grand Total – Office of the Child Advocate	814,329
10	Commission on the Deaf and Hard of Hearing	
11	General Revenues	498,710
12	Restricted Receipts	129,200
13	Grand Total – Comm. On Deaf and Hard of Hearing	627,910
14	Governor’s Commission on Disabilities	
15	General Revenues	454,938
16	Federal Funds	343,542
17	Restricted Receipts	43,710
18	Total – Governor’s Commission on Disabilities	842,190
19	Office of the Mental Health Advocate	
20	General Revenues	549,563
21	Grand Total – Office of the Mental Health Advocate	549,563
22	Elementary and Secondary Education	
23	<i>Administration of the Comprehensive Education Strategy</i>	
24	General Revenues	20,801,907
25	Provided that \$90,000 be allocated to support the hospital school at Hasbro Children’s	
26	Hospital pursuant to RIGL 17-7-20 and that \$245,000 be allocated to support child opportunity	
27	zones through agreements with the Department of Elementary and Secondary Education to	
28	strengthen education, health and social services for students and their families as a strategy to	
29	accelerate student achievement.	
30	Federal Funds	201,868,995
31	Restricted Receipts	
32	Restricted Receipts	1,275,662
33	HRIC Adult Education Grants	3,500,000
34	Restricted Receipts Total	4,775,662

1	Total – Admin. of the Comprehensive Ed. Strategy	227,446,564
2	<i>Davies Career and Technical School</i>	
3	General Revenues	13,358,058
4	Federal Funds	1,376,685
5	Restricted Receipts	3,716,922
6	Other Funds	
7	Rhode Island Capital Plan Funds	
8	Davies HVAC	2,499,000
9	Davies Asset Protection	150,000
10	Davies Advanced Manufacturing	3,650,000
11	Other Funds Total	6,299,000
12	Total – Davies Career and Technical School	24,750,665
13	<i>RI School for the Deaf</i>	
14	General Revenues	6,359,979
15	Federal Funds	254,320
16	Restricted Receipts	777,791
17	Other Funds	
18	School for the Deaf – Fee for Service	59,000
19	Total – RI School for the Deaf	7,451,090
20	<i>Metropolitan Career and Technical School</i>	
21	General Revenues	9,342,007
22	Other Funds	
23	Rhode Island Capital Plan Funds	
24	MET Asset Protection	250,000
25	Other Funds Total	
26	Total – Metropolitan Career and Technical School	9,592,007
27	<i>Education Aid</i>	
28	General Revenues	888,743,875
29	Restricted Receipts	20,184,044
30	Other Funds	
31	Permanent School Fund – Education Aid	300,000
32	Total – Education Aid	909,227,919
33	<i>Central Falls School District</i>	
34	General Revenues	39,351,304

1	Total – Central Falls School District	39,351,304
2	<i>School Construction Aid</i>	
3	General Revenues	
4	School Housing Aid	70,907,110
5	School Building Authority Fund	9,092,890
6	Total – School Construction Aid	80,000,000
7	<i>Teachers' Retirement</i>	
8	General Revenues	100,659,986
9	Total – Teachers' Retirement	100,659,986
10	Grand Total – General Revenues – Elementary & Secondary Ed	1,158,617,116
11	Grand Total – Elementary and Secondary Education	1, 398,479,535
12	Public Higher Education	
13	<i>Office of the Postsecondary Commissioner</i>	
14	General Revenues	22,328,459
15	Provided that \$355,000 shall be allocated the Rhode Island Children's Crusade pursuant	
16	to the RIGL 16-70-5 and that \$30,000 shall be allocated to Best Buddies Rhode Island to support	
17	its programs for children with developmental and intellectual disabilities. It is also provided that	
18	\$10,000,000 shall be allocated to the Rhode Island Promise Scholarship program and that	
19	\$500,000 shall be allocated to the Prepare RI Dual Enrollment Fund.	
20	Federal Funds	
21	Federal Funds	3,707,287
22	Guaranty Agency Administration	5,576,382
23	WaytogoRI Portal	650,000
24	Guaranty Agency Operating Fund-Scholarships & Grants	4,000,000
25	Federal Funds Total	13,933,669
26	Restricted Receipts	1,490,341
27	Other Funds	
28	Tuition Savings Program – Dual Enrollment	1,300,000
29	Tuition Savings Program – Scholarships and Grants	6,095,000
30	Nursing Education Center – Operating	5,052,544
31	Total – Office of the Postsecondary Commissioner	50,200,013
32	<i>University of Rhode Island</i>	
33	General Revenues	
34	General Revenues	75,771,073

1 Provided that in order to leverage federal funding and support economic development,
 2 \$250,000 shall be allocated to the Small Business Development Center and that \$50,000 shall be
 3 allocated to Special Olympics Rhode Island to support its mission of providing athletic
 4 opportunities for individuals with intellectual and developmental disabilities.

5	Debt Service	22,657,568
6	RI State Forensics Laboratory	1,201,087
7	General Revenues Total	99,629,728
8	Other Funds	
9	University and College Funds	645,715,072
10	Debt – Dining Services	1,007,421
11	Debt – Education and General	3,491,909
12	Debt – Health Services	136,271
13	Debt – Housing Loan Funds	9,984,968
14	Debt – Memorial Union	320,961
15	Debt – Ryan Center	2,423,089
16	Debt – Alton Jones Services	102,964
17	Debt – Parking Authority	1,126,190
18	Debt – Sponsored Research	84,913
19	Debt – Restricted Energy Conservation	810,170
20	Debt – URI Energy Conservation	1,831,837
21	Rhode Island Capital Plan Funds	
22	Asset Protection	8,030,000
23	Fine Arts Center Advanced Planning	1,000,000
24	Other Funds Total	676,065,765
25	Total – University of Rhode Island	775,695,493
26	<i>Rhode Island College</i>	
27	General Revenues	47,438,791
28	Debt Service	4,867,060
29	General Revenues Total	52,305,851
30	Other Funds	
31	University and College Funds	127,503,637
32	Debt – Education and General	1,473,919
33	Debt – Housing	368,262
34	Debt – Student Center and Dining	154,095

1	Debt – Student Union	235,556
2	Debt – G.O. Debt Service	1,640,974
3	Debt Energy Conservation	592,875
4	Rhode Island Capital Plan Funds	
5	Asset Protection	3,458,431
6	Infrastructure Modernization	4,500,000
7	New Residence Hall	3,000,000
8	Academic Building Phase I	6,100,000
9	Other Funds – Total	149,027,749
10	Total – Rhode Island College	201,333,600
11	<i>Community College of Rhode Island</i>	
12	General Revenues	
13	General Revenues	49,435,710
14	Debt Service	2,082,845
15	General Revenues Total	51,518,555
16	Restricted Receipts	683,649
17	Other Funds	
18	University and College Funds	99,588,610
19	CCRI Debt Service – Energy Conservation	805,025
20	Rhode Island Capital Plan Funds	
21	Asset Protection	2,799,063
22	Knight Campus Lab Renovation	375,000
23	Knight Campus Renewal	5,000,000
24	Other Funds Total	108,567,698
25	Total – Community College of RI	160,769,902
26	Grand Total – General Revenues – Public Higher Ed	225,782,593
27	Grand Total – Public Higher Education	1,187,999,008
28	RI State Council on the Arts	
29	General Revenues	
30	Operating Support	780,056
31	Grants	1,165,000
32	Provided that \$375,000 be provided to support the operational costs of WaterFire	
33	Providence art installations.	
34	General Revenues Total	1,945,056

1	Federal Funds	781,454
2	Other Funds	
3	Art for Public Facilities	345,800
4	Other Funds Total	345,800
5	Grand Total – RI State Council on the Arts	3,072,310
6	RI Atomic Energy Commission	
7	General Revenues	982,157
8	Other Funds	
9	URI Sponsored Research	272,216
10	Rhode Island Capital Plan Funds	
11	RINSC Asset Protection	50,000
12	Other Funds Total	322,216
13	Grand Total – RI Atomic Energy Commission	1,304,373
14	RI Historical Preservation and Heritage Commission	
15	General Revenues	1,168,706
16	Provided that \$30,000 support the operational costs of the Fort Adam Trust’s restoration	
17	activities.	
18	Federal Funds	860,963
19	Restricted Receipts	427,700
20	Other Funds	
21	RIDOT Project Review	80,970
22	Grand Total – RI Historical Preservation and Heritage Comm.	2,538,339
23	Attorney General	
24	<i>Criminal</i>	
25	General Revenues	16,070,177
26	Federal Funds	1,779,505
27	Restricted Receipts	15,373,382
28	Total – Criminal	33,223,064
29	<i>Civil</i>	
30	General Revenues	5,251,678
31	Restricted Receipts	631,559
32	Total – Civil	5,883,237
33	<i>Bureau of Criminal Identification</i>	
34	General Revenues	1,670,102

1	Total – Bureau of Criminal Identification	1,670,102
2	<i>General</i>	
3	General Revenues	3,202,794
4	Other Funds	
5	Rhode Island Capital Plan Funds	
6	Building Renovations and Repairs	150,000
7	Other Funds Total	150,000
8	Total – General	3,352,794
9	Grand Total – General Revenues – Attorney General	26,194,751
10	Grand Total – Attorney General	44,129,197
11	Corrections	
12	<i>Central Management</i>	
13	General Revenues	9,994,732
14	Federal Funds	3,743
15	Total – Central Management	9,998,475
16	<i>Parole Board</i>	
17	General Revenues	1,420,791
18	Federal Funds	120,827
19	Total – Parole Board	1,541,618
20	<i>Custody and Security</i>	
21	General Revenues	137,893,460
22	Federal Funds	750,392
23	Restricted Receipts	35,000
24	Total – Custody and Security	138,678,852
25	<i>Institutional Support</i>	
26	General Revenues	15,620,367
27	Other Funds	
28	Rhode Island Capital Plan Funds	
29	Asset Protection	3,922,042
30	Maximum – General Renovations	1,300,000
31	General Renovations Women’s	1,075,000
32	Building State Match – Reintegration Center	150,000
33	ISC Exterior Envelope and HVAC	2,027,455
34	Medium Infrastructure	7,283,688

1	Other Funds Total	15,758,185
2	Total – Institutional Support	31,378,552
3	<i>Institutional Based Rehab./Population Management</i>	
4	General Revenues	9,767,594
5	Federal Funds	584,942
6	Restricted Receipts	44,473
7	Total – Institutional Based Rehab/Population Mgt.	10,397,009
8	<i>Healthcare Services</i>	
9	General Revenues	
10	Total – Healthcare Services	24,260,253
11	<i>Community Corrections</i>	
12	General Revenues	17,861,626
13	Provided that \$250,000 be allocated to Crossroads Rhode Island for sex offender	
14	discharge planning.	
15	Federal Funds	86,980
16	Restricted Receipts	14,895
17	Total – Community Corrections	17,963,501
18	Grand Total – General Revenues - Corrections	216,818,823
19	Grand Total – Corrections	234,218,260
20	Judiciary	
21	<i>Supreme Court</i>	
22	General Revenues	
23	General Revenues	28,306,302
24	Provided however, that no more than \$1,183,205 in combined total shall be offset to the	
25	Public Defender’s Office, the Attorney General’s Office, the Department of Corrections, the	
26	Department of Children, Youth, and Families, and the Department of Public Safety for square-	
27	footage occupancy costs in public courthouses and further provided that \$230,000 be allocated to	
28	the Rhode Island Coalition Against Domestic Violence for the domestic abuse court advocacy	
29	project pursuant to RIGL 12-29-7 and that \$90,000 be allocated to Rhode Island Legal Services,	
30	Inc. to provide housing and eviction defense to indigent individuals.	
31	Defense of Indigents	3,803,166
32	General Revenues Total	32,109,468
33	Federal Funds	121,481
34	Restricted Receipts	3,962,969

1	Other Funds	
2	Rhode Island Capital Plan Funds	
3	Judicial Complexes - HVAC	900,000
4	Judicial Complexes Asset Protection	950,000
5	Licht Judicial Complex Restoration	750,000
6	Licht Window/Exterior Restoration	500,000
7	Noel Shelled Courtroom Build Out	4,000,000
8	Other Funds Total	7,100,000
9	Total - Supreme Court	43,293,918
10	<i>Judicial Tenure and Discipline</i>	
11	General Revenues	146,008
12	Total – Judicial Tenure and Discipline	146,008
13	<i>Superior Court</i>	
14	General Revenues	23,146,531
15	Federal Funds	91,739
16	Restricted Receipts	370,781
17	Total – Superior Court	23,609,051
18	<i>Family Court</i>	
19	General Revenues	20,462,348
20	Federal Funds	2,908,095
21	Total – Family Court	23,370,443
22	<i>District Court</i>	
23	General Revenues	12,681,702
24	Federal Funds	289,829
25	Restricted Receipts	60,000
26	Total - District Court	13,031,531
27	<i>Traffic Tribunal</i>	
28	General Revenues	9,468,420
29	Total – Traffic Tribunal	9,468,420
30	<i>Workers' Compensation Court</i>	
31	Restricted Receipts	8,118,883
32	Total – Workers' Compensation Court	8,118,883
33	Grand Total – General Revenues - Judiciary	98,014,477
34	Grand Total – Judiciary	121,038,254

1	Military Staff	
2	General Revenues	2,634,057
3	Federal Funds	27,717,460
4	Restricted Receipts	
5	RI Military Family Relief Fund	100,000
6	Counter Drug Asset Forfeiture	29,500
7	Restricted Receipts Total	129,500
8	Other Funds	
9	Rhode Island Capital Plan Funds	
10	Armory of Mounted Command Roof Replacement	949,775
11	Asset Protection	700,000
12	Burrillville Regional Training Institute	22,150
13	Bristol Readiness Center	125,000
14	Joint Force Headquarters Building	5,900,000
15	Other Funds Total	7,696,925
16	Grand Total – General Revenue	2,634,057
17	Grand Total – Military Staff	38,177,942
18	Public Safety	
19	<i>Central Management</i>	
20	General Revenues	2,799,505
21	Federal Funds	10,918,463
22	Total – Central Management	13,717,968
23	<i>E-911 Emergency Telephone System</i>	
24	General Revenues	5,894,522
25	Total – E-911 Emergency Telephone System	5,894,522
26	<i>State Fire Marshal</i>	
27	General Revenues	3,746,842
28	Federal Funds	277,167
29	Restricted Receipts	212,166
30	Other Funds	
31	Quonset Development Corporation	72,442
32	Total – State Fire Marshal	4,308,617
33	<i>Security Services</i>	
34	General Revenues	24,303,913

1	Total – Security Services	24,303,913
2	<i>Municipal Police Training Academy</i>	
3	General Revenues	299,414
4	Federal Funds	239,365
5	Total – Municipal Police Training Academy	538,779
6	<i>Emergency Management Agency</i>	
7	General Revenues	1,734,470
8	Federal Funds	14,775,673
9	Restricted Receipts	450,095
10	Other Funds	
11	Rhode Island Capital Plan Fund	
12	RI State Communications Network System	1,494,414
13	Other Funds Total	1,494,414
14	Total – Emergency Management Agency	18,454,652
15	<i>State Police</i>	
16	General Revenues	66,249,476
17	Federal Funds	3,038,774
18	Restricted Receipts	506,446
19	Other Funds	
20	Rhode Island Capital Plan Fund	
21	DPS Asset Protection	250,000
22	Training Academy Upgrades	100,000
23	Lottery Commission Assistance	1,495,293
24	Airport Corporation Assistance	150,000
25	Road Construction Reimbursement	2,934,672
26	Weight and Measurement Reimbursement	400,000
27	Other Funds Total	5,329,965
28	Total – State Police	75,124,661
29	Grand Total – General Revenue – Public Safety	105,028,142
30	Grand Total – Public Safety	142,343,112
31	Office of Public Defender	
32	General Revenues	12,340,235
33	Federal Funds	97,820
34	Grand Total – Office of Public Defender	12,438,055

1	Environmental Management	
2	<i>Office of the Director</i>	
3	General Revenues	6,316,873
4	Of this general revenue amount, \$50,000 is appropriated to the Conservation Districts.	
5	Restricted Receipts	4,054,487
6	Total – Office of the Director	10,371,360
7	<i>Natural Resources</i>	
8	General Revenues	23,842,391
9	Federal Funds	23,024,285
10	Restricted Receipts	4,120,511
11	Other Funds	
12	DOT Recreational Projects	1,178,375
13	Blackstone Bikepath Design	2,059,579
14	Transportation MOU	78,350
15	Rhode Island Capital Plan Funds	
16	Dams Rehabilitation	2,245,805
17	Fort Adams Trust Rehabilitation	300,000
18	Fort Adams Sailing Improvements/Mid-Park	1,750,000
19	Recreational Facilities Improvements	2,450,000
20	Galilee Piers Upgrade	1,250,000
21	Newport Piers Upgrade	137,500
22	Fish & Wildlife Maintenance Facilities	150,000
23	Greenway Blackstone Valley Park Improvements	359,170
24	Natural Resources Offices/Visitor’s Center	5,500,000
25	Rocky Point Acquisition/Renovations	150,000
26	Marine Infrastructure and Pier Development	500,000
27	State Recreation Building Demolition	100,000
28	Other Funds Total	18,208,779
29	Total – Natural Resources	69,195,966
30	<i>Environmental Protection</i>	
31	General Revenues	13,836,536
32	Federal Funds	10,375,027
33	Restricted Receipts	9,321,063
34	Other Funds	

1	Transportation MOU	164,734
2	Total – Environmental Protection	33,697,360
3	Grand Total – General Revenues – Environmental Mgmt.	43,995,800
4	Grand Total – Environmental Management	113,264,686
5	Coastal Resources Management Council	
6	General Revenues	2,558,332
7	Federal Funds	1,649,291
8	Restricted Receipts	250,000
9	Other Funds	
10	Rhode Island Capital Plan Funds	
11	Rhode Island Coastal Storm Risk Study	525,000
12	Narragansett Bay SAMP	250,000
13	Other Funds Total	775,000
14	Grand Total – Coastal Resources Mgmt. Council	5,232,623
15	Transportation	
16	<i>Central Management</i>	
17	Federal Funds	6,756,379
18	Other Funds	
19	Gasoline Tax	4,799,653
20	Other Funds Total	4,799,653
21	Total – Central Management	11,556,032
22	<i>Management and Budget</i>	
23	Other Funds	
24	Gasoline Tax	2,942,455
25	Other Funds Total	2,942,455
26	Total – Management and Budget	2,942,455
27	<i>Infrastructure Engineering</i>	
28	Federal Funds	
29	Federal Funds	264,247,090
30	Federal Funds – Stimulus	4,386,593
31	Federal Funds Total	268,633,683
32	Restricted Receipts	3,168,128
33	Other Funds	
34	Gasoline Tax	76,170,795

1	Land Sale Revenue	2,673,125
2	Rhode Island Capital Plan Funds	
3	RIPTA Land and Buildings	90,000
4	RIPTA Pawtucket Bus Hub	313,018
5	RIPTA Providence Transit Connector	470,588
6	Highway Improvement Program	32,451,346
7	Other Funds Total	112,168,872
8	Total - Infrastructure Engineering	383,970,683
9	<i>Infrastructure Maintenance</i>	
10	Other Funds	
11	Gasoline Tax	20,612,520
12	Non-Land Surplus Property	50,000
13	Outdoor Advertising	100,000
14	Rhode Island Highway Maintenance Account	86,433,382
15	Rhode Island Capital Plan Funds	
16	Maintenance Facilities Improvements	400,000
17	Salt Storage Facilities	1,000,000
18	Portsmouth Facility	575,256
19	Maintenance - Equipment Replacement	2,500,000
20	Train Station Maintenance and Repairs	350,000
21	Other Funds Total	112,021,158
22	Total – Infrastructure Maintenance	112,021,158
23	Grand Total – Transportation	510,490,328
24	Statewide Totals	
25	General Revenues	3,792,708,988
26	Federal Funds	2,418,039,978
27	Restricted Receipts	273,794,280
28	Other Funds	2,099,724,938
29	Statewide Grand Total	9,248,062,696

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

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

1 thereby.

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

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

20 Account	Expenditure Limit
21 State Assessed Fringe Benefit Internal Service Fund	41,229,448
22 Administration Central Utilities Internal Service Fund	24,910,320
23 State Central Mail Internal Service Fund	6,838,505
24 State Telecommunications Internal Service Fund	3,244,413
25 State Automotive Fleet Internal Service Fund	12,510,602
26 Surplus Property Internal Service Fund	3,000
27 Health Insurance Internal Service Fund	251,804,700
28 Other Post-Employment Benefits Fund	63,852,483
29 Capitol Police Internal Service Fund	1,306,128
30 Corrections Central Distribution Center Internal Service Fund	6,784,478
31 Correctional Industries Internal Service Fund	7,581,704
32 Secretary of State Record Center Internal Service Fund	807,345

33 SECTION 6. *Appropriation of Temporary Disability Insurance Funds* -- There is hereby
34 appropriated pursuant to sections 28-39-5 and 28-39-8 of the Rhode Island General Laws all

1 funds required to be disbursed for the benefit payments from the Temporary Disability Insurance
2 Fund and Temporary Disability Insurance Reserve Fund for the fiscal year ending June 30, 2018.

3 SECTION 7. *Appropriation of Employment Security Funds* -- There is hereby
4 appropriated pursuant to section 28-42-19 of the Rhode Island General Laws all funds required to
5 be disbursed for benefit payments from the Employment Security Fund for the fiscal year ending
6 June 30, 2018.

7 SECTION 8. *Appropriation of Lottery Division Funds* -- There is hereby appropriated to
8 the Lottery Division any funds required to be disbursed by the Lottery Division for the purposes
9 of paying commissions or transfers to the prize fund for the fiscal year ending June 30, 2018.

10 SECTION 9. Departments and agencies listed below may not exceed the number of full-
11 time equivalent (FTE) positions shown below in any pay period. Full-time equivalent positions
12 do not include seasonal or intermittent positions whose scheduled period of employment does not
13 exceed twenty-six consecutive weeks or whose scheduled hours do not exceed nine hundred and
14 twenty-five (925) hours, excluding overtime, in a one-year period. Nor do they include
15 individuals engaged in training, the completion of which is a prerequisite of employment.
16 Provided, however, that the Governor or designee, Speaker of the House of Representatives or
17 designee, and the President of the Senate or designee may authorize an adjustment to any
18 limitation. Prior to the authorization, the State Budget Officer shall make a detailed written
19 recommendation to the Governor, the Speaker of the House, and the President of the Senate. A
20 copy of the recommendation and authorization to adjust shall be transmitted to the chairman of
21 the House Finance Committee, Senate Finance Committee, the House Fiscal Advisor and the
22 Senate Fiscal Advisor.

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

26 FY 2018 FTE POSITION AUTHORIZATION

27 Departments and Agencies	Full-Time Equivalent
28 Administration	713.7
29 Business Regulation	106.0
30 Executive Office of Commerce	17.0
31 Labor and Training	433.7
32 Revenue	539.5
33 Legislature	298.5
34 Office of the Lieutenant Governor	8.0

1	Office of the Secretary of State	59.0
2	Office of the General Treasurer	87.0
3	Board of Elections	12.0
4	Rhode Island Ethics Commission	12.0
5	Office of the Governor	45.0
6	Commission for Human Rights	14.5
7	Public Utilities Commission	57.0
8	Office of Health and Human Services	269.0
9	Children, Youth, and Families	616.5
10	Health	499.6
11	Human Services	838.1
12	Behavioral Healthcare, Developmental Disabilities, and Hospitals	1,319.4
13	Office of the Child Advocate	7.0
14	Commission on the Deaf and Hard of Hearing	4.0
15	Governor's Commission on Disabilities	4.0
16	Office of the Mental Health Advocate	4.0
17	Elementary and Secondary Education	139.1
18	School for the Deaf	60.0
19	Davies Career and Technical School	126.0
20	Office of Postsecondary Commissioner	37.0
21	Provided that 1.0 of the total authorization would be available only for positions that are	
22	supported by third-party funds.	
23	University of Rhode Island	2,489.5
24	Provided that 573.8 of the total authorization would be available only for positions that	
25	are supported by third-party funds.	
26	Rhode Island College	926.2
27	Provided that 82.0 of the total authorization would be available only for positions that are	
28	supported by third-party funds.	
29	Community College of Rhode Island	854.1
30	Provided that 89.0 of the total authorization would be available only for positions that are	
31	supported by third-party funds.	
32	Rhode Island State Council on the Arts	8.6
33	RI Atomic Energy Commission	8.6
34	Historical Preservation and Heritage Commission	15.6

1	Office of the Attorney General	235.1
2	Corrections	1,426.0
3	Judicial	723.5
4	Military Staff	92.0
5	Public Safety	660.6
6	Office of the Public Defender	94.0
7	Environmental Management	403.0
8	Coastal Resources Management Council	29.0
9	Transportation	775.0
10	Total	15,067.4

11 SECTION 10. The amounts reflected in this Article include the appropriation of Rhode
12 Island Capital Plan funds for fiscal year 2018 and supersede appropriations provided for FY 2018
13 within Section 11 of Article 1 of Chapter 142 of the P.L. of 2016.

14 The following amounts are hereby appropriated out of any money in the State's Rhode
15 Island Capital Plan Fund not otherwise appropriated to be expended during the fiscal years ending
16 June 30, 2019, June 30, 2020, and June 30, 2021. These amounts supersede appropriations
17 provided within Section 11 of Article 1 of Chapter 142 of the P.L. of 2016. For the purposes and
18 functions hereinafter mentioned, the State Controller is hereby authorized and directed to draw
19 his or her orders upon the General Treasurer for the payment of such sums and such portions
20 thereof as may be required by him or her upon receipt of properly authenticated vouchers.

21	Fiscal Year	Fiscal Year	Fiscal Year	
22	Ending	Ending	Ending	
23	June 30, 2019	June 30, 2020	June 30, 2021	
24	DOA – Capitol Hill Campus Projects	2,950,000	4,350,000	10,430,000
25	DOA – Environmental Projects	500,000	500,000	500,000
26	DOA – State Facility Projects	3,380,000	3,400,000	2,750,000
27	DOA – Pastore Center Campus Projects	6,105,000	8,030,000	4,000,000
28	DOA – State House Asset Protection Projects	4,250,000	1,000,000	500,000
29	DOA – Zambarano Campus Projects	2,240,000	1,100,000	1,500,000
30	DOA – Energy Efficiency	1,000,000	1,000,000	1,000,000
31	DOA – Accessibility	1,000,000	1,000,000	1,000,000
32	DOA – State House Energy Management			
33	Improvement Project	3,000,000	0	0
34	EOC – Quonset Point/Davisville Pier	2,000,000	5,000,000	5,000,000

1	BHDDH – Hospital Reorganization	920,000	0	0
2	Higher Ed – Academic Bldg Phase I- Craig			
3	Lee, Gaige, Adams Library	6,000,000	0	0
4	Higher Ed – Infrastructure Modernization	4,500,000	3,600,000	3,500,000
5	Higher Ed – Knight Campus Biology and			
6	Chemistry Lab Renovation	375,000	0	0
7	Higher Ed – Knight Campus Renewal	4,000,000	3,000,000	0
8	DOC – ISC Exterior Envelope and HVAC			
9	Renovation	1,700,000	2,200,000	1,150,000
10	DOC – Medium Infrastructure	6,000,000	7,000,000	0
11	Mil Staff – Joint Force Headquarters Building	4,181,152	0	0
12	DEM – Dam Repair	1,500,000	1,250,000	1,000,000
13	DEM – Galilee Piers/Bulkhead	1,250,000	400,000	400,000
14	DEM – Recreational Facility Improvements	1,600,000	1,850,000	2,100,000
15	DOT – Highway Improvement Program	32,451,346	32,451,346	32,451,346
16	DOT – Maintenance- Capital Equipment			
17	Replacement	2,500,000	2,500,000	2,500,000
18	RIPTA – Pawtucket Bus Hub and Transit			
19	Corridor	946,168	0	0
20	RIPTA – Providence Transit Connector	1,561,279	0	0

21 SECTION 11. [Reappropriation of Funding for Rhode Island Capital Plan Fund](#)
22 [Projects.](#) – Any unexpended and unencumbered funds from Rhode Island Capital Plan Fund
23 project appropriations may be reappropriated at the recommendation of the Governor in the
24 ensuing fiscal year and made available for the same purpose. However, any such reappropriations
25 are subject to final approval by the General Assembly as part of the supplemental appropriations
26 act. Any unexpended funds of less than five hundred dollars (\$500) shall be reappropriated at the
27 discretion of the State Budget Officer.

28 SECTION 12. For the Fiscal Year ending June 30, 2018, the Rhode Island Housing and
29 Mortgage Finance Corporation shall provide from its resources such sums as appropriate in
30 support of the Neighborhood Opportunities Program. The Corporation shall provide a report
31 detailing the amount of funding provided to this program, as well as information on the number
32 of units of housing provided as a result to the Director of Administration, the Chair of the
33 Housing Resources Commission, the Chair of the House Finance Committee, the Chair of the
34 Senate Finance Committee and the State Budget Officer.

1 SECTION 13. Notwithstanding any provisions of Chapter 19 in Title 23 of the Rhode
2 Island General Laws, the Resource Recovery Corporation shall transfer to the State Controller the
3 sum of six million dollars (\$6,000,000) by June 30, 2018.

4 SECTION 14. Notwithstanding any provisions of Chapter 12.2 in Title 46 of the Rhode
5 Island General Laws, the Rhode Island Infrastructure Bank shall transfer to the State Controller
6 the sum of one million dollars (\$1,000,000) by June 30, 2018.

7 SECTION 15. Notwithstanding any provisions of Chapter 25 in Title 46 of the Rhode
8 Island General Laws, the Narragansett Bay Commission shall transfer to the State Controller the
9 sum of two million five hundred thousand dollars (\$2,500,000) by June 30, 2018.

10 SECTION 16. Notwithstanding any provisions of Chapter 38 in Title 45 of the Rhode
11 Island General Laws, the Rhode Island Health and Educational Building Corporation shall
12 transfer to the State Controller the sum of one million two hundred thousand dollars (\$1,200,000)
13 by June 30, 2018.

14 SECTION 17. Notwithstanding any provisions of Chapter 12 in Title 24 of the Rhode
15 Island General Laws, the Rhode Island Turnpike and Bridge Authority shall transfer to the State
16 Controller the sum of two million six hundred thousand dollars (\$2,600,000) by June 30, 2018.

17 SECTION 18. Effective for the fiscal year ending June 30, 2018 and each fiscal year
18 thereafter, the Public Utilities Commission shall transfer to the State Controller for deposit as a
19 general revenue receipt the sum of three hundred thirty-three thousand four hundred twenty
20 dollars (\$333,420) for rent on the building located at 89 Jefferson Boulevard in Warwick, Rhode
21 Island.

22 SECTION 19. This article shall take effect as of July 1, 2017.

23 ARTICLE 2

24 RELATING TO ECONOMIC DEVELOPMENT AND TAX CREDITS

25 SECTION 2. Sections 42-64.28-2, 42-64.28-3, 42-64.28-4, and 42-64.28-5 of the General
26 Laws in Chapter 42-64.28 entitled "Innovation Initiative" are hereby amended to read as follows:

27 **42-64.28-2 Definitions.**

28 As used in this chapter:

29 (1) "Commerce corporation" means the Rhode Island commerce corporation established
30 pursuant to 42-64-1 et seq.

31 (2) "Small business" means a business that is resident in Rhode Island, has its business
32 facility located within the state, and employs five hundred (500) or fewer persons.

33 [\(3\) "Manufacturer" shall have the same meanings as provided in 44-3-3\(20\)\(iii\) and \(iv\)](#)
34 [and shall include any business described in major groups 20 through 39 in the standard industrial](#)

1 [classification manual prepared by the technical committee on industrial classification, office of](#)
2 [statistical standards, executive office of the president, United States Bureau of Budget, as revised](#)
3 [from time to time; provided, however, that notwithstanding the foregoing the term shall include](#)
4 [any business engaged in the processing, refining, metalworking, packaging, warehousing,](#)
5 [shipping, and distribution of goods.](#)

6 [\(4\) "Small business manufacturer" shall mean a business that meets the definitions of](#)
7 [terms small business and manufacturer as defined herein.](#)

8 ~~(3)~~ (5) "Match" shall mean a funding match, or in kind services provided by a third party.

9 ~~(4)~~ (6) "Targeted industry" means any advanced, promising or otherwise prioritized
10 industry identified in the economic development vision and policy promulgated pursuant to 42-
11 64.17-1 or, until such time as any such economic development vision and policy is promulgated,
12 as identified by the commerce corporation.

13 **42-64.28-3 Programs Established.**

14 (a) The Rhode Island commerce corporation shall establish a voucher program and an
15 innovation network program as provided under this chapter. The programs are subject to available
16 appropriations and such other funding as may be dedicated to the programs.

17 (b) There is established an account in the name of the "innovation initiative fund" (the
18 "fund") under the control of the commerce corporation to fund the programs.

19 (1) The fund shall consist of:

20 (i) Money appropriated in the state budget to the fund;

21 (ii) Money made available to the fund through federal grants, programs or private
22 contributions;

23 (iii) Application or other fees paid to the fund to process applications for awards under
24 this chapter; and

25 (iv) Any other money made available to the fund.

26 (c) *Voucher program.* The commerce corporation is authorized, to develop and
27 implement an innovation voucher program to provide financing to small businesses to purchase
28 research and development support or other forms of technical assistance and services from Rhode
29 Island institutions of higher education and other providers [and to fund research and development](#)
30 [by and for small business manufacturers.](#)

31 (d) *Innovation network program.* The commerce corporation is authorized to provide
32 innovation grants to organizations, including non-profit organizations, for-profit organizations,
33 universities, and co-working space operators that offer technical assistance, space on flexible
34 terms, and access to capital to businesses in advanced or targeted industries. The commerce

1 corporation shall only issue grants under this [subsection](#) when those grants are matched by private
2 sector or non-profit partners. The commerce corporation shall establish guidelines for appropriate
3 matching criteria under this section, including necessary matching ratios.

4 **42-64.28-4 Eligible uses.**

5 (a) Vouchers available under this chapter shall be used for the benefit of small businesses
6 to access technical assistance and other services including, but not limited to, research,
7 technological development, product development, commercialization, market development,
8 technology exploration, and improved business practices that implement strategies to grow
9 business and create operational efficiencies.

10 [\(b\) Vouchers available under this chapter shall be used to provide funding to finance](#)
11 [internal research and development by and for small business manufacturers, including, but not](#)
12 [limited to, research, technological development, product development, commercialization, market](#)
13 [development, technology exploration, and improved business practices that implement strategies](#)
14 [to grow business and create operational efficiencies. Subject to appropriation, the commerce](#)
15 [corporation shall reserve up to one million dollars \(\\$1,000,000.00\) to be made available in fiscal](#)
16 [year 2018 for vouchers awarded to small business manufacturers under this subsection.](#)

17 ~~(b)~~ (c) Matching fund awards shall be used for the benefit of small businesses in
18 industries designated from time-to-time by the corporation, including without limitation, life
19 science and healthcare; food and agriculture; clean technology and energy efficiency; and cyber
20 security to pay for and access technological assistance, to procure space on flexible terms, and to
21 access capital from organizations, including non-profit organizations, for-profit organizations,
22 universities, and co-working space businesses.

23 **42-64.28-5 Qualification.**

24 [\(a\)](#) To qualify for a voucher or for a matching fund award under this chapter, a business
25 must make application to the commerce corporation, and upon selection, shall enter into an
26 agreement with the commerce corporation. The commerce corporation shall have no obligation to
27 issue any voucher, make any award or grant any benefits under this chapter.

28 [\(b\) In a given tax year, a business shall not receive a voucher or matching fund award](#)
29 [provided for under this chapter in conjunction with the tax credit provided for in section 44-32-3](#)
30 [of the general laws.](#)

31 SECTION 2. Title 42 of the General Laws, entitled “State Affairs and Government,” is
32 hereby amended by adding thereto the following chapter:

33 [CHAPTER 64.33](#)

34 [REFUNDABLE INVESTMENT TAX CREDIT](#)

1 **42-64.33-1. Short title.**

2 This chapter shall be known and may be cited as the “Refundable Investment Tax Credit
3 Act.”

4 **42-64.33-2. Legislative findings.**

5 Although chapter 31 of title 44 of the Rhode Island general laws (the “Investment Tax
6 Credit statute”) establishes tax credits for eligible taxpayers for certain investments for the
7 construction of facilities, the acquisition of tangible personal property, and the training of
8 employees, the Investment Tax Credit statute does not allow for the taking of such tax credits by
9 certain business entities and further does not provide for refunds to the extent that the tax credits
10 exceed the eligible taxpayers’ tax liability. Through the establishment of a refundable investment
11 tax credit program for manufacturers, Rhode Island can foster further investment by
12 manufacturing businesses and thereby encourage businesses to contribute in a meaningful way to
13 the economic development of this state. In so doing, this program will further advance the
14 competitiveness of Rhode Island and its companies in the national and global economies and
15 result in the creation and/or retention of jobs and tax revenues for the state.

16 **42-64.33-3. Definitions.**

17 As used in this chapter:

18 (1) “Business” means a manufacturer that is a C corporation, S corporation, partnership,
19 limited partnership, limited liability partnership, limited liability company, or sole proprietorship;

20 (2) “Commerce corporation” means the Rhode Island commerce corporation established
21 pursuant to general laws 42-64-1 et. seq.;

22 (3) “Eligible taxpayer” means a taxpayer eligible for an investment tax credit pursuant to
23 general law 44-31-1;

24 (4) “Manufacturing” and “Manufacturer” shall have the same meanings as provided in
25 44-31-1(b)(1) and (2) and shall further include any entity described in major groups 20 through
26 39 in the Standard Industrial Classification Manual prepared by the technical committee on
27 industrial classification, office of statistical standards, executive office of the president, United
28 States Bureau of Budget, as revised from time to time.

29 (5) “Refund or redemption” for purposes of this chapter means the taking of a tax credit
30 against a tax liability or obtaining a refund for a tax credit or a portion thereof.

31 (6) “Targeted industries” shall have the same meaning as provide din general law 42-
32 64.20-3 (Rebuild Rhode Island Tax Credit Program) and the regulations promulgated thereunder.

33 (7) “Tax liability” for purposes of this chapter means (i) the amount of tax owed to the
34 state of Rhode Island calculated as the Rhode Island adjusted taxable income minus any Rhode

1 Island tax credit on Schedule B-CR other than credits allowed under this chapter; or (ii) the
2 minimum tax for filers of Form RI 11120S; or (iii) the Rhode Island annual fee for file.

3 **42-64.33-4. Establishment of program.**

4 A refundable investment tax credit program is hereby established as a program under the
5 jurisdiction of and administered by the commerce corporation.

6 **42-64.33-5. Refundable Tax credits.**

7 (a) To be eligible to to take and or redeem tax credits under this chapter, a business must
8 submit a completed application to the commerce corporation for approval prior to making the
9 investment that will give rise to the requested tax credit. Such application shall be developed by
10 the commerce corporation.

11 (b) The commerce corporation may take into account the following factors in determining
12 whether to approve an application for a refundable investment tax credit pursuant to this chapter:
13 the nature and amount of the business's investment; the necessity of the investment and/or credit;
14 whether the business is engaged in a targeted industry; the number of jobs created by the
15 business's investment; whether the investment took place in a Hope community as defined in
16 general law 42-64.20-3 and the regulations promulgated thereunder; and such other factors as the
17 commerce corporation deems relevant.

18 (c) The refundable tax credit shall be available only to the extent that the business's
19 investment credit exceeds that business's tax liability for the tax year in which the credit is
20 available.

21 (d) The amount of the refundable tax credit available to any business in any given tax
22 year shall not exceed the sum of two-hundred thousand dollars (\$200,000).

23 (e) Prior to approving an application for refundable credits, the commerce corporation
24 shall require the business to enter into an incentive agreement setting forth the business's
25 eligibility to use or redeem the tax credits and the terms and conditions governing the approval
26 and receipt of the refundable tax credits.

27 (f) To take or redeem refundable tax credit authorized by the corporation, an eligible
28 business shall apply annually to the commerce corporation for a certification that the business has
29 met all the requirements of this chapter and the incentive agreement. The commerce corporation
30 shall either issue a certification to the business or provide a written response detailing any
31 deficiencies precluding certification. The commerce corporation may deny an applicant for
32 certification, or declare the incentive agreement null and void if the business does not meet all
33 requirements of this chapter and/or any additional terms and conditions of the incentive
34 agreement.

1 (g) Upon issuance of a certification by the commerce corporation under subsection (f)
2 above, and at the request of the business, the division of taxation shall, on behalf of the State of
3 Rhode Island issue redemption tax certificate(s) as specified in the certification issued by the
4 commerce corporation pursuant to section (f) above.

5 (h) A taxpayer shall be entitled to take investment tax credits, up to the limit authorized
6 in this chapter, against taxes imposed pursuant to chapters 11 and 30 of title 44.

7 (i) Subject to annual appropriation in the state budget and upon written request of a
8 taxpayer, the state shall refund the amount of tax credit provided under this chapter in whole or in
9 part up to one hundred percent (100%) of the value of the redemption certificates issued under
10 subsection (g) reduced by the amount of the tax credit taken, if any; provided however, that
11 taxpayer may only claim a refund of a credit amount, in whole or part, for the year for which the
12 tax credit was issued. Credits carried over pursuant to subsection (j) shall not be refundable.

13 (j) If the tax credit allowed under this chapter exceeds the taxpayer's total tax liability for
14 the year in which the credit is allowed, the amount that exceeds the taxpayer's tax liability after
15 taking account any credit taken under this chapter may either be refunded pursuant to subsection
16 (i) or carried forward for credit against the tax liability for the succeeding years, or until the tax
17 credit is used in full, whichever occurs first.

18 (k) In the case of a corporation that files a consolidated return, this credit shall only be
19 allowed against the tax of a corporation included in a consolidated return that qualifies for the
20 credit and not against the tax of other corporations that may join in the filing of a consolidated tax
21 return.

22 (l) Credits allowed to a partnership, a limited liability company taxed as a partnership, or
23 multiple owners of property shall be passed through to the persons designated as partners,
24 members or owners respectively pro rata or pursuant to an executed agreement among such
25 persons designated as partners, members or owners documenting an alternate distribution method
26 without regard to their sharing of other tax or economic attributes of such entity.

27 (m) Any expenses used for calculating the tax credit under this chapter cannot be used in
28 calculating a tax credit under any other tax credit program in Rhode Island law.

29 (n) In the event any taxpayer seeking a refund under this chapter has outstanding Rhode
30 Island tax obligations, the division of taxation shall be permitted to apply said refund to the
31 outstanding tax obligations.

32 **42-64.33-6. Refundable investment tax credit fund.**

33 There is hereby established at the commerce corporation a restricted account known as
34 the refundable investment tax credit fund (the "fund") into which all amounts appropriated in the

1 state budget for the redemption of tax credits under this chapter shall be deposited. The fund
2 shall be used to pay for the redemption of investment tax credits pursuant to the provisions of this
3 chapter and for which a taxpayer is eligible under general laws 44-31-1. The fund shall be
4 exempt from attachment, levy or any other process at law or in equity. The director of the
5 department of revenue shall make a requisition to the commerce corporation for funding during
6 any fiscal year as may be necessary to pay for the redemption pursuant to this chapter. The
7 commerce corporation shall pay from the fund such amounts as requested by the director of the
8 department of revenue necessary to redeem tax credits pursuant to this chapter.

9 **42-64.33-7. Program integrity.**

10 (a) Program integrity being of paramount importance, the commerce corporation shall
11 establish procedures to ensure ongoing compliance with the terms and conditions of the program
12 established herein, including procedures to safeguard approval of redemption of the credits and to
13 ensure that authorized redemptions further the objectives of the program.

14 (b) The commerce corporation and division of taxation may promulgate such rules and
15 regulations pursuant to chapter 35 of title 42 of the general laws as deemed necessary to carry out
16 the intent, purpose and implementation of the program established under this chapter.

17 **42-64.33-8. Reporting requirements.**

18 (a) By September 1, 2018 and each year thereafter, the commerce corporation shall report
19 the name and address of each business entering into an incentive agreement during the previous
20 state fiscal year to the division of taxation. The commerce corporation shall also make this
21 information publicly available on its website. In addition, the commerce corporation shall
22 provide the division of taxation a copy of each incentive agreement as they are executed.

23 (b) By December 1, 2018 and each year thereafter, the office of management and budget
24 shall provide the governor with the sum, if any, to be appropriated to fund the refundable
25 investment tax credit program.

26 SECTION 3. Title 42 of the General Laws, entitled "State Affairs and Government," is
27 hereby amended by adding thereto the following chapter:

28 CHAPTER 64.34

29 REFUNDABLE JOBS TRAINING TAX CREDITS

30 **42-64.34-1. Short title.**

31 This chapter shall be known and may be cited as the "Refundable Jobs Training Tax
32 Credit Act."

33 **42-64.34-2. Legislative findings.**

34 Although Chapter 64.6 of Title 42 of the Rhode Island General Laws (the "Jobs Training

1 Tax Credit statute”) establishes tax credits for qualifying employers for qualifying expenses
2 incurred in the training and/or retraining of qualifying employees, the Jobs Training Tax Credit
3 statute does not allow for the taking of such credits by certain business entities and further does
4 not provide for refunds to the extent that the qualifying employer’s job training tax credits exceed
5 the qualifying employer’s tax liability. Through the establishment of a refundable jobs training
6 tax credit program for manufacturers and businesses in targeted industries, Rhode Island can
7 foster further training and/or retraining of qualifying employees to meet the evolving needs of the
8 workforce and thereby encourage employers within those industries to contribute in a meaningful
9 way to the economic development of this state. In so doing, this program will further advance the
10 competitiveness of Rhode Island and its companies in the national and global economies and
11 result in the creation and/or retention of jobs in the state.

12 **42-64.34-3. Definitions.**

13 (1) As used in this chapter, “qualifying employee,” “qualifying employer,” and
14 “qualifying expenses” shall have the meanings set forth in 42-64.6-3.

15 (2) “Manufacturing” and “Manufacturer” shall have the same meanings as provided in
16 44-31-1(b)(1) and (2) and shall further include any business described in major groups 20 through
17 39 in the Standard Industrial Classification Manual prepared by the technical committee on
18 industrial classification, office of statistical standards, executive office of the president, United
19 States Bureau of Budget, as revised from time to time; provided, however, that notwithstanding
20 the foregoing, the terms shall include any business engaged in the processing, refining,
21 metalworking, packaging, warehousing, shipping, and distribution of goods.

22 (3) “Refund or redemption” for purposes of this chapter means the taking of a tax credit
23 against a tax liability or obtaining a refund for a tax credit or a portion thereof.

24 (4) “Targeted industries” shall have the same meaning as provide din general law 42-
25 64.20-3 (Rebuild Rhode Island Tax Credit Program) and the regulations promulgated thereunder.

26 (5) “Tax liability” for purposes of this chapter means (i) the amount of tax owed to the
27 state of Rhode Island calculated as the Rhode Island adjusted taxable income minus any Rhode
28 Island tax credit on Schedule B-CR other than credits allowed under this chapter; or (ii) the
29 minimum tax for filers of Form RI 11120S; or (iii) the Rhode Island annual fee for file.

30 **42-64.34-4. Establishment of program.**

31 A refundable jobs training tax credit program is hereby established as a program under
32 the jurisdiction of and administered by the commerce corporation. Qualifying employers that
33 are not manufacturers or are not within a targeted industry shall not be eligible for the refundable
34 tax credit created by this section.

1 **42-64.34-5. Refundable Tax credits.**

2 (a) To be eligible to take and/or redeem tax credits under this chapter, a qualifying
3 employer must submit a completed application to the commerce corporation for approval prior to
4 incurring the expenses for the training that will give rise to the requested tax credit. Such
5 application shall be developed by the commerce corporation.

6 (b) The commerce corporation may take into account the following factors in determining
7 whether to approve a qualifying employer for a refundable jobs training tax credit pursuant to this
8 section: the number of the qualifying employer's qualifying employees and the amount of the
9 qualifying employer's qualifying expenses; the necessity of the training expenses and/or credit;
10 the number of jobs created and/or retained as a result of the qualified expenses incurred by the
11 qualifying employer; whether the jobs training and/or retraining was applicable to a qualifying
12 employer located in a Hope Community, as defined in general law 42-64.20-3 and the regulations
13 promulgated thereunder; and such other factors as the commerce corporation deems relevant.

14 (c) The refundable jobs training tax credit shall be available only to the extent that the
15 qualifying employer's jobs training tax credit exceeds that qualifying employer's tax liability for
16 the tax year in which the credit is available.

17 (d) The amount of the refundable tax credit available to any qualifying employer in any
18 given tax year shall not exceed the sum of two-hundred thousand dollars (\$200,000).

19 (e) Prior to approving an application for refundable tax credits, the commerce corporation
20 shall require the qualifying employer to enter into an incentive agreement setting forth the
21 qualifying employer's eligibility to use or redeem tax credits and the terms and conditions
22 governing the approval and receipt of the tax credits.

23 (f) To take or redeem a refundable tax credit authorized by the corporation, a qualifying
24 employer shall apply annually to the commerce corporation for a certification that the qualifying
25 employer has met all the requirements of this chapter and the incentive agreement. The
26 commerce corporation shall either issue ta certification o the qualifying employer or provide a
27 written response detailing any deficiencies precluding certification. The commerce corporation
28 may deny an application for certification, or declare the incentive agreement null and void if the
29 qualifying employer does not meet all requirements of this chapter and/or any additional terms
30 and conditions of the incentive agreement.

31 (g) Upon issuance of a certification by the commerce corporation under subsection (f)
32 above and at the written request of the qualifying employer, the division of taxation shall, on
33 behalf of the State of Rhode Island, issue redemption tax certificate(s) as specified in the
34 certification issued by the commerce corporation pursuant to section (f).

1 (h) A taxpayer shall be entitled to take jobs training tax credits, up to the limit authorized
2 in this chapter, against taxes imposed pursuant to chapters 11, 13 (except for 44-13-13), 14, 17,
3 and 30 of title 44.

4 (i) Subject to annual appropriation in the state budget and upon written request of a
5 taxpayer, the state shall refund the amount of tax credit provided under this chapter in whole or in
6 part up to one hundred percent (100%) of the value of the redemption certificates issued under
7 subsection (g) reduced by the amount of the tax credit taken, if any; provide, however, that a
8 taxpayer may only claim a refund of a tax credit amount, in whole or in part, for the year for
9 which the tax credit was issued. Credits carried over pursuant to subsection (j) shall not be
10 refundable.

11 (j) If the tax credit allowed under this chapter exceeds the taxpayer's total tax liability for
12 the year in which the credit is allowed, the amount that exceeds the taxpayer's tax liability after
13 taking into account any credit taken under this chapter may either be refunded pursuant to
14 subsection (i) or carried forward for credit against the tax liability for the succeeding years, or
15 until the tax credit is used in full, whichever occurs first.

16 (k) In the case of a qualifying employer that is a corporation that file a consolidated
17 return, this credit shall only be allowed against the tax of a corporation included in a consolidated
18 return that qualifies for the credit and not against the tax of other corporations that may join in the
19 filing of a consolidated tax return.

20 (l) Credits allowed to a qualifying employer that is a partnership, a limited liability
21 company taxed as a partnership, or that is owned by multiple persons shall be passed through to
22 the persons designated as partners, members or owners respectively pro rata or pursuant to an
23 executed agreement among such persons designated as partners, members or owners documenting
24 an alternate distribution method without regard to their sharing of other tax or economic attributes
25 of such entity.

26 (m) Any expenses used for calculating the tax credit under this chapter cannot be used in
27 calculating a tax credit under any other tax credit program in Rhode Island law.

28 (n) In the event any taxpayer seeking a refund under this chapter has outstanding Rhode
29 Island tax obligations, the division of taxation shall be permitted to apply said refund to the
30 outstanding tax obligations.

31 **42-64.34-6. Refundable jobs training tax credit fund.**

32 There is hereby established at the commerce corporation a restricted account known as
33 the refundable jobs training tax credit fund (the "fund") in to which all amounts appropriated in
34 the state budget for the redemption of tax credits under this chapter shall be deposited. The fund

1 shall be used to pay for the redemption of jobs training tax credits pursuant to the provisions of
2 this chapter and for which a taxpayer is eligible under general laws 42-64.6-1, et seq. The fund
3 shall be exempt from attachment, levy or any other process at law or in equity. The director of
4 the department of revenue shall make a requisition to the commerce corporation for funding
5 during any fiscal year as may be necessary to pay for the redemption of tax credits pursuant to
6 this chapter. The commerce corporation shall pay from the fund such amounts requested by the
7 director of the department of revenue necessary to redeem tax credits pursuant to this chapter.

8 **42-64.34-7. Program integrity.**

9 (a) Program integrity being of paramount importance, the commerce corporation shall
10 establish procedures to ensure ongoing compliance with the terms and conditions of the program
11 established herein, including procedures to safeguard approval of redemption of the credits and to
12 ensure that authorized redemptions further the objectives of the program.

13 (b) The commerce corporation and division of taxation may promulgate such rules and
14 regulations pursuant to chapter 35 of title 42 of the general laws as deemed necessary to carry out
15 the intent, purpose and implementation of the program established under this chapter.

16 **42-64.34-8. Reporting requirements.**

17 (a) By September 1, 2018 and each year thereafter, the commerce corporation shall report
18 the name and address of each qualifying employer entering into an incentive agreement during
19 the previous state fiscal year to the division of taxation. The commerce corporation shall also
20 make this information publicly available on its website. In addition, the commerce corporation
21 shall provide the division of taxation a copy of each incentive agreement as they are executed.

22 (b) By December 1, 2018 and each year thereafter, the office of management and budget
23 shall provide the governor with the sum, if any, to be appropriated to fund the refundable jobs
24 training tax credit program.

25 SECTION 4. Title 42 of the General Laws, entitled "State Affairs and Government," is
26 hereby amended by adding thereto the following chapter:

27 CHAPTER 64.35

28 TECHNICAL ASSISTANCE FOR MUNICIPAL ZONING AND PERMITTING FUND

29 **42-64.35-1 Statement of intent.**

30 Outdated and overly burdensome zoning, planning, and permitting codes and processes
31 can inhibit the establishment of sustained economic development at the local level. It is the
32 intention of the general assembly to assist municipalities in addressing and streamlining their
33 respective zoning, planning, and permitting codes and processes by creating a funding program to
34 provide access to technical assistance for the evaluation and betterment of such codes and

1 [processes.](#)

2 **42-64.35-2 Fund established.**

3 [The technical assistance for municipal zoning and permitting fund is hereby created](#)
4 [within the Rhode Island commerce corporation \(the "fund"\). The commerce corporation is](#)
5 [authorized, within available appropriations, to award loans, grants, and other forms of financing](#)
6 [to provide access by municipalities to technical assistance to evaluate and streamline their](#)
7 [respective zoning, planning, and permitting codes and processes to foster economic development](#)
8 [and business attraction within their respective municipalities. Applications and awards of grants,](#)
9 [loans, and other forms of financing shall be on a rolling basis. There is established an account in](#)
10 [the name of the "technical assistance for municipal zoning and permitting fund" under the control](#)
11 [of the commerce corporation, and the commerce corporation shall pay into such account any](#)
12 [eligible funds available to the commerce corporation from any source, including funds](#)
13 [appropriated by the state and any grants made available by the United States or any agency of the](#)
14 [United States.](#)

15 **42-64.35-3 Rules and regulations.**

16 [The commerce corporation is hereby authorized to promulgate such rules and regulations](#)
17 [as are necessary to fulfill the purposes of this chapter, including the criteria by which grant, loan,](#)
18 [or other form of financing applications will be judged and awarded.](#)

19 **42-64.35-4 Reporting requirements.**

20 [The commerce corporation shall publish a report on the fund at the end of each fiscal](#)
21 [year, which shall contain information on the commitment, disbursement, and use of funds](#)
22 [allocated under the fund. The report shall also, to the extent practicable, track the economic](#)
23 [impact of projects that have been completed using the fund. The report is due no later than sixty](#)
24 [\(60\) days after the end of the fiscal year, and shall be provided to the speaker of the house of](#)
25 [representatives and the president of the senate.](#)

26 **42-64.35-5 Program integrity.**

27 [Program integrity being of paramount importance, the commerce corporation shall](#)
28 [establish procedures to ensure ongoing compliance with the terms and conditions of the program](#)
29 [established herein, including procedures to safeguard the expenditure of public funds and to](#)
30 [ensure that the funds further the objectives of the program.](#)

31 **42-64.35-6 Sunset.**

32 [No incentives shall be authorized pursuant to this chapter after December 31, 2019.](#)

33 SECTION 5. Section 44-30-2.6 of the General Laws in Chapter 44-30 entitled "Personal
34 Income Tax" is hereby amended to read as follows:

1 **44-30-2.6. Rhode Island taxable income -- Rate of tax. [Effective January 1, 2017.]**

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

7 (b) Notwithstanding the provisions of §§ 44-30-1 and 44-30-2, for tax years beginning
8 on or after January 1, 2001, a Rhode Island personal income tax is imposed upon the Rhode
9 Island taxable income of residents and nonresidents, including estates and trusts, at the rate of
10 twenty-five and one-half percent (25.5%) for tax year 2001, and twenty-five percent (25%) for
11 tax year 2002 and thereafter of the federal income tax rates, including capital gains rates and any
12 other special rates for other types of income, except as provided in § 44-30-2.7, which were in
13 effect immediately prior to enactment of the Economic Growth and Tax Relief Reconciliation
14 Act of 2001 (EGTRRA); provided, rate schedules shall be adjusted for inflation by the tax
15 administrator beginning in taxable year 2002 and thereafter in the manner prescribed for
16 adjustment by the commissioner of Internal Revenue in 26 U.S.C. § 1(f). However, for tax years
17 beginning on or after January 1, 2006, a taxpayer may elect to use the alternative flat tax rate
18 provided in § 44-30-2.10 to calculate his or her personal income tax liability.

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

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

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

1 itemized-deduction amount and the Rhode Island exemption amount as determined in this
2 section.

3 (A) Tax imposed.

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

6 If taxable income is:	The tax is:
7 Not over \$53,150	3.75% of taxable income
8 Over \$53,150 but not over \$128,500	\$1,993.13 plus 7.00% of the excess over \$53,150
9 Over \$128,500 but not over \$195,850	\$7,267.63 plus 7.75% of the excess over \$128,500
10 Over \$195,850 but not over \$349,700	\$12,487.25 plus 9.00% of the excess over \$195,850
11 Over \$349,700	\$26,333.75 plus 9.90% of the excess over \$349,700

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

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

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

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

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

31 If taxable income is:	The tax is:
32 Not over \$26,575	3.75% of taxable income
33 Over \$26,575 but not over \$64,250	\$996.56 plus 7.00% of the excess over \$26,575
34 Over \$64,250 but not over \$97,925	\$3,633.81 plus 7.75% of the excess over \$64,250

1	Over \$97,925 but not over \$174,850	\$6,243.63 plus 9.00% of the excess over \$97,925
2	Over \$174,850	\$13,166.88 plus 9.90% of the excess over \$174,850

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

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

11 (6) Adjustments for inflation.

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

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

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

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

18 (B) Maximum capital gains rates.

19 (1) In general.

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

22 (a) 2.5 % of the net capital gain as reported for federal income tax purposes under section
23 26 U.S.C. 1(h)(1)(a) and 26 U.S.C. 1(h)(1)(b).

24 (b) 5% of the net capital gain as reported for federal income tax purposes under 26 U.S.C.
25 1(h)(1)(c).

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

28 (d) 7% of the net capital gain as reported for federal income tax purposes under 26 U.S.C.
29 1(h)(1)(e).

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

32 (C) Itemized deductions.

33 (1) In general.

34 For the purposes of section (2), "itemized deductions" means the amount of federal

1 itemized deductions as modified by the modifications in § 44-30-12.

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

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

5 (3) Basic standard deduction.

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

8 Filing status	Amount
9 Single	\$5,350
10 Married filing jointly or qualifying widow(er)	\$8,900
11 Married filing separately	\$4,450
12 Head of Household	\$7,850

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

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

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

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

21 (a) \$850;

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

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

24 In the case of:

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

26 (b) Nonresident alien individual;

27 (c) An estate or trust;

28 The standard deduction shall be zero.

29 (7) Adjustments for inflation.

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

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

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

1 (D) Overall limitation on itemized deductions.

2 (1) General rule.

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

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

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

10 (2) Applicable amount.

11 (a) In general.

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

14 (b) Adjustments for inflation.

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

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

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

18 (3) Phase-out of Limitation.

19 (a) In general.

20 In the case of taxable year beginning after December 31, 2005, and before January 1,
21 2010, the reduction under section (1) shall be equal to the applicable fraction of the amount which
22 would be the amount of such reduction.

23 (b) Applicable fraction.

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

26 For taxable years beginning in calendar year	The applicable fraction is
27 2006 and 2007	2/3
28 2008 and 2009	1/3

29 (E) Exemption amount.

30 (1) In general.

31 Except as otherwise provided in this subsection, the term "exemption amount" means
32 \$3,400.

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

34 In the case of an individual with respect to whom a deduction under this section is

1 allowable to another taxpayer for the same taxable year, the exemption amount applicable to such
2 individual for such individual's taxable year shall be zero.

3 (3) Adjustments for inflation.

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

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

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

7 (4) Limitation.

8 (a) In general.

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

11 (b) Applicable percentage.

12 In the case of any taxpayer whose adjusted gross income for the taxable year exceeds the
13 threshold amount, the exemption amount shall be reduced by two (2) percentage points for each
14 \$2,500 (or fraction thereof) by which the taxpayer's adjusted gross income for the taxable year
15 exceeds the threshold amount. In the case of a married individual filing a separate return, the
16 preceding sentence shall be applied by substituting "\$1,250" for "\$2,500." In no event shall the
17 applicable percentage exceed one hundred percent (100%).

18 (c) Threshold Amount.

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

21	Filing status	Amount
22	Single	\$156,400
23	Married filing jointly of qualifying widow(er)	\$234,600
24	Married filing separately	\$117,300
25	Head of Household	\$195,500

26 (d) Adjustments for inflation.

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

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

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

30 (5) Phase-out of limitation.

31 (a) In general.

32 In the case of taxable years beginning after December 31, 2005, and before January 1,
33 2010, the reduction under section 4 shall be equal to the applicable fraction of the amount which
34 would be the amount of such reduction.

1 (b) Applicable fraction.

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

4 For taxable years beginning in calendar year	The applicable fraction is
5 2006 and 2007	2/3
6 2008 and 2009	1/3

7 (F) Alternative minimum tax.

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

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

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

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

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

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

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

17 (4) Taxable excess. For the purposes of this subsection the term "taxable excess" means
18 so much of the federal alternative minimum taxable income as modified by the modifications in §
19 44-30-12 as exceeds the exemption amount.

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

22 (6) Exemption amount.

23 For purposes of this section "exemption amount" means:

24 Filing status	Amount
25 Single	\$39,150
26 Married filing jointly or qualifying widow(er)	\$53,700
27 Married filing separately	\$26,850
28 Head of Household	\$39,150
29 Estate or trust	\$24,650

30 (7) Treatment of unearned income of minor children

31 (a) In general.

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

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

1 (ii) \$6,000.

2 (8) Adjustments for inflation.

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

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

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

8 (9) Phase-out.

9 (a) In general.

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

13 (b) Threshold amount.

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

16 Filing status	Amount
17 Single	\$123,250
18 Married filing jointly or qualifying widow(er)	\$164,350
19 Married filing separately	\$82,175
20 Head of Household	\$123,250
21 Estate or Trust	\$82,150

22 (c) Adjustments for inflation

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

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

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

26 (G) Other Rhode Island taxes.

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

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

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

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

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

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

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

2 (I) Averaging of farm income.

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

5 (a) The Federal averaging of farm income as determined in IRC section 1301 [26 U.S.C.
6 § 1301].

7 (J) Cost-of-living adjustment.

8 (1) In general.

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

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

11 (b) The CPI for the base year.

12 (2) CPI for any calendar year.

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

16 (3) Consumer price index.

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

21 (4) Rounding.

22 (a) In general.

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

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

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

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

31 (2) Child and dependent care credit;

32 (3) General business credits;

33 (4) Credit for elderly or the disabled;

34 (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, a
5 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 For tax years beginning before January 1, 2015, a taxpayer entitled to a federal earned-
18 income credit shall be allowed a Rhode Island earned-income credit equal to twenty-five percent
19 (25%) of the federal earned-income credit. Such credit shall not exceed the amount of the Rhode
20 Island income tax.

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

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

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

33 (2) Refundable portion.

34 In the event the Rhode Island earned-income credit allowed under paragraph (N)(1) of

1 this section exceeds the amount of Rhode Island income tax, a refundable earned-income credit
2 shall be allowed as follows.

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

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

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

12 (3) For the period January 1, 2011 through December 31, 2011, and thereafter, "Rhode
13 Island taxable income" means federal adjusted gross income as determined under the Internal
14 Revenue Code, 26 U.S.C. 1 et seq., and as modified for Rhode Island purposes pursuant to § 44-
15 30-12 less the amount of Rhode Island Basic Standard Deduction allowed pursuant to
16 subparagraph 44-30-2.6(c)(3)(B), and less the amount of personal exemption allowed pursuant to
17 subparagraph 44-30-2.6(c)(3)(C).

18 (A) Tax imposed.

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

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

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

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

1 (B) Deductions:

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

4 Filing status:	Amount
5 Single	\$7,500
6 Married filing jointly or qualifying widow(er)	\$15,000
7 Married filing separately	\$7,500
8 Head of Household	\$11,250

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

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

17 (C) Exemption Amount:

18 (I) The term "exemption amount" means three thousand five hundred dollars (\$3,500)
19 multiplied by the number of exemptions allowed for the taxable year for federal income tax
20 purposes.

21 (II) Exemption amount disallowed in case of certain dependents. In the case of an
22 individual with respect to whom a deduction under this section is allowable to another taxpayer
23 for the same taxable year, the exemption amount applicable to such individual for such
24 individual's taxable year shall be zero.

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

31 (E) Adjustment for inflation. The dollar amount contained in subparagraphs 44-30-
32 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
33 equal to:

34 (I) Such dollar amount contained in subparagraphs 44-30-2.6(c)(3)(A), 44-30-

1 2.6(c)(3)(B) and 44-30-2.6(c)(3)(C) adjusted for inflation using a base tax year of 2000,
2 multiplied by;

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

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

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

13 (V) If any increase determined under this section is not a multiple of fifty dollars
14 (\$50.00), such increase shall be rounded to the next lower multiple of fifty dollars (\$50.00). In the
15 case of a married individual filing separate return, if any increase determined under this section is
16 not a multiple of twenty-five dollars (\$25.00), such increase shall be rounded to the next lower
17 multiple of twenty-five dollars (\$25.00).

18 (F) Credits against tax.

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

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

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

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

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

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

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

34 (g) Child and Dependent Care: Credit shall be allowed for twenty-five percent (25%) of

1 the federal child and dependent care credit allowable for the taxable year for federal purposes;
2 provided, however, such credit shall not exceed the Rhode Island tax liability.

3 (h) Tax credits for contributions to Scholarship Organizations: Credit shall be allowed for
4 contributions to scholarship organizations as provided in chapter 62 of title 44.

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

12 (j) Stay Invested in RI Wavemaker Fellowship: Credit shall be allowed for stay invested
13 in RI wavemaker fellowship program as provided in § 42-64.26-1 et seq.

14 (k) Rebuild Rhode Island: Credit shall be allowed for rebuild RI tax credit as provided in
15 § 42-64.20-1 et seq.

16 (l) Rhode Island Qualified Jobs Incentive Program: Credit shall be allowed for Rhode
17 Island new qualified jobs incentive program credit as provided in § 44-48.3-1 et seq.

18 (m) Refundable Investment Tax Credit: Credit shall be allowed for investment tax
19 credits as provided in 44-31-1 et seq. and for refundable investment tax credits as provided in 42-
20 64.33-1 et seq.

21 (n) Refundable Jobs Training Tax Credit: Credit shall be allowed for jobs training tax
22 credits as provided in 42-64.6-1 et seq. and for refundable jobs training tax credits as provided in
23 42-64.34-1 et seq.

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

26 SECTION 6. This article shall take effect as of July 1, 2017.

27 ARTICLE 3

28 RELATING TO RHODE ISLAND PROMISE SCHOLARSHIP

29 SECTION 1. Title 16 of the General Laws entitled "Education" is hereby amended by
30 adding thereto the following chapter:

31 CHAPTER 16-107

32 RHODE ISLAND PROMISE SCHOLARSHIP

33 16-107-1. Short title.

34 This chapter shall be known and may be cited as the "Rhode Island Promise Scholarship

1 Act.”

2 **16-107-2. Legislative findings and purpose.**

3 (a) The general assembly finds and declares that:

4 (1) Education is critical for the state’s young people to achieve their dreams and develop
5 their talents;

6 (2) The state’s economic success depends on a highly educated and skilled workforce;
7 and

8 (3) The state’s future prosperity depends upon its ability to make educational
9 opportunities beyond high school available for all students as part of a free public education.

10 (b) In order to address the findings set forth in section (a), the purposes of this chapter are
11 to increase:

12 (1) the number of students enrolled at the Community College of Rhode Island, Rhode
13 Island College, and the University of Rhode Island; and

14 (2) the number of students who complete their degree on time at these institutions.

15 **16-107-3. Establishment of scholarship program.**

16 Beginning with the high school graduating class of 2017, it is hereby established the
17 Rhode Island promise scholarship program. The general assembly shall annually appropriate the
18 funds necessary into a restricted receipt account at each eligible postsecondary institution to
19 implement the purposes of this chapter. In addition to appropriation by the general assembly,
20 charitable donations may be accepted into the scholarship program.

21 **16-107-4. Definitions.**

22 When used in this chapter, the following terms shall have the following meanings:

23 (a) “Eligible postsecondary institution” means the University of Rhode Island, Rhode
24 Island College or the Community College of Rhode Island;

25 (b) “FAFSA” means the Free Application for Federal Student Aid form;

26 (c) “Mandatory fees and tuition” are the costs that every student is required to pay in
27 order to enroll in classes at the eligible postsecondary institutions, and does not include room and
28 board, textbooks, meal plans or travel.

29 (d) “On track to graduate on time” means the standards determined by the applicable
30 eligible postsecondary institution in establishing the expectation of a student to graduate with:

31 (1) an associate’s degree within 2 years of enrollment; and

32 (2) a bachelor’s degree within 4 years of enrollment;

33 (e) “Scholarship program” means the Rhode Island promise scholarship program that is
34 established pursuant to § 16-107-3; and

1 (f) “State” means the State of Rhode Island and Providence Plantations.

2 **16-107-5. Administration of scholarship program.**

3 (a) The financial aid office in conjunction with the office of enrollment, or their
4 respective equivalent offices, at the applicable eligible postsecondary institution, under the
5 supervision of the Council on Postsecondary Education, shall administer the scholarship program
6 for state residents seeking associate and bachelor degrees at eligible postsecondary institutions
7 who meet the eligibility requirements in this chapter.

8 (b) An award of the scholarship program shall cover the cost of 2 years of tuition and
9 mandatory fees at the eligible postsecondary institution less federal and all other financial aid
10 monies available to the recipient-student.

11 (c) The scholarship program limits one award per student.

12 **16-107-6. Eligibility for scholarship.**

13 (a) Beginning with the students who enroll at an eligible postsecondary institution in the
14 fall of 2017, to be considered for the scholarship, a student:

15 (i) Must qualify for in-state tuition and fees pursuant to the *Residency Policy* adopted by
16 the Council on Postsecondary Education, as amended, supplemented, restated or otherwise
17 modified from time to time (“residency policy”); *provided, that*, the student must have satisfied
18 the high school graduation/equivalency diploma condition prior to reaching 19 years of age;
19 *provided, further, that* in addition to the option of meeting the requirement by receiving a high
20 school equivalency diploma as described in the residency policy, the student can satisfy the
21 condition by receiving other certificates or documents of equivalent nature from the state or its
22 municipalities as recognized by applicable regulations promulgated by the Council on Elementary
23 and Secondary Education;

24 (ii)(1) In the case of a recipient-student with regard to the Community College of Rhode
25 Island, must be admitted to, and must enroll to, attend the institution on a full-time basis by the
26 fall immediately following high school graduation or receipt of the high school equivalency
27 diploma; or

28 (2) In the case of a recipient-student with regard to Rhode Island College or the
29 University of Rhode Island, must be a currently enrolled full-time student who has declared a
30 major and accumulated a minimum of 60 credit hours towards a bachelor’s degree at the student’s
31 current institution;

32 (iii) Must complete the FAFSA by the deadline prescribed by the applicable eligible
33 postsecondary institution for each academic year in which the student seeks to receive funding
34 under the scholarship program;

- 1 (iv) Must continue to be enrolled on a full-time basis;
2 (v) Must maintain a minimum of 2.0 grade point average at the applicable eligible
3 postsecondary institution;
4 (vi) Must remain on track to graduate on time at the applicable eligible postsecondary
5 institution; and
6 (vii) Must not have already received an award under the scholarship program.
7 (b) Notwithstanding the eligibility requirements under §§ 16-107-6(a) (“specified
8 conditions”):
9 (i) In the case of a student who has an approved medical or personal leave of absence
10 from an eligible postsecondary institution and is unable to satisfy one or more specified
11 conditions because of the student’s medical or personal circumstances, the student may continue
12 to receive an award under the scholarship program upon resuming the student’s education at the
13 eligible postsecondary institution so long as the student continues to meet all other applicable
14 eligibility requirements; and
15 (ii) In the case of a student who is a member of the national guard or a member of a
16 reserve unit of a branch of the United State military and is unable to satisfy one or more specified
17 conditions because the student is or will be in basic or special military training, or is or will be
18 participating in a deployment of the student’s guard or reserve unit, the student may continue to
19 receive an award under the scholarship program upon completion of the student’s basic or special
20 military training or deployment.

21 **16-107-7. Rules and procedures.**

22 The Council on Postsecondary Education is hereby authorized to promulgate rules and
23 establish appeal procedures for the award, denial or revocation of funding under the scholarship
24 program, and to otherwise effectuate the purposes of this chapter. The rules shall be promulgated
25 in accordance with § 16-59-4.

26 SECTION 2. Section 16-59-9 of the General Laws in Chapter 16-59 entitled “Board of
27 Governors for Higher Education” is hereby amended to read as follows:

28 **16-59-9. Education budget and appropriations.**

29 (a) The general assembly shall annually appropriate any sums it deems necessary for
30 support and maintenance of higher education in the state and the state controller is authorized and
31 directed to draw his or her orders upon the general treasurer for the payment of the appropriations
32 or so much of the sums that are necessary for the purposes appropriated, upon the receipt by him
33 or her of proper vouchers as the council on postsecondary education may by rule provide. The
34 council shall receive, review, and adjust the budget for the office of postsecondary commissioner

1 and present the budget as part of the budget for higher education under the requirements of § 35-
2 3-4.

3 (b) The office of postsecondary commissioner and the institutions of public higher
4 education shall establish working capital accounts.

5 (c) Any tuition or fee increase schedules in effect for the institutions of public higher
6 education shall be received by the council on postsecondary education for allocation for the fiscal
7 year for which state appropriations are made to the council by the general assembly; provided that
8 no further increases may be made by the board of education or the council on postsecondary
9 education for the year for which appropriations are made. Except that these provisions shall not
10 apply to the revenues of housing, dining, and other auxiliary facilities at the University of Rhode
11 Island, Rhode Island College, and the Community Colleges including student fees as described in
12 P.L. 1962, ch. 257 pledged to secure indebtedness issued at any time pursuant to P.L. 1962, ch.
13 257 as amended.

14 (d) All housing, dining, and other auxiliary facilities at all public institutions of higher
15 learning shall be self-supporting and no funds shall be appropriated by the general assembly to
16 pay operating expenses, including principal and interest on debt services, and overhead expenses
17 for the facilities, with the exception of the mandatory fees and tuition covered by the Rhode
18 Island Promise scholarship program as established by 16-107-3. Any debt-service costs on
19 general obligation bonds presented to the voters in November 2000 and November 2004 or
20 appropriated funds from the Rhode Island capital plan for the housing auxiliaries at the University
21 of Rhode Island and Rhode Island College shall not be subject to this self-supporting requirement
22 in order to provide funds for the building construction and rehabilitation program. The institutions
23 of public higher education will establish policies and procedures that enhance the opportunity for
24 auxiliary facilities to be self-supporting, including that all faculty provide timely and accurate
25 copies of booklist for required textbooks to the public higher educational institution's bookstore.

26 (e) The additional costs to achieve self-supporting status shall be by the implementation
27 of a fee schedule of all housing, dining, and other auxiliary facilities, including but not limited to,
28 operating expenses, principal, and interest on debt services, and overhead expenses.

29 (f) The board of education is authorized to establish a restricted-receipt account for the
30 Westerly Higher Education and Industry Center (also known as the Westerly Job Skills Center or
31 Westerly Higher Education Learning Center) and to collect lease payments from occupying
32 companies, and fees from room and service rentals, to support the operation and maintenance of
33 the facility. All such revenues shall be deposited to the restricted-receipt account.

34 SECTION 3. This article shall take effect upon passage.

1 appear in the state's transportation improvement program.

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

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

9 (d) Provided further that beginning July 1, 2017, one half of one percent (0.5%) of
10 available proceeds in the Rhode Island highway maintenance account shall be allocated annually
11 to the division of motor vehicles for operating expenditures.

12 SECTION 4. This article shall take effect as of July 1, 2017.

13 ARTICLE 5

14 RELATING TO GOVERNMENT REORGANIZATION

15 SECTION 1. Sections 12-2.2-1 and 12-2.2-5 of the General Laws in Chapter 12-2.2
16 entitled "Capitol Police for Public Buildings" are hereby amended to read as follows:

17 **12-2.2-1. Appointment of capitol police.**

18 The ~~director~~ commissioner of public safety may appoint qualified persons to act as
19 "capitol police officers," who shall be members of the state classified service. Upon appointment
20 of an officer, the ~~director~~ commissioner shall issue to the person a license to act as a capitol
21 police officer and the license shall, in the courts of this state, be evidence of the validity of the
22 appointment of the person named and of his or her authority to act as a capitol police officer at
23 any of the buildings or grounds within the jurisdiction of the division of public buildings as
24 assigned by the chief of public buildings.

25 **12-2.2-5. Classes in law enforcement.**

26 All capitol police shall be required to attend and successfully complete any law
27 enforcement courses that the ~~director~~ commissioner of public safety shall require. These law
28 enforcement courses will be conducted by either the state police or the municipal police training
29 school for the benefit of the capitol police.

30 SECTION 2. Section 30-15-5 of the General Laws in Chapter 30-15 entitled
31 "Emergency Management" is hereby amended to read as follows:

32 **30-15-5. Emergency management preparedness agency created – Personnel –** 33 **Facilities.**

34 (a) There is hereby created within the ~~executive department~~ the department of public

1 [safety](#), the Rhode Island emergency management agency (hereinafter in this chapter called the
2 "agency"), to be headed by a director, who shall be appointed by, and serve at the pleasure of, the
3 governor and who shall be in the unclassified service.

4 (b) The director may employ such technical, clerical, stenographic, and other personnel,
5 all of whom shall be in the classified service, [except for one administrative executive officer who](#)
6 [shall be in the unclassified service](#), and may make such expenditures within the appropriation
7 therefor, or from other funds made available for the purposes of this chapter, as may be necessary
8 to carry out the purposes of this chapter, consistent with other applicable provisions of law.

9 (c) The agency may provide itself with appropriate office space, furniture, equipment,
10 supplies, stationery, and printing.

11 (d) The director, subject to the direction and control of the governor, shall be the head of
12 the agency, and shall be responsible to the governor for carrying out the program for disaster
13 preparedness of this state. The director shall coordinate the activities of all organizations for
14 disasters within the state and shall maintain liaison with and cooperate with disaster agencies and
15 organizations of other states and of the federal government. The director shall have such
16 additional authority, duties, and responsibilities authorized by this chapter as may be prescribed
17 by [the commissioner of public safety or](#) the governor.

18 (e) Wherever in the general or public laws, or any rule or regulation, any reference to the
19 "executive director" shall appear, it shall be deemed to mean and shall mean "the director."

20 SECTION 3. Section 36-4-2 of the General Laws in Chapter 36-4 entitled "Merit
21 System" is hereby amended to read as follows:

22 **36-4-2. Positions in unclassified service.**

23 (a) The classified service shall comprise all positions in the state service, now existing or
24 hereinafter established, except the following specific positions which, with other positions
25 heretofore or hereinafter specifically exempted by legislative act, shall constitute the unclassified
26 service:

27 (1) Officers and legislators elected by popular vote and persons appointed to fill
28 vacancies in elective offices.

29 (2) Employees of both houses of the general assembly.

30 (3) Officers, secretaries, and employees of the office of the governor, office of the
31 lieutenant governor, department of state, department of the attorney general, and the treasury
32 department.

33 (4) Members of boards and commissions appointed by the governor, members of the state
34 board of elections and the appointees of the board, members of the commission for human rights

1 and the employees of the commission, and directors of departments.

2 (5) The following specific offices:

3 (i) In the department of administration: director, chief information officer, ~~cybersecurity~~
4 ~~officer~~, director of office of management and budget, director of performance management,
5 deputy director, chief of staff, public information officer and legislative/policy director, and
6 within the health benefits exchange: director, deputy director, administrative assistant, senior
7 policy analyst, and chief strategic planning monitoring and evaluation;

8 (ii) In the department of business regulation: director;

9 (iii) In the department of elementary and secondary education: commissioner of
10 elementary and secondary education;

11 (iv) In the department of higher education: commissioner of postsecondary education;

12 (v) In the department of health: director, executive director, ~~and~~ deputy director, and
13 legislative liaison;

14 (vi) In the department of labor and training: director, administrative assistant,
15 administrator of the labor board and legal counsel to the labor board, executive director, and
16 communications director;

17 (vii) In the department of environmental management: director, chief of staff, chief public
18 affairs officer, and policy director;

19 (viii) In the department of transportation: director, chief operating officer,
20 administrator/division of project management, administrator/division of planning, chief of staff,
21 communications director, legislative director, and policy director;

22 (ix) In the department of human services: director, ~~and~~ director of veterans' affairs,
23 deputy director, chief of staff, communications/legislative coordinator, and policy director;

24 (x) In the state properties committee: secretary;

25 (xi) In the workers' compensation court: judges, administrator, deputy administrator,
26 clerk, assistant clerk, clerk secretary;

27 (xii) In the division of elderly affairs: director;

28 (xiii) In the department of behavioral healthcare, developmental disabilities and hospitals:
29 director;

30 (xiv) In the department of corrections: director, assistant director (institutions/operations),
31 assistant director (rehabilitative services), assistant director (administration), and wardens;

32 (xv) In the department of children, youth and families: director, one assistant director,
33 one associate director, one executive director, and a chief of staff;

34 (xvi) In the public utilities commission: public utilities administrator;

- 1 (xvii) In the water resources board: general manager;
- 2 (xviii) In the human resources investment council: executive director.
- 3 (xix) In the office of health and human services: secretary of health and human services
- 4 [and medicaid director.](#)
- 5 (xx) In the office of commerce: secretary, deputy secretary, chief of staff,
- 6 communications director, legislative director, and policy director.
- 7 (6) Chief of the hoisting engineers, licensing division, and his or her employees;
- 8 executive director of the veterans memorial building and his or her clerical employees.
- 9 (7) One confidential stenographic secretary for each director of a department and each
- 10 board and commission appointed by the governor.
- 11 (8) Special counsel, special prosecutors, regular and special assistants appointed by the
- 12 attorney general, the public defender and employees of his or her office, and members of the
- 13 Rhode Island bar occupying a position in the state service as legal counsel to any appointing
- 14 authority.
- 15 (9) The academic and/or commercial teaching staffs of all state institution schools, with
- 16 the exception of those institutions under the jurisdiction of the board of regents for elementary
- 17 and secondary education and the board of governors for higher education.
- 18 (10) Members of the military or naval forces, when entering or while engaged in the
- 19 military or naval service.
- 20 (11) Judges, referees, receivers, clerks, assistant clerks, and clerical assistants of the
- 21 supreme, superior, family, and district courts, the traffic tribunal, security officers of the traffic
- 22 tribunal, jurors, and any persons appointed by any court.
- 23 (12) Election officials and employees.
- 24 (13) Deputy sheriffs and other employees of the sheriffs division within the department
- 25 of public safety.
- 26 (14) Patient or inmate help in state charitable, penal, and correctional institutions and
- 27 religious instructors of these institutions and student nurses in training, residents in psychiatry in
- 28 training, and clinical clerks in temporary training at the institute of mental health within the state
- 29 of Rhode Island medical center.
- 30 (15)(i) Persons employed to make or conduct a temporary and special inquiry,
- 31 investigation, project, or examination on behalf of the legislature, or a committee therefor, or on
- 32 behalf of any other agency of the state if the inclusion of these persons in the unclassified service
- 33 is approved by the personnel administrator. The personnel administrator shall notify the house
- 34 fiscal advisor and the senate fiscal advisor whenever he or she approves the inclusion of a person

1 in the unclassified service.

2 (ii) The duration of the appointment of a person, other than the persons enumerated in
3 this section, shall not exceed ninety (90) days or until presented to the department of
4 administration. The department of administration may extend the appointment another ninety (90)
5 days. In no event shall the appointment extend beyond one hundred eighty (180) days.

6 (16) Members of the division of state police within the department of public safety.

7 (17) Executive secretary of the Blackstone Valley district commission.

8 (18) Artist and curator of state-owned art objects.

9 (19) Mental health advocate.

10 (20) Child advocate.

11 (21) The position of aquaculture coordinator and marine infrastructure specialist within
12 the coastal resources management council.

13 (22) Employees of the office of the health insurance commissioner.

14 (23) In the department of revenue: the director, secretary, attorney.

15 (24) In the department of public safety: the ~~director~~ commissioner, policy director,
16 cybersecurity officer, and director of the emergency management agency and his/her
17 administrative executive officer.

18 (b) Provided, however, that, if any position added to the unclassified service by
19 legislative act after January 1, 2015, is occupied by a classified employee on June 30, 2015, such
20 position shall remain in the classified service until such position becomes vacant.

21 SECTION 4. Sections 42-7.3-3.2, 42-7.3-3.3, 42-7.3-5 and 42-7.3-6 of the General Laws
22 in Chapter 42-7.3 entitled "Department of Public Safety" are hereby amended to read as follows:

23 **42-7.3-1. Declaration of purpose.**

24 The purpose of this chapter is to establish a public safety department. This department is
25 responsible to consolidate the law enforcement and emergency management services presently
26 provided by ~~six~~ seven divisions and agencies within the executive branch of state government.
27 The consolidation of these divisions and agencies into a department of public safety will assure
28 the provision of professional services; will enable the most efficient and effective use of the
29 state's public safety resources; will allow for the consolidation of such functions as
30 communications, training, and operating procedures; and will protect the lives and promote the
31 safety of the citizens of this state.

32 **42-7.3-3. Powers and duties of the department.**

33 The department of public safety shall be responsible for the management and
34 administration of the following divisions and agencies:

- 1 (a) Office of the capitol police (chapter 2.2 of title 12).
- 2 (b) State fire marshal (chapter 28.2 of title 23).
- 3 (c) E-911 emergency telephone system division (chapter 28.2 of title 39).
- 4 (d) Rhode Island state police (chapter 28 of title 39).
- 5 (e) Municipal police training academy (chapter 28.2 of title 42).
- 6 (f) Division of sheriffs (chapter 7.3 of title 42).
- 7 (g) [Emergency management agency \(chapter 15 of title 30\)](#).

8 **42-7.3-3.2. Division of sheriffs.**

9 (a) *Division established.* A division of sheriffs is hereby established within the
10 department of public safety. This division shall be responsible for statewide activities assigned by
11 law which relate to the duties and functions of the sheriffs of the several counties. The division
12 also shall be responsible for all statewide activities assigned by law which relate to the duties and
13 functions of state marshals. Among its other responsibilities, the division shall also be responsible
14 for courtroom security and cellblocks in all state courthouses, training of personnel, transportation
15 of individuals charged with crimes, and special operations.

16 (b) *Powers and Duties.*

17 (1) The division of sheriffs shall have the following powers and duties:

18 (i) To provide and maintain security for judges at all state courts;

19 (ii) To provide and maintain security in all courtrooms and other public areas within state
20 courthouses;

21 (iii) To provide and maintain security in the cellblocks in all state courts, and exercise all
22 powers as required and prescribed in all other provisions of the general laws and public laws
23 relating to the powers and duties of sheriffs.

24 (2) The division of sheriffs shall also have the following powers and duties previously
25 performed by the Rhode Island marshals:

26 (i) To be responsible for transportation statewide of prisoners to and from police
27 departments, the adult correctional institutions, all courthouses, and other places of detention;

28 (ii) To transport persons arrested by state and local police departments to places of
29 detention; provided, however, nothing in this subsection shall prevent state and local police
30 departments from transporting those persons;

31 (iii) To supervise the conduct of and maintain order and discipline of the prisoners in
32 their custody;

33 (iv) To be responsible for the custody and safety of prisoners while being transported to
34 and from court sessions, places of detention, and outside hospitals prior to commitment to the

1 adult correctional institutions;

2 (v) To be responsible for the custody and security of prisoners detained in the cellblock
3 areas in the Kent County courthouse and Providence County superior courthouse and for the
4 security of these prisoners during the hearing of their cases, and while in outside hospitals prior to
5 commitment to the adult correctional institutions;

6 (vi) To be responsible for the safety and welfare of prisoners in their custody;

7 (vii) To provide all security in connection with transportation in the execution of
8 extraditions, including, but not limited to, warrants, IAD (Interstate Agreement on Detainers),
9 arrest affidavits, interstate compact extradition, and criminal detainees; and

10 (viii) To carry firearms as prescribed.

11 (c) The ~~director~~ commissioner of the department of public safety shall appoint deputy
12 sheriffs pursuant to a rank structure determined by the ~~director~~ commissioner of the department of
13 public safety and other necessary classifications, subject to the appropriation process, to provide
14 assistance in the areas of courthouse and cellblock security, transportation of prisoners, staff
15 training and special operations. All employees in the division of sheriffs shall be in the
16 unclassified service pursuant to subdivision 36-4-2(a)(13).

17 **42-7.3-5. ~~Director~~ Commissioner of public safety – Appointment.**

18 (a) The department of public safety shall be administered by a ~~director, who shall also~~
19 ~~serve as superintendent of the Rhode Island state police.~~ commissioner. The ~~director~~
20 commissioner shall be appointed by the governor and shall be subject to advice and consent of the
21 senate. The commissioner shall hold office at the pleasure of the governor and until a successor
22 is appointed and qualified.

23 (b) Wherever in the general or public laws, or any rule or regulation, any reference to the
24 director of the department of public safety shall appear, it shall be deemed to mean and shall
25 mean the commissioner of the department of public safety.

26 **42-7.3-6. Duties and responsibilities of the ~~director~~ commissioner.**

27 (a) The ~~director~~ commissioner shall be responsible to the governor for managing the
28 department of public safety and for providing strategic leadership and direction to the divisions
29 and agencies within the department. The director of public safety is authorized to:

30 (b) Coordinate the administration and financing of public safety services and programs.

31 (c) Serve as the governor's chief advisor and liaison to federal policymakers on public
32 safety issues as well as the principal point of contact in the state on any such related matters.

33 (d) Resolve administrative, jurisdictional, operational, program, or policy conflicts
34 among divisions and agencies and to take necessary action;

1 (e) Assure continued progress toward improving the quality, the economy, the
2 accountability and the efficiency of state-administered public safety services;

3 (f) Prepare and integrate comprehensive budgets for the divisions and agencies within the
4 department.

5 (g) Utilize objective data to evaluate public safety goals, resource use and outcome
6 evaluation and to perform short and long-term policy planning and development.

7 (h) Conduct independent reviews of state public safety programs.

8 (i) Provide regular and timely reports to the governor and make recommendations with
9 respect to the state's public safety needs.

10 (j) Employ such personnel and contract for such consulting services as may be required to
11 perform the powers and duties lawfully conferred upon the ~~director~~ [commissioner](#).

12 **42-7.3-8. Appointment of employees.**

13 The ~~director~~ [commissioner](#), subject to the provisions of applicable state law [and except as](#)
14 [otherwise provided for under applicable state law](#), shall be the appointing authority for all
15 employees of the department of public safety.

16 **42-7.3-9. Rules and regulations.**

17 The department of public safety is authorized to make and promulgate such rules and
18 regulations as ~~he or she~~ [the commissioner](#) deems necessary for the proper administration of this
19 chapter and to carry out the purposes thereof.

20 SECTION 5. Section 42-28-3 of the General Laws in Chapter 42-28 entitled "State
21 Police" is hereby amended to read as follows:

22 **42-28-3. Scope of responsibilities.**

23 (a) The Rhode Island state police and the superintendent shall be charged with the
24 responsibility of:

- 25 (1) Providing a uniformed force for law enforcement;
- 26 (2) Preparing rules and regulations for law enforcement;
- 27 (3) Maintaining facilities for crime detection and suppression; and
- 28 (4) Controlling traffic and maintaining safety on the highways.

29 (b) The superintendent shall be ex-officio state fire marshal.

30 ~~(c) The superintendent shall also serve as the director of the department of public safety.~~

31 SECTION 6. Chapter 23-17.12 of the General Laws entitled "Health Care Services -
32 Utilization Review Act" is hereby repealed in its entirety.

33 **~~23-17.12-1. Purpose of chapter.~~**

34 ~~The purpose of the chapter is to:~~

- 1 ~~(1) Promote the delivery of quality health care in a cost effective manner;~~
- 2 ~~(2) Foster greater coordination between health care providers, patients, payors and~~
- 3 ~~utilization review entities;~~
- 4 ~~(3) Protect patients, businesses, and providers by ensuring that review agents are~~
- 5 ~~qualified to perform utilization review activities and to make informed decisions on the~~
- 6 ~~appropriateness of medical care; and~~
- 7 ~~(4) Ensure that review agents maintain the confidentiality of medical records in~~
- 8 ~~accordance with applicable state and federal laws.~~

9 **23-17.12-2. Definitions.**

10 As used in this chapter, the following terms are defined as follows:

11 ~~(1) "Adverse determination" means a utilization review decision by a review agent not to~~

12 ~~authorize a health care service. A decision by a review agent to authorize a health care service in~~

13 ~~an alternative setting, a modified extension of stay, or an alternative treatment shall not constitute~~

14 ~~an adverse determination if the review agent and provider are in agreement regarding the~~

15 ~~decision. Adverse determinations include decisions not to authorize formulary and nonformulary~~

16 ~~medication.~~

17 ~~(2) "Appeal" means a subsequent review of an adverse determination upon request by a~~

18 ~~patient or provider to reconsider all or part of the original decision.~~

19 ~~(3) "Authorization" means the review agent's utilization review, performed according to~~

20 ~~subsection 23-17.12-2(20), concluded that the allocation of health care services of a provider,~~

21 ~~given or proposed to be given to a patient was approved or authorized.~~

22 ~~(4) "Benefit determination" means a decision of the enrollee's entitlement to payment for~~

23 ~~covered health care services as defined in an agreement with the payor or its delegate.~~

24 ~~(5) "Certificate" means a certificate of registration granted by the director to a review~~

25 ~~agent.~~

26 ~~(6) "Complaint" means a written expression of dissatisfaction by a patient, or provider.~~

27 ~~The appeal of an adverse determination is not considered a complaint.~~

28 ~~(7) "Concurrent assessment" means an assessment of the medical necessity and/or~~

29 ~~appropriateness of health care services conducted during a patient's hospital stay or course of~~

30 ~~treatment. If the medical problem is ongoing, this assessment may include the review of services~~

31 ~~after they have been rendered and billed. This review does not mean the elective requests for~~

32 ~~clarification of coverage or claims review or a provider's internal quality assurance program~~

33 ~~except if it is associated with a health care financing mechanism.~~

34 ~~(8) "Department" means the department of health.~~

1 ~~(9) "Director" means the director of the department of health.~~

2 ~~(10) "Emergent health care services" has the same meaning as that meaning contained in~~
3 ~~the rules and regulations promulgated pursuant to chapter 12.3 of title 42 as may be amended~~
4 ~~from time to time and includes those resources provided in the event of the sudden onset of a~~
5 ~~medical, mental health, or substance abuse or other health care condition manifesting itself by~~
6 ~~acute symptoms of a severity (e.g. severe pain) where the absence of immediate medical attention~~
7 ~~could reasonably be expected to result in placing the patient's health in serious jeopardy, serious~~
8 ~~impairment to bodily or mental functions, or serious dysfunction of any body organ or part.~~

9 ~~(11) "Patient" means an enrollee or participant in all hospital or medical plans seeking~~
10 ~~health care services and treatment from a provider.~~

11 ~~(12) "Payor" means a health insurer, self-insured plan, nonprofit health service plan,~~
12 ~~health insurance service organization, preferred provider organization, health maintenance~~
13 ~~organization or other entity authorized to offer health insurance policies or contracts or pay for~~
14 ~~the delivery of health care services or treatment in this state.~~

15 ~~(13) "Practitioner" means any person licensed to provide or otherwise lawfully providing~~
16 ~~health care services, including, but not limited to, a physician, dentist, nurse, optometrist,~~
17 ~~podiatrist, physical therapist, clinical social worker, or psychologist.~~

18 ~~(14) "Prospective assessment" means an assessment of the medical necessity and/or~~
19 ~~appropriateness of health care services prior to services being rendered.~~

20 ~~(15) "Provider" means any health care facility, as defined in § 23-17-2 including any~~
21 ~~mental health and/or substance abuse treatment facility, physician, or other licensed practitioners~~
22 ~~identified to the review agent as having primary responsibility for the care, treatment, and~~
23 ~~services rendered to a patient.~~

24 ~~(16) "Retrospective assessment" means an assessment of the medical necessity and/or~~
25 ~~appropriateness of health care services that have been rendered. This shall not include reviews~~
26 ~~conducted when the review agency has been obtaining ongoing information.~~

27 ~~(17) "Review agent" means a person or entity or insurer performing utilization review~~
28 ~~that is either employed by, affiliated with, under contract with, or acting on behalf of:~~

29 ~~(i) A business entity doing business in this state;~~

30 ~~(ii) A party that provides or administers health care benefits to citizens of this state,~~
31 ~~including a health insurer, self-insured plan, non-profit health service plan, health insurance~~
32 ~~service organization, preferred provider organization or health maintenance organization~~
33 ~~authorized to offer health insurance policies or contracts or pay for the delivery of health care~~
34 ~~services or treatment in this state; or~~

1 ~~(iii) A provider.~~

2 ~~(18) "Same or similar specialty" means a practitioner who has the appropriate training~~
3 ~~and experience that is the same or similar as the attending provider in addition to experience in~~
4 ~~treating the same problems to include any potential complications as those under review.~~

5 ~~(19) "Urgent health care services" has the same meaning as that meaning contained in the~~
6 ~~rules and regulations promulgated pursuant to chapter 12.3 of title 42 as may be amended from~~
7 ~~time to time and includes those resources necessary to treat a symptomatic medical, mental~~
8 ~~health, or substance abuse or other health care condition requiring treatment within a twenty-four~~
9 ~~(24) hour period of the onset of such a condition in order that the patient's health status not~~
10 ~~decline as a consequence. This does not include those conditions considered to be emergent~~
11 ~~health care services as defined in subdivision (10).~~

12 ~~(20) "Utilization review" means the prospective, concurrent, or retrospective assessment~~
13 ~~of the necessity and/or appropriateness of the allocation of health care services of a provider,~~
14 ~~given or proposed to be given to a patient. Utilization review does not include:~~

15 ~~(i) Elective requests for the clarification of coverage; or~~

16 ~~(ii) Benefit determination; or~~

17 ~~(iii) Claims review that does not include the assessment of the medical necessity and~~
18 ~~appropriateness; or~~

19 ~~(iv) A provider's internal quality assurance program except if it is associated with a health~~
20 ~~care financing mechanism; or~~

21 ~~(v) The therapeutic interchange of drugs or devices by a pharmacy operating as part of a~~
22 ~~licensed inpatient health care facility; or~~

23 ~~(vi) The assessment by a pharmacist licensed pursuant to the provisions of chapter 19 of~~
24 ~~title 5 and practicing in a pharmacy operating as part of a licensed inpatient health care facility in~~
25 ~~the interpretation, evaluation and implementation of medical orders, including assessments and/or~~
26 ~~comparisons involving formularies and medical orders.~~

27 ~~(21) "Utilization review plan" means a description of the standards governing utilization~~
28 ~~review activities performed by a private review agent.~~

29 ~~(22) "Health care services" means and includes an admission, diagnostic procedure,~~
30 ~~therapeutic procedure, treatment, extension of stay, the ordering and/or filling of formulary or~~
31 ~~nonformulary medications, and any other services, activities, or supplies that are covered by the~~
32 ~~patient's benefit plan.~~

33 ~~(23) "Therapeutic interchange" means the interchange or substitution of a drug with a~~
34 ~~dissimilar chemical structure within the same therapeutic or pharmacological class that can be~~

1 ~~expected to have similar outcomes and similar adverse reaction profiles when given in equivalent~~
2 ~~doses, in accordance with protocols approved by the president of the medical staff or medical~~
3 ~~director and the director of pharmacy.~~

4 **23-17.12-3. General certificate requirements.**

5 ~~(a) A review agent shall not conduct utilization review in the state unless the department~~
6 ~~has granted the review agent a certificate.~~

7 ~~(b) Individuals shall not be required to hold separate certification under this chapter when~~
8 ~~acting as either an employee of, an affiliate of, a contractor for, or otherwise acting on behalf of a~~
9 ~~certified review agent.~~

10 ~~(c) The department shall issue a certificate to an applicant that has met the minimum~~
11 ~~standards established by this chapter, and regulations promulgated in accordance with it,~~
12 ~~including the payment of any fees as required, and other applicable regulations of the department.~~

13 ~~(d) A certificate issued under this chapter is not transferable, and the transfer of fifty~~
14 ~~percent (50%) or more of the ownership of a review agent shall be deemed a transfer.~~

15 ~~(e) After consultation with the payors and providers of health care, the department shall~~
16 ~~adopt regulations necessary to implement the provisions of this chapter.~~

17 ~~(f) The director of health is authorized to establish any fees for initial application,~~
18 ~~renewal applications, and any other administrative actions deemed necessary by the director to~~
19 ~~implement this chapter.~~

20 ~~(g) The total cost of certification under this title shall be borne by the certified entities~~
21 ~~and shall be one hundred and fifty percent (150%) of the total salaries paid to the certifying~~
22 ~~personnel of the department engaged in those certifications less any salary reimbursements and~~
23 ~~shall be paid to the director to and for the use of the department. That assessment shall be in~~
24 ~~addition to any taxes and fees otherwise payable to the state.~~

25 ~~(h) The application and other fees required under this chapter shall be sufficient to pay~~
26 ~~for the administrative costs of the certificate program and any other reasonable costs associated~~
27 ~~with carrying out the provisions of this chapter.~~

28 ~~(i) A certificate expires on the second anniversary of its effective date unless the~~
29 ~~certificate is renewed for a two (2) year term as provided in this chapter.~~

30 ~~(j) Any systemic changes in the review agents operations relative to certification~~
31 ~~information on file shall be submitted to the department for approval within thirty (30) days prior~~
32 ~~to implementation.~~

33 **23-17.12-4. Application process.**

34 ~~(a) An applicant requesting certification or recertification shall:~~

- 1 ~~(1) Submit an application provided by the director; and~~
- 2 ~~(2) Pay the application fee established by the director through regulation and § 23-17.12-~~
- 3 ~~3(f).~~
- 4 ~~(b) The application shall:~~
 - 5 ~~(1) Be on a form and accompanied by supporting documentation that the director~~
 - 6 ~~requires; and~~
 - 7 ~~(2) Be signed and verified by the applicant.~~
- 8 ~~(c) Before the certificate expires, a certificate may be renewed for an additional two (2)~~
- 9 ~~years.~~
- 10 ~~(d) If a completed application for recertification is being processed by the department, a~~
- 11 ~~certificate may be continued until a renewal determination is made.~~
- 12 ~~(e) In conjunction with the application, the review agent shall submit information that the~~
- 13 ~~director requires including:~~
 - 14 ~~(1) A request that the state agency regard specific portions of the standards and criteria or~~
 - 15 ~~the entire document to constitute "trade secrets" within the meaning of that term in § 38-2-~~
 - 16 ~~2(4)(i)(B);~~
 - 17 ~~(2) The policies and procedures to ensure that all applicable state and federal laws to~~
 - 18 ~~protect the confidentiality of individual medical records are followed;~~
 - 19 ~~(3) A copy of the materials used to inform enrollees of the requirements under the health~~
 - 20 ~~benefit plan for seeking utilization review or pre-certification and their rights under this chapter,~~
 - 21 ~~including information on appealing adverse determinations;~~
 - 22 ~~(4) A copy of the materials designed to inform applicable patients and providers of the~~
 - 23 ~~requirements of the utilization review plan;~~
 - 24 ~~(5) A list of the third party payors and business entities for which the review agent is~~
 - 25 ~~performing utilization review in this state and a brief description of the services it is providing for~~
 - 26 ~~each client; and~~
 - 27 ~~(6) Evidence of liability insurance or of assets sufficient to cover potential liability.~~
- 28 ~~(f) The information provided must demonstrate that the review agent will comply with~~
- 29 ~~the regulations adopted by the director under this chapter.~~

30 **23-17.12-5. General application requirements.**

31 An application for certification or recertification shall be accompanied by documentation
32 to evidence the following:

- 33 (1) The requirement that the review agent provide patients and providers with a summary
34 of its utilization review plan including a summary of the standards, procedures and methods to be

- 1 ~~used in evaluating proposed or delivered health care services;~~
- 2 ~~(2) The circumstances, if any, under which utilization review may be delegated to any~~
3 ~~other utilization review program and evidence that the delegated agency is a certified utilization~~
4 ~~review agency delegated to perform utilization review pursuant to all of the requirements of this~~
5 ~~chapter;~~
- 6 ~~(3) A complaint resolution process consistent with subsection 23-17.12-2(6) and~~
7 ~~acceptable to the department, whereby patients, their physicians, or other health care providers~~
8 ~~may seek resolution of complaints and other matters of which the review agent has received~~
9 ~~written notice;~~
- 10 ~~(4) The type and qualifications of personnel (employed or under contract) authorized to~~
11 ~~perform utilization review, including a requirement that only a practitioner with the same license~~
12 ~~status as the ordering practitioner, or a licensed physician or dentist, is permitted to make a~~
13 ~~prospective or concurrent adverse determination;~~
- 14 ~~(5) The requirement that a representative of the review agent is reasonably accessible to~~
15 ~~patients, patient's family and providers at least five (5) days a week during normal business in~~
16 ~~Rhode Island and during the hours of the agency's review operations;~~
- 17 ~~(6) The policies and procedures to ensure that all applicable state and federal laws to~~
18 ~~protect the confidentiality of individual medical records are followed;~~
- 19 ~~(7) The policies and procedures regarding the notification and conduct of patient~~
20 ~~interviews by the review agent;~~
- 21 ~~(8) The requirement that no employee of, or other individual rendering an adverse~~
22 ~~determination for, a review agent may receive any financial incentives based upon the number of~~
23 ~~denials of certification made by that employee or individual;~~
- 24 ~~(9) The requirement that the utilization review agent shall not impede the provision of~~
25 ~~health care services for treatment and/or hospitalization or other use of a provider's services or~~
26 ~~facilities for any patient;~~
- 27 ~~(10) Evidence that the review agent has not entered into a compensation agreement or~~
28 ~~contract with its employees or agents whereby the compensation of its employees or its agents is~~
29 ~~based upon a reduction of services or the charges for those services, the reduction of length of~~
30 ~~stay, or utilization of alternative treatment settings; provided, nothing in this chapter shall prohibit~~
31 ~~agreements and similar arrangements; and~~
- 32 ~~(11) An adverse determination and internal appeals process consistent with § 23-17.12-9~~
33 ~~and acceptable to the department, whereby patients, their physicians, or other health care~~
34 ~~providers may seek prompt reconsideration or appeal of adverse determinations by the review~~

1 agent.

2 **23-17.12-6. Denial, suspension, or revocation of certificate.**

3 ~~(a) The department may deny a certificate upon review of the application if, upon review~~
4 ~~of the application, it finds that the applicant proposing to conduct utilization review does not meet~~
5 ~~the standards required by this chapter or by any regulations promulgated pursuant to this chapter.~~

6 ~~(b) The department may revoke a certificate and/or impose reasonable monetary penalties~~
7 ~~not to exceed five thousand dollars (\$5,000) per violation in any case in which:~~

8 ~~(1) The review agent fails to comply substantially with the requirements of this chapter or~~
9 ~~of regulations adopted pursuant to this chapter;~~

10 ~~(2) The review agent fails to comply with the criteria used by it in its application for a~~
11 ~~certificate; or~~

12 ~~(3) The review agent refuses to permit examination by the director to determine~~
13 ~~compliance with the requirements of this chapter and regulations promulgated pursuant to the~~
14 ~~authority granted to the director in this chapter; provided, however, that the examination shall be~~
15 ~~subject to the confidentiality and "need to know" provisions of subdivisions 23-17.12-9(c)(4) and~~
16 ~~(5). These determinations may involve consideration of any written grievances filed with the~~
17 ~~department against the review agent by patients or providers.~~

18 ~~(c) Any applicant or certificate holder aggrieved by an order or a decision of the~~
19 ~~department made under this chapter without a hearing may, within thirty (30) days after notice of~~
20 ~~the order or decision, make a written request to the department for a hearing on the order or~~
21 ~~decision pursuant to § 42-35-15.~~

22 ~~(d) The procedure governing hearings authorized by this section shall be in accordance~~
23 ~~with §§ 42-35-9—42-35-13 as stipulated in § 42-35-14(a). A full and complete record shall be~~
24 ~~kept of all proceedings, and all testimony shall be recorded but need not be transcribed unless the~~
25 ~~decision is appealed pursuant to § 42-35-15. A copy or copies of the transcript may be obtained~~
26 ~~by any interested party upon payment of the cost of preparing the copy or copies. Witnesses may~~
27 ~~be subpoenaed by either party.~~

28 **23-17.12-7. Judicial review.**

29 ~~Any person who has exhausted all administrative remedies available to him or her within~~
30 ~~the department, and who is aggrieved by a final decision of the department under § 23-17.12-6, is~~
31 ~~entitled to judicial review pursuant to §§ 42-35-15 and 42-35-16.~~

32 **23-17.12-8. Waiver of requirements.**

33 ~~(a) Except for utilization review agencies performing utilization review activities to~~
34 ~~determine the necessity and/or appropriateness of substance abuse and mental health care,~~

1 ~~treatment or services, the department shall waive all the requirements of this chapter, with the~~
2 ~~exception of those contained in §§ 23-17.12-9, (a)(1)-(3), (5), (6), (8), (b)(1)-(6), and (c)(2)-(6),~~
3 ~~23-17.12-12, and 23-17.12-14, for a review agent that has received, maintains and provides~~
4 ~~evidence to the department of accreditation from the utilization review accreditation commission~~
5 ~~(URAC) or other organization approved by the director. The waiver shall be applicable only to~~
6 ~~those services that are included under the accreditation by the utilization review accreditation~~
7 ~~commission or other approved organization.~~

8 ~~(b) The department shall waive the requirements of this chapter only when a direct~~
9 ~~conflict exists with those activities of a review agent that are conducted pursuant to contracts with~~
10 ~~the state or the federal government or those activities under other state or federal jurisdictions.~~

11 ~~(c) The limitation in subsection 23-17.12-8(b) notwithstanding, the department may~~
12 ~~waive or exempt all or part of the requirements of this chapter by mutual written agreement with~~
13 ~~a state department or agency when such waiver or exemption is determined to be necessary and~~
14 ~~appropriate to the administration of a health care related program. The department shall~~
15 ~~promulgate such regulations as deemed appropriate to implement this provision.~~

16 ~~**23-17.12-8.1. Variance of statutory requirements.**~~

17 ~~(a) The department is authorized to issue a statutory variance from one or more of the~~
18 ~~specific requirements of this chapter to a review agent where it determines that such variance is~~
19 ~~necessary to permit the review agent to evaluate and address practitioner billing and practice~~
20 ~~patterns when the review agent believes in good faith that such patterns evidence the existence of~~
21 ~~fraud or abuse. Any variance issued by the department pursuant to this section shall be limited in~~
22 ~~application to those services billed directly by the practitioner. Prior to issuing a statutory~~
23 ~~variance the department shall provide notice and a public hearing to ensure necessary patient and~~
24 ~~health care provider protections in the process. Statutory variances shall be issued for a period not~~
25 ~~to exceed one year and may be subject to such terms and conditions deemed necessary by the~~
26 ~~department.~~

27 ~~(b) On or before January 15th of each year, the department shall issue a report to the~~
28 ~~general assembly summarizing any review agent activity as a result of a waiver granted under the~~
29 ~~provisions of this section.~~

30 ~~**23-17.12-9. Review agency requirement for adverse determination and internal**~~
31 ~~**appeals.**~~

32 ~~(a) The adverse determination and appeals process of the review agent shall conform to~~
33 ~~the following:~~

34 ~~(1) Notification of a prospective adverse determination by the review agent shall be~~

1 ~~mailed or otherwise communicated to the provider of record and to the patient or other~~
2 ~~appropriate individual as follows:~~

3 ~~(i) Within fifteen (15) business days of receipt of all the information necessary to~~
4 ~~complete a review of non-urgent and/or non-emergent services;~~

5 ~~(ii) Within seventy-two (72) hours of receipt of all the information necessary to complete~~
6 ~~a review of urgent and/or emergent services; and~~

7 ~~(iii) Prior to the expected date of service.~~

8 ~~(2) Notification of a concurrent adverse determination shall be mailed or otherwise~~
9 ~~communicated to the patient and to the provider of record period as follows:~~

10 ~~(i) To the provider(s) prior to the end of the current certified period; and~~

11 ~~(ii) To the patient within one business day of making the adverse determination.~~

12 ~~(3) Notification of a retrospective adverse determination shall be mailed or otherwise~~
13 ~~communicated to the patient and to the provider of record within thirty (30) business days of~~
14 ~~receipt of a request for payment with all supporting documentation for the covered benefit being~~
15 ~~reviewed.~~

16 ~~(4) A utilization review agency shall not retrospectively deny authorization for health~~
17 ~~care services provided to a covered person when an authorization has been obtained for that~~
18 ~~service from the review agent unless the approval was based upon inaccurate information~~
19 ~~material to the review or the health care services were not provided consistent with the provider's~~
20 ~~submitted plan of care and/or any restrictions included in the prior approval granted by the review~~
21 ~~agent.~~

22 ~~(5) Any notice of an adverse determination shall include:~~

23 ~~(i) The principal reasons for the adverse determination, to include explicit documentation~~
24 ~~of the criteria not met and/or the clinical rationale utilized by the agency's clinical reviewer in~~
25 ~~making the adverse determination. The criteria shall be in accordance with the agency criteria~~
26 ~~noted in subsection 23-17.12-9(d) and shall be made available within the first level appeal~~
27 ~~timeframe if requested unless otherwise provided as part of the adverse determination notification~~
28 ~~process;~~

29 ~~(ii) The procedures to initiate an appeal of the adverse determination, including the name~~
30 ~~and telephone number of the person to contract with regard to an appeal;~~

31 ~~(iii) The necessary contact information to complete the two-way direct communication~~
32 ~~defined in subdivision 23-17.12-9(a)(7); and~~

33 ~~(iv) The information noted in subdivision 23-27.12-9(a)(5)(i)(ii)(iii) for all verbal~~
34 ~~notifications followed by written notification to the patient and provider(s).~~

1 ~~(6) All initial retrospective adverse determinations of a health care service that had been~~
2 ~~ordered by a physician, dentist or other practitioner shall be made, documented and signed~~
3 ~~consistent with the regulatory requirements which shall be developed by the department with the~~
4 ~~input of review agents, providers and other affected parties.~~

5 ~~(7) A level one appeal decision of an adverse determination shall not be made until an~~
6 ~~appropriately qualified and licensed review physician, dentist or other practitioner has spoken to,~~
7 ~~or otherwise provided for, an equivalent two-way direct communication with the patient's~~
8 ~~attending physician, dentist, other practitioner, other designated or qualified professional or~~
9 ~~provider responsible for treatment of the patient concerning the medical care, with the exception~~
10 ~~of the following:~~

11 ~~(i) When the attending provider is not reasonably available;~~

12 ~~(ii) When the attending provider chooses not to speak with agency staff;~~

13 ~~(iii) When the attending provider has negotiated an agreement with the review agent for~~
14 ~~alternative care; and/or~~

15 ~~(iv) When the attending provider requests a peer to peer communication prior to the~~
16 ~~adverse determination, the review agency shall then comply with subdivision 23-17.12-9(c)(1) in~~
17 ~~responding to such a request. Such requests shall be on the case specific basis unless otherwise~~
18 ~~arranged for in advance by the provider.~~

19 ~~(8) All initial, prospective and concurrent adverse determinations of a health care service~~
20 ~~that had been ordered by a physician, dentist or other practitioner shall be made, documented and~~
21 ~~signed by a licensed practitioner with the same licensure status as the ordering practitioner or a~~
22 ~~licensed physician or dentist. This does not prohibit appropriately qualified review agency staff~~
23 ~~from engaging in discussions with the attending provider, the attending provider's designee or~~
24 ~~appropriate health care facility and office personnel regarding alternative service and treatment~~
25 ~~options. Such a discussion shall not constitute an adverse determination provided though that any~~
26 ~~change to the provider's original order and/or any decision for an alternative level of care must be~~
27 ~~made and/or appropriately consented to by the attending provider or the provider's designee~~
28 ~~responsible for treating the patient.~~

29 ~~(9) The requirement that, upon written request made by or on behalf of a patient, any~~
30 ~~adverse determination and/or appeal shall include the written evaluation and findings of the~~
31 ~~reviewing physician, dentist or other practitioner. The review agent is required to accept a verbal~~
32 ~~request made by or on behalf of a patient for any information where a provider or patient can~~
33 ~~demonstrate that a timely response is urgent.~~

34 ~~(b) The review agent shall conform to the following for the appeal of an adverse~~

1 ~~determination:~~

2 ~~(1) The review agent shall maintain and make available a written description of the~~
3 ~~appeal procedure by which either the patient or the provider of record may seek review of~~
4 ~~determinations not to authorize a health care service. The process established by each review~~
5 ~~agent may include a reasonable period within which an appeal must be filed to be considered and~~
6 ~~that period shall not be less than sixty (60) days.~~

7 ~~(2) The review agent shall notify, in writing, the patient and provider of record of its~~
8 ~~decision on the appeal as soon as practical, but in no case later than fifteen (15) or twenty one~~
9 ~~(21) business days if verbal notice is given within fifteen (15) business days after receiving the~~
10 ~~required documentation on the appeal.~~

11 ~~(3) The review agent shall also provide for an expedited appeals process for emergency~~
12 ~~or life threatening situations. Each review agent shall complete the adjudication of expedited~~
13 ~~appeals within two (2) business days of the date the appeal is filed and all information necessary~~
14 ~~to complete the appeal is received by the review agent.~~

15 ~~(4) All first level appeals of determinations not to authorize a health care service that had~~
16 ~~been ordered by a physician, dentist, or other practitioner shall be made, documented, and signed~~
17 ~~by a licensed practitioner with the same licensure status as the ordering practitioner or a licensed~~
18 ~~physician or a licensed dentist.~~

19 ~~(5) All second level appeal decisions shall be made, signed, and documented by a~~
20 ~~licensed practitioner in the same or a similar general specialty as typically manages the medical~~
21 ~~condition, procedure, or treatment under discussion.~~

22 ~~(6) The review agent shall maintain records of written appeals and their resolution, and~~
23 ~~shall provide reports as requested by the department.~~

24 ~~(c) The review agency must conform to the following requirements when making its~~
25 ~~adverse determination and appeal decisions:~~

26 ~~(1) The review agent must assure that the licensed practitioner or licensed physician is~~
27 ~~reasonably available to review the case as required under subdivision 23-17.12-9(a)(7) and shall~~
28 ~~conform to the following:~~

29 ~~(i) Each agency peer reviewer shall have access to and review all necessary information~~
30 ~~as requested by the agency and/or submitted by the provider(s) and/or patients;~~

31 ~~(ii) Each agency shall provide accurate peer review contact information to the provider at~~
32 ~~the time of service, if requested, and/or prior to such service, if requested. This contact~~
33 ~~information must provide a mechanism for direct communication with the agency's peer~~
34 ~~reviewer;~~

1 ~~(iii) Agency peer reviewers shall respond to the provider's request for a two-way direct~~
2 ~~communication defined in subdivision 23-17.12-9(a)(7)(iv) as follows:~~

3 ~~(A) For a prospective review of non-urgent and non-emergent health care services, a~~
4 ~~response within one business day of the request for a peer discussion;~~

5 ~~(B) For concurrent and prospective reviews of urgent and emergent health care services, a~~
6 ~~response within a reasonable period of time of the request for a peer discussion; and~~

7 ~~(C) For retrospective reviews, prior to the first level appeal decision.~~

8 ~~(iv) The review agency will have met the requirements of a two-way direct~~
9 ~~communication, when requested and/or as required prior to the first level of appeal, when it has~~
10 ~~made two (2) reasonable attempts to contact the attending provider directly.~~

11 ~~(v) Repeated violations of this section shall be deemed to be substantial violations~~
12 ~~pursuant to § 23-17.12-14 and shall be cause for the imposition of penalties under that section.~~

13 ~~(2) No reviewer at any level under this section shall be compensated or paid a bonus or~~
14 ~~incentive based on making or upholding an adverse determination.~~

15 ~~(3) No reviewer under this section who has been involved in prior reviews of the case~~
16 ~~under appeal or who has participated in the direct care of the patient may participate as the sole~~
17 ~~reviewer in reviewing a case under appeal; provided, however, that when new information has~~
18 ~~been made available at the first level of appeal, then the review may be conducted by the same~~
19 ~~reviewer who made the initial adverse determination.~~

20 ~~(4) A review agent is only entitled to review information or data relevant to the utilization~~
21 ~~review process. A review agent may not disclose or publish individual medical records or any~~
22 ~~confidential medical information obtained in the performance of utilization review activities. A~~
23 ~~review agent shall be considered a third-party health insurer for the purposes of § 5-37.3-6(b)(6)~~
24 ~~of this state and shall be required to maintain the security procedures mandated in § 5-37.3-4(c).~~

25 ~~(5) Notwithstanding any other provision of law, the review agent, the department, and all~~
26 ~~other parties privy to information which is the subject of this chapter shall comply with all state~~
27 ~~and federal confidentiality laws, including, but not limited to, chapter 37.3 of title 5~~
28 ~~(Confidentiality of Health Care Communications and Information Act) and specifically § 5-37.3-~~
29 ~~4(c), which requires limitation on the distribution of information which is the subject of this~~
30 ~~chapter on a "need to know" basis, and § 40.1-5-26.~~

31 ~~(6) The department may, in response to a complaint that is provided in written form to the~~
32 ~~review agent, review an appeal regarding any adverse determination, and may request~~
33 ~~information of the review agent, provider or patient regarding the status, outcome or rationale~~
34 ~~regarding the decision.~~

1 ~~(d) The requirement that each review agent shall utilize and provide upon request, by~~
2 ~~Rhode Island licensed hospitals and the Rhode Island Medical Society, in either electronic or~~
3 ~~paper format, written medically acceptable screening criteria and review procedures which are~~
4 ~~established and periodically evaluated and updated with appropriate consultation with Rhode~~
5 ~~Island licensed physicians, hospitals, including practicing physicians, and other health care~~
6 ~~providers in the same specialty as would typically treat the services subject to the criteria as~~
7 ~~follows:~~

8 ~~(1) Utilization review agents shall consult with no fewer than five (5) Rhode Island~~
9 ~~licensed physicians or other health care providers. Further, in instances where the screening~~
10 ~~criteria and review procedures are applicable to inpatients and/or outpatients of hospitals, the~~
11 ~~medical director of each licensed hospital in Rhode Island shall also be consulted. Utilization~~
12 ~~review agents who utilize screening criteria and review procedures provided by another entity~~
13 ~~may satisfy the requirements of this section if the utilization review agent demonstrates to the~~
14 ~~satisfaction of the director that the entity furnishing the screening criteria and review procedures~~
15 ~~has complied with the requirements of this section.~~

16 ~~(2) Utilization review agents seeking initial certification shall conduct the consultation~~
17 ~~for all screening and review criteria to be utilized. Utilization review agents who have been~~
18 ~~certified for one year or longer shall be required to conduct the consultation on a periodic basis~~
19 ~~for the utilization review agent's highest volume services subject to utilization review during the~~
20 ~~prior year; services subject to the highest volume of adverse determinations during the prior year;~~
21 ~~and for any additional services identified by the director.~~

22 ~~(3) Utilization review agents shall not include in the consultations as required under~~
23 ~~paragraph (1) of this subdivision, any physicians or other health services providers who have~~
24 ~~financial relationships with the utilization review agent other than financial relationships for~~
25 ~~provisions of direct patient care to utilization review agent enrollees and reasonable compensation~~
26 ~~for consultation as required by paragraph (1) of this subdivision.~~

27 ~~(4) All documentation regarding required consultations, including comments and/or~~
28 ~~recommendations provided by the health care providers involved in the review of the screening~~
29 ~~criteria, as well as the utilization review agent's action plan or comments on any~~
30 ~~recommendations, shall be in writing and shall be furnished to the department on request. The~~
31 ~~documentation shall also be provided on request to any licensed health care provider at a nominal~~
32 ~~cost that is sufficient to cover the utilization review agent's reasonable costs of copying and~~
33 ~~mailing.~~

34 ~~(5) Utilization review agents may utilize non-Rhode Island licensed physicians or other~~

1 ~~health care providers to provide the consultation as required under paragraph (1) of this~~
2 ~~subdivision, when the utilization review agent can demonstrate to the satisfaction of the director~~
3 ~~that the related services are not currently provided in Rhode Island or that another substantial~~
4 ~~reason requires such approach.~~

5 ~~(6) Utilization review agents whose annualized data reported to the department~~
6 ~~demonstrate that the utilization review agent will review fewer than five hundred (500) such~~
7 ~~requests for authorization may request a variance from the requirements of this section.~~

8 **23-17.12-10. External appeal requirements.**

9 ~~(a) In cases where the second level of appeal to reverse an adverse determination is~~
10 ~~unsuccessful, the review agent shall provide for an external appeal by an unrelated and objective~~
11 ~~appeal agency, selected by the director. The director shall promulgate rules and regulations~~
12 ~~including, but not limited to, criteria for designation, operation, policy, oversight, and termination~~
13 ~~of designation as an external appeal agency. The external appeal agency shall not be required to~~
14 ~~be certified under this chapter for activities conducted pursuant to its designation.~~

15 ~~(b) The external appeal shall have the following characteristics:~~

16 ~~(1) The external appeal review and decision shall be based on the medical necessity for~~
17 ~~the health care or service and the appropriateness of service delivery for which authorization has~~
18 ~~been denied.~~

19 ~~(2) Neutral physicians, dentists, or other practitioners in the same or similar general~~
20 ~~specialty as typically manages the health care service shall be utilized to make the external appeal~~
21 ~~decisions.~~

22 ~~(3) Neutral physicians, dentists, or other practitioners shall be selected from lists:~~

23 ~~(i) Mutually agreed upon by the provider associations, insurers, and the purchasers of~~
24 ~~health services; and~~

25 ~~(ii) Used during a twelve (12) month period as the source of names for neutral physician,~~
26 ~~dentist, or other practitioner reviewers.~~

27 ~~(4) The neutral physician, dentist, or other practitioner may confer either directly with the~~
28 ~~review agent and provider, or with physicians or dentists appointed to represent them.~~

29 ~~(5) Payment for the appeal fee charged by the neutral physician, dentist, or other~~
30 ~~practitioner shall be shared equally between the two (2) parties to the appeal; provided, however,~~
31 ~~that if the decision of the utilization review agent is overturned, the appealing party shall be~~
32 ~~reimbursed by the utilization review agent for their share of the appeal fee paid under this~~
33 ~~subsection.~~

34 ~~(6) The decision of the external appeal agency shall be binding; however, any person who~~

1 ~~is aggrieved by a final decision of the external appeal agency is entitled to judicial review in a~~
2 ~~court of competent jurisdiction.~~

3 ~~**23-17.12-11. Repealed.**~~

4 ~~**23-17.12-12. Reporting requirements.**~~

5 ~~(a) The department shall establish reporting requirements to determine if the utilization~~
6 ~~review programs are in compliance with the provisions of this chapter and applicable regulations.~~

7 ~~(b) By November 14, 2014, the department shall report to the general assembly regarding~~
8 ~~hospital admission practices and procedures and the effects of such practices and procedures on~~
9 ~~the care and wellbeing of patients who present behavioral healthcare conditions on an emergency~~
10 ~~basis. The report shall be developed with the cooperation of the department of behavioral~~
11 ~~healthcare, developmental disabilities, and hospitals and of the department of children, youth, and~~
12 ~~families, and shall recommend changes to state law and regulation to address any necessary and~~
13 ~~appropriate revisions to the department's regulations related to utilization review based on the~~
14 ~~Federal Mental Health Parity and Addiction Equity Act of 2008 (MHPAEA) and the Patient~~
15 ~~Protection and Affordable Care Act, Pub. L. 111-148, and the state's regulatory interpretation of~~
16 ~~parity in insurance coverage of behavioral healthcare. These recommended or adopted revisions~~
17 ~~to the department's regulations shall include, but not be limited to:~~

18 ~~(1) Adverse determination and internal appeals, with particular regard to the time~~
19 ~~necessary to complete a review of urgent and/or emergent services for patients with behavioral~~
20 ~~health needs;~~

21 ~~(2) External appeal requirements;~~

22 ~~(3) The process for investigating whether insurers and agents are complying with the~~
23 ~~provisions of chapter 17.12 of title 23 in light of parity in insurance coverage for behavioral~~
24 ~~healthcare, with particular regard to emergency admissions; and~~

25 ~~(4) Enforcement of the provisions of chapter 17.12 of title 23 in light of insurance parity~~
26 ~~for behavioral healthcare.~~

27 ~~**23-17.12-13. Lists.**~~

28 ~~The director shall periodically provide a list of private review agents issued certificates~~
29 ~~and the renewal date for those certificates to all licensed health care facilities and any other~~
30 ~~individual or organization requesting the list.~~

31 ~~**23-17.12-14. Penalties.**~~

32 ~~A person who substantially violates any provision of this chapter or any regulation~~
33 ~~adopted under this chapter or who submits any false information in an application required by this~~
34 ~~chapter is guilty of a misdemeanor and on conviction is subject to a penalty not exceeding five~~

1 ~~thousand dollars (\$5,000).~~

2 ~~**23-17.12-15. Annual report.**~~

3 ~~The director shall issue an annual report to the governor and the general assembly~~
4 ~~concerning the conduct of utilization review in the state. The report shall include a description of~~
5 ~~utilization programs and the services they provide, an analysis of complaints filed against private~~
6 ~~review agents by patients or providers and an evaluation of the impact of utilization review~~
7 ~~programs on patient access to care.~~

8 ~~**23-17.12-16. Fees.**~~

9 ~~The proceeds of any fees, monetary penalties, and fines collected pursuant to the~~
10 ~~provisions of this chapter shall be deposited as general revenues.~~

11 ~~**23-17.12-17. Severability.**~~

12 ~~If any provision of this chapter or the application of any provision to any person or~~
13 ~~circumstance shall be held invalid, that invalidity shall not affect the provisions or application of~~
14 ~~this chapter which can be given effect without the invalid provision or application, and to this end~~
15 ~~the provisions of this chapter are declared to be severable.~~

16 SECTION 7. Chapter 23-17.12 of the General Laws entitled "Health Care Accessibility
17 and Quality Assurance Act" is hereby repealed in its entirety.

18 ~~**23-17.13-1. Purpose.**~~

19 ~~The legislature declares that:~~

20 ~~(1) It is in the best interest of the public that those individuals and care entities involved~~
21 ~~with the delivery of plan coverage in our state meet the standards of this chapter to insure~~
22 ~~accessibility and quality for the state's patients;~~

23 ~~(2) Nothing in the legislation is intended to prohibit a health care entity or contractor~~
24 ~~from forming limited networks of providers; and~~

25 ~~(3) It is a vital state function to establish these standards for the conduct of health plans~~
26 ~~by a health care entity in Rhode Island.~~

27 ~~**23-17.13-2. Definitions.**~~

28 ~~As used in this chapter:~~

29 ~~(1) "Adverse decision" means any decision by a review agent not to certify an admission,~~
30 ~~service, procedure, or extension of stay. A decision by a reviewing agent to certify an admission,~~
31 ~~service, or procedure in an alternative treatment setting, or to certify a modified extension of stay,~~
32 ~~shall not constitute an adverse decision if the reviewing agent and the requesting provider are in~~
33 ~~agreement regarding the decision.~~

34 ~~(2) "Contractor" means a person/entity that:~~

- 1 ~~(i) Establishes, operates or maintains a network of participating providers;~~
- 2 ~~(ii) Contracts with an insurance company, a hospital or medical or dental service plan, an~~
3 ~~employer, whether under written or self insured, an employee organization, or any other entity~~
4 ~~providing coverage for health care services to administer a plan; and/or~~
- 5 ~~(iii) Conducts or arranges for utilization review activities pursuant to chapter 17.12 of this~~
6 ~~title.~~
- 7 ~~(3) "Direct service ratio" means the amount of premium dollars expended by the plan for~~
8 ~~covered services provided to enrollees on a plan's fiscal year basis.~~
- 9 ~~(4) "Director" means the director of the department of health.~~
- 10 ~~(5) "Emergency services" has the same meaning as the meaning contained in the rules~~
11 ~~and regulations promulgated pursuant to chapter 12.3 of title 42, as may be amended from time to~~
12 ~~time, and includes the sudden onset of a medical or mental condition that the absence of~~
13 ~~immediate medical attention could reasonably be expected to result in placing the patient's health~~
14 ~~in serious jeopardy, serious impairment to bodily or mental functions, or serious dysfunction of~~
15 ~~any bodily organ or part.~~
- 16 ~~(6) "Health care entity" means a licensed insurance company, hospital, or dental or~~
17 ~~medical service plan or health maintenance organization, or a contractor as described in~~
18 ~~subdivision (2), that operates a health plan.~~
- 19 ~~(7) "Health care services" includes, but is not limited to, medical, mental health,~~
20 ~~substance abuse, and dental services.~~
- 21 ~~(8) "Health plan" means a plan operated by a health care entity as described in~~
22 ~~subdivision (6) that provides for the delivery of care services to persons enrolled in the plan~~
23 ~~through:~~
- 24 ~~(i) Arrangements with selected providers to furnish health care services; and/or~~
- 25 ~~(ii) Financial incentives for persons enrolled in the plan to use the participating providers~~
26 ~~and procedures provided for by the plan.~~
- 27 ~~(9) "Provider" means a physician, hospital, pharmacy, laboratory, dentist, or other state~~
28 ~~licensed or other state recognized provider of health care services or supplies, and whose services~~
29 ~~are recognized pursuant to 213(d) of the Internal Revenue Code, 26 U.S.C. § 213(d), that has~~
30 ~~entered into an agreement with a health care entity as described in subdivision (6) or contractor as~~
31 ~~described in subdivision (2) to provide these services or supplies to a patient enrolled in a plan.~~
- 32 ~~(10) "Provider incentive plan" means any compensation arrangement between a health~~
33 ~~care entity or plan and a provider or provider group that may directly or indirectly have the effect~~
34 ~~of reducing or limiting services provided with respect to an individual enrolled in a plan.~~

1 ~~(11) "Qualified health plan" means a plan that the director of the department of health~~
2 ~~certified, upon application by the program, as meeting the requirements of this chapter.~~

3 ~~(12) "Qualified utilization review program" means utilization review program that meets~~
4 ~~the requirements of chapter 17.12 of this title.~~

5 ~~(13) "Most favored rate clause" means a provision in a provider contract whereby the~~
6 ~~rates or fees to be paid by a health plan are fixed, established or adjusted to be equal to or lower~~
7 ~~than the rates or fees paid to the provider by any other health plan or third party payor.~~

8 ~~**23-17.13-3. Certification of health plans.**~~

9 ~~(a) Certification process.~~

10 ~~(1) Certification.~~

11 ~~(i) The director shall establish a process for certification of health plans meeting the~~
12 ~~requirements of certification in subsection (b).~~

13 ~~(ii) The director shall act upon the health plan's completed application for certification~~
14 ~~within ninety (90) days of receipt of such application for certification.~~

15 ~~(2) Review and recertification. To ensure compliance with subsection (b), the director~~
16 ~~shall establish procedures for the periodic review and recertification of qualified health plans not~~
17 ~~less than every five (5) years; provided, however, that the director may review the certification of~~
18 ~~a qualified health plan at any time if there exists evidence that a qualified health plan may be in~~
19 ~~violation of subsection (b).~~

20 ~~(3) Cost of certification. The total cost of obtaining and maintaining certification under~~
21 ~~this title and compliance with the requirements of the applicable rules and regulations are borne~~
22 ~~by the entities so certified and shall be one hundred and fifty percent (150%) of the total salaries~~
23 ~~paid to the certifying personnel of the department engaged in those certifications less any salary~~
24 ~~reimbursements and shall be paid to the director to and for the use of the department. That~~
25 ~~assessment shall be in addition to any taxes and fees otherwise payable to the state.~~

26 ~~(4) Standard definitions. To help ensure a patient's ability to make informed decisions~~
27 ~~regarding their health care, the director shall promulgate regulation(s) to provide for standardized~~
28 ~~definitions (unless defined in existing statute) of the following terms in this subdivision,~~
29 ~~provided, however, that no definition shall be construed to require a health care entity to add any~~
30 ~~benefit, to increase the scope of any benefit, or to increase any benefit under any contract:~~

31 ~~(i) Allowable charge;~~

32 ~~(ii) Capitation;~~

33 ~~(iii) Co-payments;~~

34 ~~(iv) Co-insurance;~~

- 1 ~~(v) Credentialing;~~
- 2 ~~(vi) Formulary;~~
- 3 ~~(vii) Grace period;~~
- 4 ~~(viii) Indemnity insurance;~~
- 5 ~~(ix) In-patient care;~~
- 6 ~~(x) Maximum lifetime cap;~~
- 7 ~~(xi) Medical necessity;~~
- 8 ~~(xii) Out-of-network;~~
- 9 ~~(xiii) Out-patient;~~
- 10 ~~(xiv) Pre-existing conditions;~~
- 11 ~~(xv) Point of service;~~
- 12 ~~(xvi) Risk sharing;~~
- 13 ~~(xvii) Second opinion;~~
- 14 ~~(xviii) Provider network;~~
- 15 ~~(xix) Urgent care.~~

16 ~~(b) Requirements for certification. The director shall establish standards and procedures~~
17 ~~for the certification of qualified health plans that conduct business in this state and who have~~
18 ~~demonstrated the ability to ensure that health care services will be provided in a manner to assure~~
19 ~~availability and accessibility, adequate personnel and facilities, and continuity of service, and has~~
20 ~~demonstrated arrangements for ongoing quality assurance programs regarding care processes and~~
21 ~~outcomes; other standards shall consist of, but are not limited to, the following:-~~

22 ~~(1) Prospective and current enrollees in health plans must be provided information as to~~
23 ~~the terms and conditions of the plan consistent with the rules and regulations promulgated under~~
24 ~~chapter 12.3 of title 42 so that they can make informed decisions about accepting and utilizing the~~
25 ~~health care services of the health plan. This must be standardized so that customers can compare~~
26 ~~the attributes of the plans, and all information required by this paragraph shall be updated at~~
27 ~~intervals determined by the director. Of those items required under this section, the director shall~~
28 ~~also determine which items shall be routinely distributed to prospective and current enrollees as~~
29 ~~listed in this subsection and which items may be made available upon request. The items to be~~
30 ~~disclosed are:~~

31 ~~(i) Coverage provisions, benefits, and any restriction or limitations on health care~~
32 ~~services, including but not limited to, any exclusions as follows: by category of service, and if~~
33 ~~applicable, by specific service, by technology, procedure, medication, provider or treatment~~
34 ~~modality, diagnosis and condition, the latter three (3) of which shall be listed by name.~~

1 ~~(ii) Experimental treatment modalities that are subject to change with the advent of new~~
2 ~~technology may be listed solely by the broad category "Experimental Treatments". The~~
3 ~~information provided to consumers shall include the plan's telephone number and address where~~
4 ~~enrollees may call or write for more information or to register a complaint regarding the plan or~~
5 ~~coverage provision.~~

6 ~~(2) Written statement of the enrollee's right to seek a second opinion, and reimbursement~~
7 ~~if applicable.~~

8 ~~(3) Written disclosure regarding the appeals process described in § 23-17.12-1 et seq. and~~
9 ~~in the rules and regulations for the utilization review of care services, promulgated by the~~
10 ~~department of health, the telephone numbers and addresses for the plan's office which handles~~
11 ~~complaints as well as for the office which handles the appeals process under § 23-17.12-1 et seq.~~
12 ~~and the rules and regulations for the utilization of health.~~

13 ~~(4) Written statement of prospective and current enrollees' right to confidentiality of all~~
14 ~~health care record and information in the possession and/or control of the plan, its employees, its~~
15 ~~agents and parties with whom a contractual agreement exists to provide utilization review or who~~
16 ~~in any way have access to care information. A summary statement of the measures taken by the~~
17 ~~plan to ensure confidentiality of an individual's health care records shall be disclosed.~~

18 ~~(5) Written disclosure of the enrollee's right to be free from discrimination by the health~~
19 ~~plan and the right to refuse treatment without jeopardizing future treatment.~~

20 ~~(6) Written disclosure of a plan's policy to direct enrollees to particular providers. Any~~
21 ~~limitations on reimbursement should the enrollee refuse the referral must be disclosed.~~

22 ~~(7) A summary of prior authorization or other review requirements including~~
23 ~~preauthorization review, concurrent review, post service review, post payment review and any~~
24 ~~procedure that may lead the patient to be denied coverage for or not be provided a particular~~
25 ~~service.~~

26 ~~(8) Any health plan that operates a provider incentive plan shall not enter into any~~
27 ~~compensation agreement with any provider of covered services or pharmaceutical manufacturer~~
28 ~~pursuant to which specific payment is made directly or indirectly to the provider as an~~
29 ~~inducement or incentive to reduce or limit services, to reduce the length of stay or the use of~~
30 ~~alternative treatment settings or the use of a particular medication with respect to an individual~~
31 ~~patient, provided however, that capitation agreements and similar risk sharing arrangements are~~
32 ~~not prohibited.~~

33 ~~(9) Health plans must disclose to prospective and current enrollees the existence of~~
34 ~~financial arrangements for capitated or other risk sharing arrangements that exist with providers~~

1 ~~in a manner described in paragraphs (i), (ii), and (iii):~~

2 ~~(i) "This health plan utilizes capitated arrangements, with its participating providers, or~~
3 ~~contains other similar risk sharing arrangements;~~

4 ~~(ii) This health plan may include a capitated reimbursement arrangement or other similar~~
5 ~~risk sharing arrangement, and other financial arrangements with your provider;~~

6 ~~(iii) This health plan is not capitated and does not contain other risk sharing~~
7 ~~arrangements."~~

8 ~~(10) Written disclosure of criteria for accessing emergency health care services as well as~~
9 ~~a statement of the plan's policies regarding payment for examinations to determine if emergency~~
10 ~~health care services are necessary, the emergency care itself, and the necessary services following~~
11 ~~emergency treatment or stabilization. The health plan must respond to the request of the treating~~
12 ~~provider for post-stabilization treatment by approving or denying it as soon as possible.~~

13 ~~(11) Explanation of how health plan limitations impact enrollees, including information~~
14 ~~on enrollee financial responsibility for payment for co-insurance, co-payment, or other non-~~
15 ~~covered, out-of-pocket, or out-of-plan services. This shall include information on deductibles and~~
16 ~~benefits limitations including, but not limited to, annual limits and maximum lifetime benefits.~~

17 ~~(12) The terms under which the health plan may be renewed by the plan enrollee,~~
18 ~~including any reservation by the plan of any right to increase premiums.~~

19 ~~(13) Summary of criteria used to authorize treatment.~~

20 ~~(14) A schedule of revenues and expenses, including direct service ratios and other~~
21 ~~statistical information which meets the requirements set forth below on a form prescribed by the~~
22 ~~director.~~

23 ~~(15) Plan costs of health care services, including but not limited to all of the following:~~

24 ~~(i) Physician services;~~

25 ~~(ii) Hospital services, including both inpatients and outpatient services;~~

26 ~~(iii) Other professional services;~~

27 ~~(iv) Pharmacy services, excluding pharmaceutical products dispensed in a physician's~~
28 ~~office;~~

29 ~~(v) Health education;~~

30 ~~(vi) Substance abuse services and mental health services.~~

31 ~~(16) Plan complaint, adverse decision, and prior authorization statistics. This statistical~~
32 ~~data shall be updated annually:~~

33 ~~(i) The ratio of the number of complaints received to the total number of covered persons,~~
34 ~~reported by category, listed in paragraphs (b)(15)(i)–(vi);~~

1 ~~(ii) The ratio of the number of adverse decisions issued to the number of complaints~~
2 ~~received, reported by category;~~

3 ~~(iii) The ratio of the number of prior authorizations denied to the number of prior~~
4 ~~authorizations requested, reported by category;~~

5 ~~(iv) The ratio of the number of successful enrollee appeals to the total number of appeals~~
6 ~~filed.~~

7 ~~(17) Plans must demonstrate that:~~

8 ~~(i) They have reasonable access to providers, so that all covered health care services will~~
9 ~~be provided. This requirement cannot be waived and must be met in all areas where the health~~
10 ~~plan has enrollees;~~

11 ~~(ii) Urgent health care services, if covered, shall be available within a time frame that~~
12 ~~meets standards set by the director.~~

13 ~~(18) A comprehensive list of participating providers listed by office location, specialty if~~
14 ~~applicable, and other information as determined by the director, updated annually.~~

15 ~~(19) Plans must provide to the director, at intervals determined by the director, enrollee~~
16 ~~satisfaction measures. The director is authorized to specify reasonable requirements for these~~
17 ~~measures consistent with industry standards to assure an acceptable degree of statistical validity~~
18 ~~and comparability of satisfaction measures over time and among plans. The director shall publish~~
19 ~~periodic reports for the public providing information on health plan enrollee satisfaction.~~

20 ~~(c) Issuance of certification.~~

21 ~~(1) Upon receipt of an application for certification, the director shall notify and afford the~~
22 ~~public an opportunity to comment upon the application.~~

23 ~~(2) A health care plan will meet the requirements of certification, subsection (b) by~~
24 ~~providing information required in subsection (b) to any state or federal agency in conformance~~
25 ~~with any other applicable state or federal law, or in conformity with standards adopted by an~~
26 ~~accrediting organization provided that the director determines that the information is substantially~~
27 ~~similar to the previously mentioned requirements and is presented in a format that provides a~~
28 ~~meaningful comparison between health plans.~~

29 ~~(3) All health plans shall be required to establish a mechanism, under which providers,~~
30 ~~including local providers participating in the plan, provide input into the plan's health care policy,~~
31 ~~including technology, medications and procedures, utilization review criteria and procedures,~~
32 ~~quality and credentialing criteria, and medical management procedures.~~

33 ~~(4) All health plans shall be required to establish a mechanism under which local~~
34 ~~individual subscribers to the plan provide input into the plan's procedures and processes regarding~~

1 ~~the delivery of health care services.~~

2 ~~(5) A health plan shall not refuse to contract with or compensate for covered services an~~
3 ~~otherwise eligible provider or non-participating provider solely because that provider has in good~~
4 ~~faith communicated with one or more of his or her patients regarding the provisions, terms or~~
5 ~~requirements of the insurer's products as they relate to the needs of that provider's patients.~~

6 ~~(6)(i) All health plans shall be required to publicly notify providers within the health~~
7 ~~plans' geographic service area of the opportunity to apply for credentials. This notification~~
8 ~~process shall be required only when the plan contemplates adding additional providers and may~~
9 ~~be specific as to geographic area and provider specialty. Any provider not selected by the health~~
10 ~~plan may be placed on a waiting list.~~

11 ~~(ii) This credentialing process shall begin upon acceptance of an application from a~~
12 ~~provider to the plan for inclusion.~~

13 ~~(iii) Each application shall be reviewed by the plan's credentialing body.~~

14 ~~(iv) All health plans shall develop and maintain credentialing criteria to be utilized in~~
15 ~~adding providers from the plans' network. Credentialing criteria shall be based on input from~~
16 ~~providers credentialed in the plan and these standards shall be available to applicants. When~~
17 ~~economic considerations are part of the decisions, the criteria must be available to applicants.~~
18 ~~Any economic profiling must factor the specialty utilization and practice patterns and general~~
19 ~~information comparing the applicant to his or her peers in the same specialty will be made~~
20 ~~available. Any economic profiling of providers must be adjusted to recognize case mix, severity~~
21 ~~of illness, age of patients and other features of a provider's practice that may account for higher~~
22 ~~than or lower than expected costs. Profiles must be made available to those so profiled.~~

23 ~~(7) A health plan shall not exclude a provider of covered services from participation in its~~
24 ~~provider network based solely on:~~

25 ~~(i) The provider's degree or license as applicable under state law; or~~

26 ~~(ii) The provider of covered services lack of affiliation with, or admitting privileges at a~~
27 ~~hospital, if that lack of affiliation is due solely to the provider's type of license.~~

28 ~~(8) Health plans shall not discriminate against providers solely because the provider treats~~
29 ~~a substantial number of patients who require expensive or uncompensated medical care.~~

30 ~~(9) The applicant shall be provided with all reasons used if the application is denied.~~

31 ~~(10) Plans shall not be allowed to include clauses in physician or other provider contracts~~
32 ~~that allow for the plan to terminate the contract "without cause"; provided, however, cause shall~~
33 ~~include lack of need due to economic considerations.~~

34 ~~(11)(i) There shall be due process for non-institutional providers for all adverse decisions~~

1 ~~resulting in a change of privileges of a credentialed non-institutional provider. The details of the~~
2 ~~health plan's due process shall be included in the plan's provider contracts.~~

3 ~~(ii) A health plan is deemed to have met the adequate notice and hearing requirement of~~
4 ~~this section with respect to a non-institutional provider if the following conditions are met (or are~~
5 ~~waived voluntarily by the non-institutional provider):~~

6 ~~(A) The provider shall be notified of the proposed actions and the reasons for the~~
7 ~~proposed action.~~

8 ~~(B) The provider shall be given the opportunity to contest the proposed action.~~

9 ~~(C) The health plan has developed an internal appeals process that has reasonable time~~
10 ~~limits for the resolution of an internal appeal.~~

11 ~~(12) If the plan places a provider or provider group at financial risk for services not~~
12 ~~provided by the provider or provider group, the plan must require that a provider or group has met~~
13 ~~all appropriate standards of the department of business regulation.~~

14 ~~(13) A health plan shall not include a most favored rate clause in a provider contract.~~

15 **23-17.13-4. Penalties and enforcement.**

16 ~~(a) The director of the department of health may, in lieu of the suspension or revocation~~
17 ~~of a license, levy an administrative penalty in an amount not less than five hundred dollars (\$500)~~
18 ~~nor more than fifty thousand dollars (\$50,000), if reasonable notice, in writing, is given of the~~
19 ~~intent to levy the penalty and the particular health organization has a reasonable time in which to~~
20 ~~remedy the defect in its operations which gave rise to the penalty citation. The director of health~~
21 ~~may augment this penalty by an amount equal to the sum that the director calculates to be the~~
22 ~~damages suffered by enrollees or other members of the public.~~

23 ~~(b) Any person who knowingly and willfully violates this chapter shall be guilty of a~~
24 ~~misdemeanor and may be punished by a fine not to exceed five hundred dollars (\$500) or by~~
25 ~~imprisonment for a period not exceeding one year, or both.~~

26 ~~(c)(1) If the director of health shall for any reason have cause to believe that any violation~~
27 ~~of this chapter has occurred or is threatened, the director of health may give notice to the~~
28 ~~particular health organization and to their representatives, or other persons who appear to be~~
29 ~~involved in the suspected violation, to arrange a conference with the alleged violators or their~~
30 ~~authorized representatives for the purpose of attempting to ascertain the facts relating to the~~
31 ~~suspected violation, and, in the event it appears that any violation has occurred or is threatened, to~~
32 ~~arrive at an adequate and effective means of correcting or preventing the violation;~~

33 ~~(2) Proceedings under this subsection shall be governed by chapter 35 of title 42.~~

34 ~~(d)(1) The director of health may issue an order directing a particular health organization~~

1 ~~or a representative of that health organization to cease and desist from engaging in any act or~~
2 ~~practice in violation of the provisions of this chapter;~~

3 ~~(2) Within thirty (30) days after service of the order to cease and desist, the respondent~~
4 ~~may request a hearing on the question of whether acts or practices in violation of this chapter~~
5 ~~have occurred. Those hearings shall be conducted pursuant to §§ 42-35-9 through 42-35-13, and~~
6 ~~judicial review shall be available as provided by §§ 42-35-15 and 42-35-16.~~

7 ~~(e) In the case of any violation of the provisions of this chapter, if the director of health~~
8 ~~elects not to issue a cease and desist order, or in the event of noncompliance with a cease and~~
9 ~~desist order issued pursuant to subsection (d), the director of health may institute a proceeding to~~
10 ~~obtain injunctive relief, or seeking other appropriate relief, in the superior court for the county of~~
11 ~~Providence.~~

12 ~~**23-17.13-5. Severability.**~~

13 ~~If any section, clause, or provision of this chapter shall be held either unconstitutional or~~
14 ~~ineffective in whole or in part to the extent that it is not unconstitutional or ineffective, it shall be~~
15 ~~valid and effective and no other section, clause or provision shall on account thereof be termed~~
16 ~~invalid or ineffective.~~

17 ~~**23-17.13-6. Contracts with providers for dental services.**~~

18 ~~(a) No contract between a dental plan of a health care entity and a dentist for the~~
19 ~~provision of services to patients may require that a dentist provide services to its subscribers at a~~
20 ~~fee set by the health care entity unless said services are covered services under the applicable~~
21 ~~subscriber agreement. "Covered services," as used herein, means services reimbursable under the~~
22 ~~applicable subscriber agreement, subject to such contractual limitations on subscriber benefits as~~
23 ~~may apply, including, for example, deductibles, waiting period or frequency limitations.~~

24 ~~(b) For the purposes of this section "dental plan" shall include any policy of insurance~~
25 ~~which is issued by a health care entity which provides for coverage of dental services not in~~
26 ~~connection with a medical plan.~~

27 ~~**23-17.13-7. Contracts with providers and optometric services.**~~

28 ~~(a) No contract between an eye care provider and a company offering accident and~~
29 ~~sickness insurance as defined in chapter 18 of title 27; a nonprofit medical service corporation as~~
30 ~~defined in chapter 20 of title 27; or a health maintenance organization as defined in chapter 41 of~~
31 ~~title 27; or a vision plan, may require that an eye care provider provide services or materials to its~~
32 ~~subscribers at a fee set by the insurer or vision plan unless the insurer or vision plan compensates~~
33 ~~the eye care provider for the provision of such services or materials to the patient. Reimbursement~~
34 ~~paid by the insurer or vision plan for covered services and materials shall not provide nominal~~

1 ~~reimbursement in order to claim that services and materials are covered services.~~

2 ~~(b)(1) "Services" means services and materials for which reimbursement from the vision~~
3 ~~plan is provided for by an enrollee's plan contract, or for which a reimbursement would be~~
4 ~~available but for the application of the enrollee's contractual limitations of deductibles,~~
5 ~~copayments, or coinsurance.~~

6 ~~(2) "Materials" means and includes, but is not limited to, lenses, devices containing~~
7 ~~lenses, prisms, lens treatments and coatings, contact lenses, orthoptics, vision training, and~~
8 ~~prosthetic devices to correct, relieve, or treat defects or abnormal conditions of the human eye or~~
9 ~~its adnexa.~~

10 ~~(3) "Eye care provider" means an optometrist, optician, or ophthalmologist.~~

11 SECTION 8. Chapter 23-17.18 of the General Laws entitled "Health Plan Modification
12 Act" is hereby repealed in its entirety.

13 **23-17.18-1. Modification of health plans.**

14 ~~(a) A health plan may materially modify the terms of a participating agreement it~~
15 ~~maintains with a physician only if the plan disseminates in writing by mail to the physician the~~
16 ~~contents of the proposed modification and an explanation, in nontechnical terms, of the~~
17 ~~modification's impact.~~

18 ~~(b) The health plan shall provide the physician an opportunity to amend or terminate the~~
19 ~~physician contract with the health plan within sixty (60) days of receipt of the notice of~~
20 ~~modification. Any termination of a physician contract made pursuant to this section shall be~~
21 ~~effective fifteen (15) calendar days from the mailing of the notice of termination in writing by~~
22 ~~mail to the health plan. The termination shall not affect the method of payment or reduce the~~
23 ~~amount of reimbursement to the physician by the health plan for any patient in active treatment~~
24 ~~for an acute medical condition at the time the patient's physician terminates his, her, or its~~
25 ~~physician contract with the health plan until the active treatment is concluded or, if earlier, one~~
26 ~~year after the termination; and, with respect to the patient, during the active treatment period the~~
27 ~~physician shall be subject to all the terms and conditions of the terminated physician contract,~~
28 ~~including but not limited to, all reimbursement provisions which limit the patient's liability.~~

29 ~~(c) Nothing in this section shall apply to accident only, specified disease, hospital~~
30 ~~indemnity, Medicare supplement, long term care, disability income, or other limited benefit~~
31 ~~health insurance policies.~~

32 SECTION 9. Title 27 of the General Laws entitled "Insurance" is hereby amended by
33 adding thereto the following chapter:

34 **[CHAPTER 27-18.8](#)**

1 HEALTH CARE ACCESSIBILITY AND QUALITY ASSURANCE ACT

2 **27-18.8-1. Purpose.**

3 The legislature declares that:

4 (1) It is in the best interest of the public that those individuals and health care entities
5 involved with the delivery of health plan coverage in our state meet the standards of this chapter
6 to ensure accessibility and quality for the state's patients;

7 (2) Nothing in this legislation is intended to prohibit a health care entity from forming
8 limited networks of providers; and

9 (3) It is a vital state function to establish these standards for the conduct of health care
10 entities in Rhode Island and for public health well-being; and

11 (4) Nothing in this chapter is intended to prohibit or discourage the health insurance
12 commissioner from consulting or collaborating with the department of health, or any other state
13 or federal agency, to the extent the commissioner in his or her discretion determines such
14 consultation and or collaboration is necessary and or appropriate for the administration and
15 enforcement of this chapter.

16 **27-18.8-2. Definitions.**

17 As used in this chapter:

18 (1) "Adverse benefit determination" means a decision not to authorize a health care
19 service, including a denial, reduction, or termination of, or a failure to provide or make a
20 payment, in whole or in part, for a benefit. A decision by a utilization review agent to authorize a
21 health care service in an alternative setting, a modified extension of stay, or an alternative
22 treatment shall not constitute an adverse determination if the review agent and provider are in
23 agreement regarding the decision. Adverse benefit determinations include:

24 (i) "Administrative adverse benefit determinations," meaning any adverse benefit
25 determination that does not require the use of medical judgment or clinical criteria such as a
26 determination of an individual's eligibility to participate in coverage, a determination that a
27 benefit is not a covered benefit, or any rescission of coverage; and

28 (ii) "Non-administrative adverse benefit determinations," meaning any adverse benefit
29 determination that requires or involves the use of medical judgement or clinical criteria to
30 determine whether the service reviewed is medically necessary and/or appropriate. This includes
31 the denial of treatments determined to be experimental or investigational, and any denial of
32 coverage of a prescription drug because that drug is not on the health care entity's formulary.

33 (2) "Appeal" or "internal appeal" means a subsequent review of an adverse benefit
34 determination upon request by a claimant to include the beneficiary or provider to reconsider all

1 or part of the original adverse benefit determination.

2 (3) "Authorized representative" means an individual acting on behalf of the beneficiary
3 and shall include the ordering provider, any individual to whom the beneficiary has given express
4 written consent to act on his or her behalf, a person authorized by law to provide substituted
5 consent for the beneficiary and, when the beneficiary is unable to provide consent, a family
6 member of the beneficiary.

7 (4) "Beneficiary" means a policy holder subscriber, enrollee, or other individual
8 participating in a health benefit plan.

9 (5) "Benefit determination" means a decision to approve or deny a request to provide or
10 make payment for a health care service.

11 (6) "Certificate" means a certificate granted by the commissioner to a health care entity
12 meeting the requirements of this act.

13 (7) "Commissioner" means the commissioner of the office of the health insurance
14 commissioner.

15 (8) "Complaint" means an oral or written expression of dissatisfaction by a beneficiary,
16 authorized representative or provider. The appeal of an adverse benefit determination is not
17 considered a complaint.

18 (9) "Delegate" means a person or entity authorized pursuant to a delegation of authority
19 or directly or re-delegation of authority, by a health care entity or network plan to perform one or
20 more of the functions and responsibilities of a health care entity and/or network plan set forth in
21 this Act or regulations or guidance promulgated thereunder.

22 (10) "Emergency services" or "emergent services" means those resources provided in the
23 event of the sudden onset of a medical, behavioral health or other health condition that the
24 absence of immediate medical attention could reasonably be expected, by a prudent layperson, to
25 result in placing the patient's health in serious jeopardy, serious impairment to bodily or mental
26 functions, or serious dysfunction of any bodily organ or part.

27 (11) "Health benefit plan" or "health plan" means a policy, contract, certificate or
28 agreement entered into, offered or issued by a health care entity to provide, deliver, arrange for,
29 pay for or reimburse any of the costs of health care services.

30 (12) "Health care entity" means an insurance company licensed, or required to be
31 licensed, by the state of Rhode Island or other entity subject to the jurisdiction of the
32 commissioner or the jurisdiction of the department of business regulation that contracts or offers
33 to contract, or enters into an agreement to provide, deliver, arrange for, pay for or reimburse any
34 of the costs of health care services, including without limitation, a for-profit or nonprofit hospital,

1 medical or dental service corporation or plan, a health maintenance organization, a health
2 insurance company, or any other entity providing health insurance, accident and sickness
3 insurance, health benefits or health care services.

4 (13) "Health care services" means and includes, but is not limited to, an admission,
5 diagnostic procedure, therapeutic procedure, treatment, extension of stay, the ordering and/or
6 filling of formulary or non-formulary medications, and any other medical, behavioral, dental,
7 vision care services, activities, or supplies that are covered by the beneficiary's health benefit
8 plan.

9 (14) "Most favored rate clause" means a provision in a provider contract whereby the
10 rates or fees to be paid by a health care entity are fixed, established or adjusted to be equal to or
11 lower than the rates or fees paid to the provider by any other health care entity.

12 (15) "Network" means the group or groups of participating providers providing health
13 care services under a network plan.

14 (16) "Network Plan" means a health benefit plan or health plan that either requires a
15 beneficiary to use, or creates incentives, including financial incentives, for a beneficiary to use
16 the providers managed, owned, under contract with or employed by the health care entity.

17 (17) "Office" means the office of the health insurance commissioner.

18 (18) "Professional provider" means an individual provider or health care professional
19 licensed, accredited, or certified to perform specified health care services consistent with state
20 law and who provides these health care services and is not part of a separate facility or
21 institutional contract.

22 (19) "Provider" means a physician, hospital, professional provider, pharmacy, laboratory,
23 dental, medical or behavioral health provider, or other state licensed or other state recognized
24 provider of health care or behavioral health services or supplies.

25 (20) "Tiered network" means a network that identifies and groups some or all types of
26 providers into specific groups to which different provider reimbursement, beneficiary cost-
27 sharing or provider access requirements, or any combination thereof, apply for the same services.

28 **27-18.8-3. Certification of network plans.**

29 (a) Certification and Recertification Process.

30 (1) A health care entity operating a network plan shall not enroll consumers into its plan
31 unless the office has certified the network plan meeting the requirements herein.

32 (2) The commissioner shall act upon the health care entities' completed applications for
33 certification of network plans, as determined by the commissioner, within ninety (90) calendar
34 days of receipt of such applications for certification.

1 (3) To ensure compliance, the commissioner shall establish procedures for the periodic
2 review and recertification of network plans at least every three (3) years provided, however, that
3 the commissioner may review the certification a network plan at any time and/or may require
4 periodic compliance attestation from a health care entity if, in the commissioner’s discretion, he
5 or she deems it appropriate to do so.

6 (4) Cost of certification. The total cost of obtaining and maintaining a certificate under
7 this title and in compliance with the requirements of the applicable rules and regulations shall be
8 borne by the applicant and shall include one hundred and fifty percent (150%) of the total salaries
9 paid to the personnel and one hundred percent (100%) of the cost of any outside experts or
10 consultants engaged by the commissioner to determine compliance. These monies shall be paid to
11 the commissioner to and for the use of the office and shall be in addition to any taxes and fees
12 otherwise payable to the state. (b) General requirements. The commissioner shall establish
13 standards and procedures for the certification of network plans that have demonstrated the ability
14 to ensure that health care services will be provided in a manner to assure availability and
15 accessibility, adequate personnel and facilities, and continuity of service, and have demonstrated
16 arrangements for ongoing quality assurance programs regarding care processes and outcomes.
17 These standards shall consist of, but are not limited to, the following:

18 (1) As to each network plan, a health care entity must demonstrate it has reasonable
19 access to providers, so that all covered health care services will be provided. This requirement
20 cannot be waived and must be met in all areas where the network plan has beneficiaries;

21 (2) As to each network plan, a health care entity must demonstrate that covered health
22 care services shall be available within a time frame that meets standards established by the
23 commissioner;

24 (3) As to each network plan, a health care entity must demonstrate it has a mechanism for
25 beneficiaries and providers to appeal and grieve decisions and actions of the network plan and/or
26 health care entity, including decisions or actions made by a delegate of the health care entity in
27 relation to the network plan;

28 (4) As to each network plan, a health care entity must maintain a comprehensive list of
29 participating providers that meets the requirements herein and provides additional information
30 relevant to network adequacy and access as determined by the commissioner;

31 (5) In the event of any systemic changes in the health care entity, network plan or any
32 relevant delegate’s certification information on file with the office, the health care entity shall
33 submit notice and explanation of this change for approval by the commissioner at least thirty (30)
34 calendar days prior to implementation of any such change;

1 (6) As to each network plan, a health care entity shall maintain a complaint resolution
2 process acceptable to the office, whereby beneficiaries, their authorized representatives, their
3 physicians, or other health care providers may seek resolution of complaints and other matters of
4 which the health care entity has received oral or written notice;

5 (7) As to each network plan, a health care entity shall be required to establish a
6 mechanism, under which providers, including local providers participating in the network plans,
7 provide input into the plan's health care policy, including technology, medications and
8 procedures, utilization review criteria and procedures, quality and credentialing criteria, and
9 medical management procedures;

10 (8) As to each network plan, a health care entity shall be required to establish a
11 mechanism under which beneficiaries provide input into the health care entity's procedures and
12 processes regarding the delivery of health care services; and

13 (9) As to each network plan, a health care entity must maintain a process, policies and
14 procedures for the modification of formularies to include notices to beneficiaries and providers
15 when formularies change in a manner acceptable to the commissioner and in accordance with all
16 state and federal laws.

17 (c) Network requirements. For each network plan, health care entities must ensure the
18 following requirements are met:

19 (1) Maintain access to professional, facility and other providers sufficient to provide
20 coverage in a timely manner, of the benefits covered in the network plan and in a manner that
21 does not impose obstacles that unreasonably affect access to care;

22 (2) Establish a process acceptable to the commissioner to monitor the status of each
23 network plan's network adequacy not less frequently than quarterly;

24 (3) If access to in-network providers for any covered benefit is not sufficient to provide
25 necessary care in a timely manner, the health care entity must ensure that the beneficiary access
26 to out-of-network covered benefits is subject to financial obligations and treatment limitations no
27 more costly or restrictive to the beneficiary than the beneficiary's access to an in-network
28 provider for the covered benefit. Unless otherwise approved by the commissioner, scenarios that
29 trigger this provision shall include situations where a beneficiary (a) obtains services at an in-
30 network facility from an out-of-network or non-participating provider (e.g., an anesthesiologist, a
31 radiologist, a pathologist) either unknowingly or in a manner where the beneficiary receives
32 insufficient advance notice to reasonably alter his or her course of care; and (b) obtains services
33 from an in-network or participating provider whose practice area routinely requires his or her
34 services be provided in a medical facility (e.g., an obstetrician) and the provider does not have

1 admitting privileges at any such in-network medical facility;

2 (4) Establish a process by which the health care entity will ensure that, if a provider
3 withdraws or is terminated from the network plan's provider network during the plan year, the
4 health care entity will ensure that a beneficiary in active treatment for an acute condition with the
5 provider may continue treatment with the provider and be subject to financial obligations and
6 treatment limitations no more costly or restrictive to the beneficiary than prior to withdrawal or
7 termination until active treatment is concluded, or, if earlier, one year after the date of withdrawal
8 or termination; and

9 (5) Establish and maintain a transition of care policy and process when a network has
10 been narrowed, tiered, and/or providers (facilities and professional) have terminated contracts
11 with the health care entity for that network plan;

12 (6) Establish a mechanism to provide the beneficiaries and consumers with up to date
13 information on providers, in a form acceptable to the commissioner, to include:

14 (i) Location by city, town, county;

15 (ii) Specialty practice areas;

16 (iii) Affiliations/Admission Privileges with facilities, including whether those facilities
17 are in-network facilities;

18 (iv) Whether the provider is accepting new patients; and

19 (v) Information of potential financial liability due to network plan differentials as well as
20 out-of-network financial liability to include tiered networks.

21 (d) Contracting and credentialing requirements.

22 (1) A health care entity shall not refuse to contract with or compensate for covered
23 services an otherwise eligible provider or non-participating provider solely because that provider
24 has, in good faith, communicated with one or more of their patients regarding the provisions,
25 terms or requirements of the health care entity's products as they relate to the needs of that
26 provider's patients.

27 (2) The health care entity or network plan provider contracting and credentialing process
28 shall include the following:

29 (i) This credentialing process shall begin upon acceptance of an application from a
30 provider to the health care entity or network plan for inclusion;

31 (ii) Each application shall be reviewed by the health care entity's or network plan's
32 credentialing body; and

33 (iii) All health care entities or network plans shall develop and maintain credentialing
34 criteria to be utilized in adding to provider networks. Credentialing criteria shall be based on

1 input from providers credentialed in the health care entity or network plan and these standards
2 shall be available to applicants. When economic considerations are part of the decisions, the
3 criteria must be available to applicants. Any economic profiling must factor the specialty,
4 utilization and practice patterns and general information comparing the applicant to their peers in
5 the same specialty will be made available. Any economic profiling of providers must be adjusted
6 to recognize case mix, severity of illness, age of patients and other features of a provider's
7 practice that may account for higher than or lower than expected costs. Profiles must be made
8 available to those so profiled. The credentialing process shall not impede a beneficiary's ability to
9 access services from a provider in a manner maintaining continuity and quality of care.

10 (3) A health care entity or network plan shall not exclude a professional provider of
11 covered services from participation in its provider network based solely on:

12 (i) The professional provider's degree or license as applicable under state law; or

13 (ii) The professional provider of covered services lack of affiliation with, or admitting
14 privileges at a hospital, if that lack of affiliation is due solely to the professional provider's type of
15 license.

16 (4) As to any network plan, health care entities shall not discriminate against providers
17 solely because the provider treats a substantial number of patients who require expensive or
18 uncompensated medical care.

19 (5) The applicant shall be provided with all reasons used if the application is denied.

20 (6) Health care entities or network plans shall not be allowed to include clauses in
21 physician or other provider contracts that allow for the health care entity or network plan to
22 terminate the contract "without cause"; provided, however, cause shall include lack of need due to
23 economic considerations.

24 (7) There shall be due process for professional providers for all adverse decisions
25 resulting in a change of privileges or contractual language of a credentialed professional provider
26 affecting patient care and/or provider reimbursement.

27 (i) The details of the health care entity or network plan's due process shall be included in
28 the professional provider contracts.

29 (ii) A health care entity or network plan is deemed to have met the adequate notice and
30 hearing requirement of this section with respect to a professional provider if the following
31 conditions are met (or are waived voluntarily by the professional provider):

32 (A) The professional provider shall be notified of the proposed actions and the reasons
33 for the proposed action;

34 (B) The professional provider shall be given the opportunity to contest the proposed

1 action; and

2 (C) The health care entity has developed an appeals process that has reasonable time
3 limits for the resolution of the appeal.

4 (8) A health care entity or network plan shall not include a most favored rate clause in a
5 provider contract.

6 (9) A health entity or network plan may materially modify the terms of a participating
7 agreement it maintains with a professional provider only if it disseminates, in writing, by mail to
8 the professional provider, the contents of the proposed modification and an explanation, in non-
9 technical terms, of the modification's impact.

10 (10) The health care entity or network plan shall provide the professional provider an
11 opportunity to amend or terminate the professional provider contract within sixty (60) calendar
12 days of receipt of the notice of modification. Any termination of a professional provider contract
13 made pursuant to this section shall be effective fifteen (15) calendar days from the mailing of the
14 notice of termination, in writing, by mail to the health care entity or network plan. The
15 termination shall not affect the method of payment or reduce the amount of reimbursement to the
16 professional provider by the health care entity or network plan for any beneficiary in active
17 treatment for an acute medical condition at the time the beneficiary's professional provider
18 terminates their professional provider contract with the health care entity or network plan until the
19 active treatment is concluded or, if earlier, one year after the termination; and, with respect to the
20 beneficiary, during the active treatment period the professional provider shall be subject to all the
21 terms and conditions of the terminated professional provider contract, including, but not limited
22 to, all reimbursement provisions which limit the beneficiary's liability.

23 **27-18.8-4. Contracts with providers for dental services.**

24 (a) No contract between a dental plan of a health care entity and a dentist for the
25 provision of services to beneficiaries may require that a dentist provide services to its patients at a
26 fee set by the health care entity unless said services are covered services under the applicable
27 subscriber agreement. "Covered services," as used herein, means services reimbursable under the
28 applicable beneficiary agreement, subject to such contractual limitations on beneficiary benefits
29 as may apply, including, for example, deductibles, waiting period or frequency limitations.

30 **27-18.8-5. Contracts with providers and optometric services.**

31 (a) No contract between an eye care provider and a health care entity or vision plan may
32 require that an eye care provider provide services or materials to its beneficiaries at a fee set by
33 the insurer or vision plan, unless the insurer or vision plan compensates the eye care provider for
34 the provision of such services or materials to the beneficiary. Reimbursement paid by the insurer

1 or vision plan for covered services and materials shall not provide nominal reimbursement in
2 order to claim that services and materials are covered services.

3 (b)(1) "Services" means services and materials for which reimbursement from the vision
4 plan is provided for by a beneficiary's plan contract, or for which a reimbursement would be
5 available but for the application of the beneficiary's contractual limitations of deductibles,
6 copayments, or coinsurance.

7 (2) "Materials" means and includes, but is not limited to, lenses, devices containing
8 lenses, prisms, lens treatments and coatings, contact lenses, orthoptics, vision training, and
9 prosthetic devices to correct, relieve, or treat defects or abnormal conditions of the human eye or
10 its adnexa.

11 (3) "Eye care provider" means an optometrist, optician, or ophthalmologist.

12 **27-18.8-6. Reporting requirements.**

13 The office shall establish reporting requirements to determine if health care entities
14 and/or network plans are in compliance with the provisions of this chapter and applicable
15 regulations as well as in compliance with applicable federal law.

16 **28-18.8-7. Rules and regulations.**

17 The health insurance commissioner may promulgate such rules and regulations as are
18 necessary and proper to effectuate the purpose and for the efficient administration and
19 enforcement of this chapter.

20 **27-18.8-8. Denial, suspension, or revocation of certificate.**

21 Adopted pursuant to this chapter:

22 (a) The office may deny a certificate or certification upon review of the application if,
23 upon review of the application, it finds that the applicant proposing to establish a network plan
24 does not meet the standards required by this chapter or by any regulations promulgated pursuant
25 to this chapter.

26 (b) The office may revoke a certificate or certification and/or impose monetary penalties
27 not less than \$100 and not to exceed fifty thousand dollars (\$50,000) per violation and/or impose
28 an order requiring a monetary restitution or disgorgement payment in an amount determined by
29 the commissioner to reasonably reflect the amount of damages caused or monies improperly
30 obtained in any case in which:

31 (1) The network plan and or health care entity fails to comply substantially with the
32 requirements of this chapter or of regulations;

33 (2) The network plan and or health care entity fails to comply with the criteria used by it
34 in its application for a certificate or certification; or

1 (3) The network plan and/or health care entity refuses to permit or fails to reasonably
2 cooperate with an examination by the commissioner to determine compliance with the
3 requirements of this chapter and regulations promulgated pursuant to the authority granted to the
4 commissioner in this chapter. These determinations may involve consideration of any written
5 grievances filed with the office against the network plan or health care entity by patients or
6 providers.

7 (c) Any applicant or certificate or certification holder aggrieved by an order or a decision
8 of the commissioner made under this chapter without a hearing may, within thirty (30) days after
9 notice of the order or decision, make a written request to the office for a hearing on the order or
10 decision pursuant to 42-35-15.

11 (d) The procedure governing hearings authorized by this section shall be in accordance
12 with 42-35-9 – 42-35-13 as stipulated in 42-35-14(a). A full and complete record shall be kept of
13 all proceedings, and all testimony shall be recorded but need not be transcribed unless the
14 decision is appealed pursuant to 42-35-15. A copy or copies of the transcript may be obtained by
15 any interested party upon payment of the cost of preparing the copy or copies. Witnesses may be
16 subpoenaed by either party.

17 **27-18.8-9. Criminal penalties.**

18 (a) A person, firm, corporation, association or other legal entity who knowingly and
19 willfully violates this chapter shall be guilty of a misdemeanor and may be punished by a fine not
20 to exceed fifty thousand dollars (\$50,000) or by imprisonment for a period of not more than one
21 year, or both.

22 (b) The statute of limitations for any criminal violation of the provisions of this chapter
23 shall be ten (10) years.

24 **27-18.8-10. Administrative penalties.**

25 (a) Whenever the commissioner shall have cause to believe that a violation of this chapter
26 has occurred by a health care entity or network plan or any person or entity conducting any
27 activities requiring certification under this chapter, the commissioner may, in accordance with the
28 requirements of the Administrative Procedures Act, chapter 35 of title 42:

29 (1) Revoke or suspend a license issued under this chapter;

30 (2) Levy an administrative penalty in an amount not less than one hundred dollars (\$100)
31 nor more than fifty thousand dollars (\$50,000) per violation. In the case of a continuing violation,
32 each day's continuance of the violation is deemed to be a separate and distinct offense;

33 (3) Order the violator to cease such actions;

34 (4) Require the health care entity and/or network plan or any person or entity conducting

1 any activities requiring certification under this chapter to take such actions as are necessary to
2 comply with this chapter or the regulations promulgated hereunder; or

3 (5) Any combination of the above penalties.

4 (b) Any monetary penalties assessed pursuant to this section shall be as general revenues.

5 (c) Nothing in this chapter shall limit the authority of the commissioner to seek any other
6 penalties or remedies available under applicable law or to conduct examinations, issue orders, and
7 recover the costs and expenses of state personnel or outside counsel or outside consultants or
8 experts pursuant to other provisions of the general laws.

9 **27-18.8-11. Injunctions. Cease and desist.**

10 In addition to the penalties and other enforcement provisions available to the
11 commissioner pursuant to this chapter or any other applicable provision of law or regulation:

12 (a) If any person or entity violates this chapter or any rule implementing this chapter, the
13 commissioner may seek an injunction in a court of competent jurisdiction in this state and may
14 apply for temporary and permanent orders that the commissioner determines necessary to restrain
15 the person from further committing the violation.

16 (b) If the commissioner has reason to believe that any person or entity is violating or has
17 violated any provision of this chapter, any rule or order adopted by the commissioner, or any
18 written agreement entered into with the commissioner:

19 (i) The office may issue its order to that person, firm, corporation or association
20 commanding them to appear before the office at a hearing to be held no sooner than ten (10) days
21 nor later than twenty (20) days after issuance of that order to show cause why the office should
22 not issue an order to that person to cease and desist from the violation of the provisions of this
23 chapter.

24 (ii) The order to show cause may be served on any person, firm, corporation or
25 association named in the order in the same manner that summons in a civil action may be served,
26 or by mailing a copy of the order, certified mail, return receipt requested, to that person or entity
27 at any address at which he or she has done business or at which he or she lives. If, upon that
28 hearing, the office is satisfied that the person or entity is in fact violating any provision of this
29 chapter, then the office may order that person or entity, in writing, to cease and desist from that
30 violation.

31 (iii) All hearings shall be governed in accordance with chapter 35 of title 42, the
32 "Administrative Procedures Act." If that person or entity fails to comply with an order of the
33 commissioner after being afforded a hearing, the superior court in Providence County has
34 jurisdiction upon complaint of the commissioner to restrain and enjoin that person from violating

1 this chapter.

2 (c) If the commissioner has reason to believe that any person or entity is violating or has
3 violated any provision of this chapter, any rule or order adopted by the commissioner, or any
4 written agreement entered into with the commissioner and the commissioner finds that such an
5 action presents an immediate danger to the public and requires an immediate final order, he or she
6 may issue an emergency cease and desist order reciting with particularity the facts underlying
7 such findings. The emergency cease and desist order is effective immediately upon service of a
8 copy of the order on the respondent and remains effective for ninety (90) days. If the office
9 begins non-emergency cease and desist proceedings under subsections (a) or (b), the emergency
10 cease and desist order remains effective, absent an order by a court of competent jurisdiction
11 pursuant to section 42-35-1 et seq. In the event of a willful violation of this chapter, the superior
12 court may award statutory damages in addition to actual damages in an additional amount up to
13 three (3) times the actual damage award.

14 **27-18.8-12. Severability.**

15 If any section, clause, or provision of this chapter shall be held either unconstitutional or
16 ineffective in whole or in part, to the extent that it is not unconstitutional or ineffective, it
17 shall be valid and effective and no other section, clause or provision shall on account thereof be
18 termed invalid or ineffective.

19 SECTION 10. Title 27 of the General Laws entitled "Insurance" is hereby amended by
20 adding thereto the following chapter:

21 CHAPTER 27-18.9

22 BENEFIT DETERMINATION AND UTILIZATION REVIEW ACT

23 **27-18.9-1. Purpose of chapter.**

24 (a) The purpose of this chapter is to:

25 (1) Promote the delivery of quality health care in a cost effective manner;

26 (2) Foster greater coordination between health care providers, patients, health care
27 entities, health benefit plans and utilization review entities to ensure public health well-being;

28 (3) Protect beneficiaries, businesses, and providers by ensuring that review agents are
29 qualified to perform review activities and to make informed decisions on the medical necessity
30 and appropriateness of medical care;

31 (4) Ensure that review agents maintain the confidentiality of medical records in
32 accordance with applicable state and federal laws; and

33 (5) Interface and maintain compliance with federal benefit determination and adverse
34 benefit determination requirements.

1 (b) Nothing in this chapter is intended to prohibit or discourage the health insurance
2 commissioner from consulting or collaborating with the department of health, or any other state
3 or federal agency, to the extent the commissioner in his or her discretion determines such
4 consultation and or collaboration is necessary and or appropriate for the administration and
5 enforcement of this chapter.

6 **27-18.9-2. Definitions.**

7 As used in this chapter, the following terms are defined as follows:

8 (1) "Adverse benefit determination" means a decision not to authorize a health care
9 service, including a denial, reduction, or termination of, or a failure to provide or make a
10 payment, in whole or in part, for a benefit. A decision by a utilization review agent to authorize a
11 health care service in an alternative setting, a modified extension of stay, or an alternative
12 treatment shall not constitute an adverse determination if the review agent and provider are
13 in agreement regarding the decision. Adverse benefit determinations include:

14 (i) "Administrative adverse benefit determinations," meaning any adverse benefit
15 determination that does not require the use of medical judgment or clinical criteria such as a
16 determination of an individual's eligibility to participate in coverage, a determination that a
17 benefit is not a covered benefit, or any rescission of coverage; and

18 (ii) "Non-administrative adverse benefit determinations," meaning any adverse benefit
19 determination that requires or involves the use of medical judgement or clinical criteria to
20 determine whether the service being reviewed is medically necessary and/or appropriate. This
21 includes the denial of treatments determined to be experimental or investigational, and any denial
22 of coverage of a prescription drug because that drug is not on the health care entity's formulary.

23 (2) "Appeal" or "internal appeal" means a subsequent review of an adverse benefit
24 determination upon request by a claimant to include the beneficiary or provider to reconsider all
25 or part of the original adverse benefit determination.

26 (3) "Authorization" means a review by a review agent, performed according to this Act,
27 concluding that the allocation of health care services ordered by a provider, given or proposed to
28 be given to a beneficiary, was approved or authorized.

29 (4) "Authorized representative" means an individual acting on behalf of the beneficiary
30 and shall include the ordering provider, any individual to whom the beneficiary has given express
31 written consent to act on his or her behalf, a person authorized by law to provide substituted
32 consent for the beneficiary and, when the beneficiary is unable to provide consent, a family
33 member of the beneficiary.

34 (5) "Beneficiary" means a policy holder subscriber, enrollee or other individual

1 participating in a health benefit plan.

2 (6) “Benefit determination” means a decision to approve or deny a request to provide or
3 make payment for a health care service or treatment.

4 (7) “Certificate” means a certificate granted by the commissioner to a review agent
5 meeting the requirements of this act.

6 (8) “Claim” means a request for plan benefit(s) made by a claimant in accordance with
7 the health care entity’s reasonable procedures for filing benefit claims. This shall include pre-
8 service, concurrent and post-service claims.

9 (9) “Claimant” means a health care entity participant, beneficiary, and/or authorized
10 representative who makes a request for plan benefit(s).

11 (10) “Commissioner” means the health insurance commissioner.

12 (11) “Complaint” means an oral or written expression of dissatisfaction by a beneficiary,
13 authorized representative, or a provider. The appeal of an adverse benefit determination is not
14 considered a complaint.

15 (12) “Concurrent assessment” means an assessment of health care services conducted
16 during a beneficiary's hospital stay, course of treatment or services over a period of time or for
17 the number of treatments. If the medical problem is ongoing, this assessment may include the
18 review of services after they have been rendered and billed.

19 (13) “Concurrent claim” means a request for a plan benefit(s) by a claimant that is for an
20 ongoing course of treatment or services over a period of time or for the number of treatments.

21 (14) “Delegate” means a person or entity authorized pursuant to a delegation of authority
22 or directly or re-delegation of authority, by a health care entity or network plan to perform one or
23 more of the functions and responsibilities of a health care entity and/or network plan set forth in
24 this Act or regulations or guidance promulgated thereunder.

25 (15) “Emergency services” or “emergent services” means those resources provided in the
26 event of the sudden onset of a medical, behavioral health or other health condition that the
27 absence of immediate medical attention could reasonably be expected, by a prudent layperson, to
28 result in placing the patient's health in serious jeopardy, serious impairment to bodily or mental
29 functions, or serious dysfunction of any bodily organ or part.

30 (16) “External review” means a review of a non-administrative adverse benefit
31 determination (including final internal adverse benefit determination) conducted pursuant to an
32 applicable external review process performed by an Independent Review Organization

33 (17) “Final internal adverse benefit determination” means an adverse benefit
34 determination that has been upheld by a plan or issuer at the completion of the internal appeals

1 process or when the internal appeals process has been deemed exhausted as defined in section 27-
2 18.9-7(b)(1) of this act.

3 (18) "External review decision" means a determination by an independent review
4 organization at the conclusion of the external review.

5 (19) "Health benefit plan" or "health plan" means a policy, contract, certificate or
6 agreement entered into, offered or issued by a health care entity to provide, deliver, arrange for,
7 pay for or reimburse any of the costs of health care services.

8 (20) "Health care entity" means an insurance company licensed, or required to be
9 licensed, by the state of Rhode Island or other entity subject to the jurisdiction of the
10 commissioner or the jurisdiction of the department of business regulation pursuant to R.I.G.L. 42-
11 62, that contracts or offers to contract, or enters into an agreement to provide, deliver, arrange for,
12 pay for or reimburse any of the costs of health care services, including without limitation, a for-
13 profit or nonprofit hospital, medical or dental service corporation or plan , a health maintenance
14 organization, a health insurance company, or any other entity providing a plan of health
15 insurance, accident and sickness insurance, health benefits or health care services.

16 (21) "Health care services" means and includes, but is not limited to, an admission,
17 diagnostic procedure, therapeutic procedure, treatment, extension of stay, the ordering and/or
18 filling of formulary or non-formulary medications, and any other medical, behavioral, dental,
19 vision care services, activities, or supplies that are covered by the beneficiary's health benefit
20 plan.

21 (22) "Independent review organization" or "IRO" means an entity that conducts
22 independent external reviews of adverse benefit determinations or final internal adverse benefit
23 determinations.

24 (23) "Network" means the group or groups of participating providers providing health
25 care services under a network plan.

26 (24) "Network plan" means a health benefit plan or health plan that either requires a
27 beneficiary to use, or creates incentives, including financial incentives, for a beneficiary to use
28 the providers managed, owned, under contract with or employed by the health care entity.

29 (25) "Office" means the office of the health insurance commissioner.

30 (26) "Professional provider" means an individual provider or health care professional
31 licensed, accredited, or certified to perform specified health care services consistent with state
32 law and who provides health care services and is not part of a separate facility or institutional
33 contract.

34 (27) "Prospective assessment" and/or "pre-service assessment" mean an assessment of

1 health care services prior to services being rendered.

2 (28) "Pre-service claim" means the request for a plan benefit(s) by a claimant prior to a
3 services being rendered and is not considered a concurrent claim.

4 (29) "Provider" means a physician, hospital, professional provider, pharmacy, laboratory,
5 dental, medical or behavioral health provider or other state licensed or other state recognized
6 provider of health care or behavioral health services or supplies.

7 (30) "Retrospective assessment" and/or "post service assessment" means an assessment
8 of health care services that have been rendered. This shall not include reviews conducted when
9 the review agency has been obtaining ongoing information.

10 (31) "Retrospective claim" or "post-service claim" means any claim for a health plan
11 benefit that is not a pre-service or concurrent claim.

12 (32) "Review agent" means a person or health care entity performing benefit
13 determination reviews that is either employed by, affiliated with, under contract with, or acting on
14 behalf of a health care entity.

15 (33) "Same or similar specialty" means a practitioner who has the appropriate training
16 and experience that is the same or similar as the attending provider in addition to experience in
17 treating the same problems to include any potential complications as those under review.

18 (34) "Therapeutic interchange" means the interchange or substitution of a drug with a
19 dissimilar chemical structure within the same therapeutic or pharmacological class that can be
20 expected to have similar outcomes and similar adverse reaction profiles when given in equivalent
21 doses, in accordance with protocols approved by the president of the medical staff or medical
22 director and the director of pharmacy.

23 (35) "Tiered network" means a network that identifies and groups some or all types of
24 providers into specific groups to which different provider reimbursement, beneficiary cost-
25 sharing or provider access requirements, or any combination thereof, apply for the same services.

26 (36) "Urgent health care services" includes those resources necessary to treat a
27 symptomatic medical, mental health, substance use or other health care condition that a prudent
28 layperson, acting reasonably would believe necessitates treatment within a twenty-four (24) hour
29 period of the onset of such a condition in order that the patient's health status not decline as a
30 consequence. This does not include those conditions considered to be emergent health care
31 services as defined in in this section.

32 (37) "Utilization review" means the prospective, concurrent, or retrospective assessment
33 of the medical necessity and/or appropriateness of the allocation of health care services of a
34 provider, given or proposed to be given, to a beneficiary. Utilization review does not include:

1 (i) The therapeutic interchange of drugs or devices by a pharmacy operating as part of a
2 licensed inpatient health care facility; or

3 (ii) The assessment by a pharmacist licensed pursuant to the provisions of chapter 19 of
4 title 5, and practicing in a pharmacy operating as part of a licensed inpatient health care facility,
5 in the interpretation, evaluation and implementation of medical orders, including assessments
6 and/or comparisons involving formularies and medical orders.

7 (38) "Utilization review plan" means a description of the standards governing utilization
8 review activities performed by a review agent.

9 **27-18.9-3. Certification and recertification of review agents.**

10 (a) A review agent shall not conduct benefit determination reviews in the state unless the
11 office has granted the review agent a certificate.

12 (b) Individuals shall not be required to hold a separate review agent certification under
13 this chapter when acting as either an employee of, an affiliate of, a contractor for, or otherwise
14 acting on behalf of a certified review agent.

15 (c) The commissioner shall establish a process for the certification of review agents
16 meeting the requirements of certification.

17 (d) The commissioner shall establish procedures for the periodic review and
18 recertification of review agents at least every three (3) years.

19 (e) A certificate issued under this chapter is not transferable, and the transfer of fifty
20 percent (50%) or more of the ownership of a review agent shall be deemed a transfer.

21 (f) The office shall issue a review agent certificate to an applicant that has met the
22 minimum standards defined in this chapter, and regulations promulgated in accordance with it,
23 including the payment of any fees as required, and other applicable regulations of the office.

24 (g) In the event of any systemic changes in the review agent certification information on
25 file with the office, the review agent shall submit notice and explanation of this change for
26 approval by the commissioner at least thirty (30) calendar days prior to implementation of any
27 such change.

28 (h) The total cost of obtaining and maintaining a review agent certification under
29 this title and in compliance with the requirements of the applicable rules and regulations shall
30 be borne by the applicant and shall include one hundred and fifty percent (150%) of the total
31 salaries paid to the personnel and one hundred percent (100%) of the cost of any outside experts
32 or consultants engaged by the commissioner to determine compliance. These monies shall be paid
33 to the commissioner to and for the use of the office and shall be in addition to any taxes and fees
34 otherwise payable to the state.

1 (i) The commissioner is authorized to establish any fees for initial application, renewal
2 applications, and any other administrative actions deemed necessary by the commissioner to
3 implement this chapter. Any fees for a review agent application for certification and/or other fees
4 required under this chapter determined by the commissioner and sufficient to cover the cost of the
5 review agent certification program.

6 (j) Notwithstanding any other provision of law, the review agent, the office, and all other
7 parties privy to information which is the subject of this chapter shall comply with all state and
8 federal confidentiality laws, including, but not limited to, chapter 37.3 of title 5 (confidentiality of
9 health care communications and information act) and specifically section 5-37.3-4(c), which
10 requires limitation on the distribution of information which is the subject of this chapter on a
11 "need to know" basis, and section 40.1-5-26.

12 (k) The office may, in response to a complaint or inquiry, review a benefit determination
13 or appeal and may request information of the review agent, provider or beneficiary regarding the
14 status, outcome or rationale regarding any decision. The review agent shall promptly respond to
15 any such requests by the office.

16 (l) The office shall adopt regulations necessary to implement the provisions of this
17 chapter.

18 **27-18.9-4. Application requirements.**

19 An application for review agent certification or recertification shall include, but is not
20 limited to, documentation to evidence the following:

21 (a) Administrative and Non-Administrative Benefit Determinations:

22 (1) That the health care entity or its review agent provide beneficiaries and providers with
23 a summary of its benefit determination review programs and adverse benefit determination
24 criteria in a manner acceptable to the commissioner that includes a summary of the standards,
25 procedures and methods to be used in evaluating proposed, concurrent or delivered health care
26 services;

27 (2) The circumstances, if any, under which review agent may be delegated to and
28 evidence that the delegated review agent is a certified review agent pursuant to the requirements
29 of this act;

30 (3) A complaint resolution process acceptable to the commissioner, whereby
31 beneficiaries or other health care providers may seek resolution of complaints and other matters
32 of which the review agent has received notice;

33 (4) Policies and procedures to ensure that all applicable state and federal laws to protect
34 the confidentiality of individual medical records are followed;

1 (5) Requirements that no employee of, or other individual rendering an adverse benefit
2 determination or appeal decision may receive any financial or other incentives based upon the
3 number of denials of certification made by that employee or individual;

4 (6) Evidence that the review agent has not entered into a compensation agreement or
5 contract with its employees or agents whereby the compensation of its employees or its agents is
6 based, directly or indirectly, upon a reduction of services or the charges for those services, the
7 reduction of length of stay, or use of alternative treatment settings;

8 (7) An adverse benefit determination and internal appeals process consistent with chapter
9 27-18.9 and acceptable to the office, whereby beneficiaries, their physicians, or other health care
10 service providers may seek prompt reconsideration or appeal of adverse benefit determinations by
11 the review agent according to all state and federal requirements; and

12 (8) That the health care entity or its review agent has a mechanism to provide the
13 beneficiary or claimant with a description of its claims procedures and any procedures for
14 obtaining approvals as a prerequisite for obtaining a benefit or for obtaining coverage for such
15 benefit. This description should at a minimum be placed in the summary of benefits document
16 and available on the review agent's or the relevant health care entity's website and upon request
17 from the claimant, his/her authorized representative and ordering providers.

18 (b) Non-administrative benefit determinations general requirements:

19 (1) Type and qualifications of personnel (employed or under contract) authorized to
20 perform utilization review, including a requirement that only a provider with the same license
21 status as the ordering professional provider or a licensed physician or dentist, is permitted to
22 make a prospective or concurrent utilization review adverse benefit determinations;

23 (2) Requirement that a representative of the utilization review agent is reasonably
24 accessible to beneficiaries and providers at least five (5) days a week during normal business
25 hours in Rhode Island and during the hours of the agency's operations when conducting
26 utilization review;

27 (3) Policies and procedures regarding the notification and conduct of patient interviews
28 by the utilization review agent to include a process and assurances that such interviews do not
29 disrupt care; and

30 (4) Requirement that the utilization review agent shall not impede the provision of health
31 care services for treatment and/or hospitalization or other use of a provider's services or facilities
32 for any beneficiary.

33 **27-18.9-5. Benefit determination procedural requirements.**

34 (a) Procedural failure by claimant.

1 (1) In the event of the failure of claimant or an authorized representative to follow the
2 health care entities claims procedures for a pre-service claim the health care entity or its review
3 agent must:

4 (i) Notify claimant or the authorized representative, as appropriate, of this failure as soon
5 as possible and no later than five (5) calendar days following the failure and this notification must
6 also inform claimant of the proper procedures to file a pre-service claim; and

7 (ii) Notwithstanding the above, if the pre-service claim relates to urgent or emergent
8 health care services, the health care entity or its review agent must notify and inform claimant or
9 the authorized representative, as appropriate, of the failure and proper procedures within twenty-
10 four (24) hours following the failure. Notification may be oral, unless written notification is
11 requested by the claimant or authorized representative.

12 (2) Claimant must have stated name, specific medical condition or symptom and specific
13 treatment, service or product which approval is requested and submitted to proper claim
14 processing unit.

15 (b) Utilization review agent procedural requirements:

16 (1) All initial, prospective and concurrent non-administrative adverse benefit
17 determinations of a health care service that had been ordered by a physician, dentist or other
18 practitioner shall be made, documented, and signed by a licensed practitioner with the same
19 licensure status as the ordering provider;

20 (2) Utilization review agents are not prohibited from allowing appropriately qualified
21 review agency staff from engaging in discussions with the attending provider, the attending
22 provider's designee or appropriate health care facility and office personnel regarding alternative
23 service and/or treatment options. Such a discussion shall not constitute an adverse benefit
24 determination; provided, however, that any change to the attending provider's original order
25 and/or any decision for an alternative level of care must be made and/or appropriately consented
26 to by the attending provider or the provider's designee responsible for treating the beneficiary and
27 must be documented by the review agent; and

28 (3) A utilization review agent shall not retrospectively deny authorization for health care
29 services provided to a covered person when an authorization has been obtained for that service
30 from the review agent unless the approval was based upon inaccurate information material
31 to the review or the health care services were not provided consistent with the provider's
32 submitted plan of care and/or any restrictions included in the prior approval granted by the review
33 agent.

34 **27-18.9-6. Benefit determination notifications.**

1 (a) Benefit determination notification timelines. A health care entity and/or its review
2 agent shall comply with the following:

3 (1) For urgent or emergent health care services benefit determinations (*adverse or non-*
4 *adverse*) shall be made as soon as possible taking into account exigencies but not later than 72
5 hours after receipt of the claim.

6 (2) For concurrent claims (*adverse or non-adverse*), no later than 24 hours after receipt of
7 the claim and prior to the expiration of the period of time or number of treatments. The claim
8 must have been made to the health care entity or review agent at least 24 hours prior to the
9 expiration of the period of time or number of treatments.

10 (3) For pre-service claims (*adverse or non-adverse*), within a reasonable period of time
11 appropriate to the medical circumstances, but not later than fifteen (15) calendar days after the
12 receipt of the claim. This may be extended up to fifteen (15) additional calendar days if
13 substantiated and claimant is noticed within the first fifteen (15) calendar-day period.

14 (4) For post-service claims adverse benefit determination no later than thirty (30)
15 calendar days after the receipt of the claim. This may be extended for fifteen (15) calendar days if
16 substantiated and claimant is noticed within the first thirty (30) calendar day period.

17 (5) Provision in the event of insufficient information from a claimant.

18 (i) For urgent or emergent care, the health care entity or review agent must notify
19 claimant as soon as possible, depending on exigencies, but no later than 24 hours after receipt of
20 claim giving specifics as to what information is needed. The health care entity or review agent
21 must allow claimant at least 48 hours to send additional information. The health care entity or
22 review agent must provide benefit determination as soon as possible and no later than 48 hours
23 after receipt of necessary additional information or end of period afforded to the claimant to
24 provide additional information, whichever is earlier.

25 (ii) For pre-service and post-service claims the notice by the health care entity or review
26 agent must include what specific information is needed. The claimant has forty-five (45) calendar
27 days from receipt of notice to provide information.

28 (iii) Timelines for decisions, in the event of insufficient information, are paused from the
29 date on which notice is sent to the claimant and restarted when the claimant responds to the
30 request for information.

31 (b) Notifications form and content requirements. Health care entities and review agents
32 shall comply with form and content notification requirements acceptable to the commissioner to
33 include but not be limited to the following:

34 (1) Notices may be written or electronic with reasonable assurance of receipt by claimant

1 unless urgent or emergent. When urgent or emergent, oral notification is acceptable, absent a
2 specific request by claimant for written or electronic notice written, followed by written or
3 electronic notification within three (3) calendar days.

4 (2) Notification content shall:

5 (i) Be culturally and linguistically appropriate;

6 (ii) Provide details of a claim that is being denied to include date of service, provider,
7 amount of claim, diagnostic and treatment codes with corresponding meanings;

8 (iii) Give specific reason or reasons for the adverse benefit determination;

9 (iv) Include the reference(s) to specific health benefit plan or review agent provisions,
10 guideline, protocol or criterion on which the adverse benefit determination is based;

11 (v) If the decision is based on medical necessity, clinical criteria or experimental
12 treatment or similar exclusion or limit, then notice must include the scientific or clinical judgment
13 for the adverse determination;

14 (vi) Provide information for the beneficiary as to how to obtain copies of any and all
15 information relevant to denied claim free of charge;

16 (vii) Describe the internal and external appeal processes, as applicable, to include all
17 relevant review agency contacts and OHIC's consumer assistance program information;

18 (viii) Clearly state timeline that the claimant has at least one hundred eighty (180)
19 calendar days following the receipt of notification of an adverse benefit determination to file an
20 appeal; and

21 (ix) Not written in a manner that could reasonably be expected to negatively impact the
22 beneficiary.

23 **27-18.9-7. Internal appeal procedural requirements.**

24 (a) Administrative and non-administrative appeals. The review agent shall conform to the
25 following for the internal appeal of administrative or non-administrative adverse benefit
26 determinations:

27 (1) The review agent shall maintain and make available a written description of its appeal
28 procedures by which either the beneficiary or the provider of record may seek review of
29 determinations not to authorize health care services.

30 (2) The process established by each review agent may include a reasonable period within
31 which an appeal must be filed to be considered and that period shall not be less than one hundred
32 eighty (180) calendar days after receipt of the adverse benefit determination notice.

33 (3) A reconsideration process may be utilized by the review agent in assessing an adverse
34 benefit determination and if utilized must be done in a manner that shall:

- 1 (i) Not alter, in any way, the internal appeal process or appeal timelines; and
2 (ii) Be done pursuant to reasonable procedures acceptable to the commissioner.
- 3 (4) Prior to a final internal appeal decision, the review agent must allow the claimant to
4 review the entire adverse determination and appeal file and allow the claimant to present evidence
5 and/or additional testimony as part of the internal appeal process.
- 6 (5) No new evidence can be considered by the review agent without noticing the claimant
7 and providing the claimant with a copy of said new evidence.
- 8 (6) A review agent is only entitled to request and review information or data relevant to
9 the benefit determination and utilization review processes.
- 10 (7) The review agent shall maintain records of written adverse benefit determinations,
11 reconsiderations, appeals and their resolution, and shall provide reports as requested by the office.
- 12 (8) The review agent shall notify, in writing, the beneficiary and provider of record of its
13 decision on the appeal as soon as practical considering medical circumstances, but in no case later
14 than thirty (30) calendar days after receipt of the request for the review of an adverse benefit
15 determination.
- 16 (9) The review agent shall also provide for an expedited appeal process for urgent and
17 emergent situations taking into consideration medical exigencies. Each review agent shall
18 complete the adjudication of expedited appeals, including notification of the beneficiary and
19 provider of record of its decision on the appeal, but not later than seventy-two (72) hours after
20 receipt of the claimant's request for the appeal of an adverse benefit determination.
- 21 (10) Benefits for an ongoing course of treatment cannot be reduced or terminated without
22 providing advance notice and an opportunity for advance review. The review agent or health care
23 entity is required to continue coverage pending the outcome of an appeal.
- 24 (11) A review agent may not disclose or publish individual medical records or any
25 confidential information obtained in the performance of benefit determination or utilization
26 review activities. A review agent shall be considered a third-party health insurer for the purposes
27 of section 5-37.3-6(b)(6) and shall be required to maintain the security procedures mandated in
28 section 5-37.3-4(c).
- 29 (b) Non-administrative appeals. In addition to section 27-18.9-7 (a) utilization review
30 agents shall conform to the following for its internal appeals adverse benefit determinations:
- 31 (1) A claimant is deemed to have exhausted the internal claims appeal process when the
32 utilization review agent or health care entity fails to strictly adhere to all benefit determination
33 and appeal processes with respect to a claim. In this case the claimant may initiate an external
34 appeal or remedies under 502(a) of ERISA or other state and federal law, as applicable.

1 (2) No reviewer under this section, who has been involved in prior reviews or in the
2 adverse benefit determination under appeal or who has participated in the direct care of the
3 beneficiary, may participate in reviewing the case under appeal.

4 (3) All internal level appeals of utilization review determinations not to authorize a health
5 care service that had been ordered by a physician, dentist, or other provider shall be made
6 according to the following:

7 (i) The internal level appeal decision of a non-administrative adverse benefit
8 determination shall not be made until the utilization review agency's professional provider in the
9 same or similar specialty as typically manages the condition, procedure, treatment or requested
10 service under discussion has spoken to, or otherwise provided for, an equivalent two-way
11 direct communication with the beneficiary's attending physician, dentist, other professional
12 provider, or other qualified professional provider responsible for treatment of the beneficiary
13 concerning the medical care.

14 (ii) When the appeal of any adverse benefit determination is based in whole or in part on
15 medical judgment including determinations with regard to whether a particular service, treatment,
16 drug, or other item is experimental, investigational or not medically necessary or appropriate, the
17 reviewer making the internal appeal decision must be appropriately trained having the same
18 licensure status as the ordering provider or be a physician or dentist and be in the same or similar
19 specialty as typically manages the condition. These qualifications must be provided to the
20 claimant upon request.

21 (iii) The utilization review agency reviewer must document and sign their decisions.

22 (4) The review agent must ensure that an appropriately licensed practitioner or licensed
23 physician is reasonably available to review the case as required under section 27-18.9-7 9 (b) and
24 shall conform to the following:

25 (i) Each agency peer reviewer shall have access to and review all necessary information
26 as requested by the agency and/or submitted by the provider(s) and/or beneficiaries;

27 (ii) Each agency shall provide accurate peer review contact information to the provider at
28 the time of service, if requested, and/or prior to such service, if requested. This contact
29 information must provide a mechanism for direct communication with the agency's peer
30 reviewer; and

31 (iii) Agency peer reviewers shall respond to the provider's request for a two-way direct
32 communication defined in section 27-18.9-7 (b) as follows:

33 (A) For a prospective review of non-urgent and non-emergent health care services, a
34 response within one (1) business day of the request for a peer discussion;

1 (B) For concurrent and prospective reviews of urgent and emergent health care services, a
2 response within a reasonable period of time of the request for a peer discussion; and

3 (C) For retrospective reviews, prior to the internal level appeal decision.

4 (5) The review agency will have met the requirements of a two-way direct
5 communication, when requested and/or as required prior to the internal level of appeal, when it
6 has made two (2) reasonable attempts to contact the attending provider directly. Repeated
7 violations of this section shall be deemed to be substantial violations pursuant to section
8 27-18.9-9 and shall be cause for the imposition of penalties under that section.

9 (6) For the appeal of an adverse benefit determination decision that a drug is not covered,
10 the review agent shall complete the internal appeal determination and notify the claimant of its
11 determination:

12 (i) No later than seventy-two (72) hours following receipt of the appeal request; or

13 (ii) No later than twenty-four (24) hours following the receipt of the appeal request in
14 cases where the beneficiary is suffering from a health condition that may seriously jeopardize the
15 beneficiary's life, health, or ability to regain maximum function or when an beneficiary is
16 undergoing a current course of treatment using a non-formulary drug.

17 (iii) And if approved on appeal, coverage of the non-formulary drug must be provided for
18 the duration of the prescription, including refills unless expedited then for the duration of the
19 exigency.

20 (7) The review agents using clinical criteria and medical judgment in making utilization
21 review decisions shall comply with the following:

22 (i) The requirement that each review agent shall provide its clinical criteria;

23 (ii) Provide and use written clinical criteria and review procedures established according
24 to nationally accepted standards, evidence based medicine and protocols that are periodically
25 evaluated and updated or other reasonable standards required by the commissioner;

26 (iii) Establish and employ a process to incorporate and consider local variations to
27 national standards and criteria identified herein including without limitation, a process to
28 incorporate input from local participating providers; and

29 (iv) Updated clinical decision criteria to be available to beneficiaries, providers and the
30 office upon request and readily available accessible on the health care entity or the review agent's
31 website.

32 (8)The review agent shall maintain records of written adverse benefit determination
33 reconsiderations and appeals to include their resolution, and shall provide reports and other
34 information as requested by the office.

1 **27-18.9-8. External appeal procedural requirements.**

2 (a) General requirements.

3 (1) In cases where the non-administrative adverse benefit determination or the final
4 internal level of appeal to reverse a non-administrative adverse benefit determination is
5 unsuccessful, the health care entity or review agent shall provide for an external appeal by an
6 Independent Review Organization (IRO) approved by the commissioner and ensure that the
7 external appeal complies with all applicable laws and regulations.

8 (2) In order to seek an external appeal, claimant must have exhausted the internal claims
9 and appeal process unless the utilization review agent or health care entity has waived the internal
10 appeal process by failing to comply with the internal appeal process or the claimant has applied
11 for expedited external review at the same time as applying for expedited internal review.

12 (3) A claimant shall have at least four (4) months after receipt of a notice of the decision
13 on a final internal appeal to request an external appeal by an IRO.

14 (4) Health care entities and review agents must use a rotational IRO registry system
15 specified by the commissioner, and must select an IRO in the rotational manner described in the
16 IRO registry system.

17 (5) A claimant requesting an external appeal may be charged no more than a twenty-five
18 dollars (\$25.00) external appeal fee by the review agent. The external appeal fee, if charged, must
19 be refunded to the claimant if the adverse benefit determination is reversed through external
20 review. The external appeal fee must be waived if payment of the fee would impose an undue
21 financial hardship on the beneficiary. In addition, the annual limit on external appeal fees for any
22 beneficiary within a single plan year (in the individual market, within a policy year) must not
23 exceed seventy-five dollars (\$75.00).

24 (6) IRO and/or the review agent and or the health care entity may not impose a minimum
25 dollar amount of a claim for a claim to be eligible for external review by an IRO.

26 (7) The decision of the external appeal by the IRO shall be binding on the health care
27 entity and/or review agent; however, any person who is aggrieved by a final decision of the
28 external appeal agency is entitled to judicial review in a court of competent jurisdiction.

29 (8) The health care entity must provide benefits (including making payment on the claim)
30 pursuant to an external review decision without delay regardless whether the health care entity or
31 review agent intends to seek judicial review of the IRO decision.

32 (9) The commissioner shall promulgate rules and regulations including, but not limited
33 to, criteria for designation, operation, policy, oversight, and termination of designation as an IRO.
34 The IRO shall not be required to be certified under this chapter for activities conducted pursuant

1 to its designation.

2 (b) The external appeal process shall include but not be limited to the following
3 characteristics:

4 (1) The claimant must be noticed that he/she shall have at least five (5) business days
5 from receipt of the external appeal notice to submit additional information to the IRO.

6 (2) The IRO must notice the claimant of its external appeal decision to uphold or overturn
7 the review agency decision:

8 (i) No more than ten (10) calendar days from receipt of all the information necessary to
9 complete the external review and not greater than forty-five (45) calendar days after the receipt
10 of the request for external review; and

11 (ii) In the event of an expedited external appeal by the IRO for urgent or emergent care,
12 as expeditiously as possible and no more than seventy-two (72) hours after the receipt of the
13 request for the external appeal by the IRO. Notwithstanding provisions in this section to the
14 contrary, this notice may be made orally but must be followed by a written decision within forty-
15 eight (48) hours after oral notice is given.

16 (3) For an external appeal of an internal appeal decision that a drug is not covered the
17 IRO shall complete the external appeal determination and notify the claimant of its determination:

18 (i) No later than seventy-two (72) hours following receipt of the external appeal request,
19 or;

20 (ii) No later than twenty-four (24) hours following the receipt of the external appeal
21 request if the original request was an expedited request; and

22 (iii) If approved on external appeal, coverage of the non-formulary drug must be provided
23 for the duration of the prescription, including refills, unless expedited then for the duration of the
24 exigencies.

25 (c) External appeal decision notifications. The health care entity and review agent must
26 ensure that the IRO adheres the following relative to decision notifications:

27 (1) May be written or electronic with reasonable assurance of receipt by claimant unless
28 urgent or emergent. If urgent or emergent, oral notification is acceptable followed by written or
29 electronic notification within three (3) calendar days;

30 (2) Must be culturally and linguistically appropriate;

31 (3) The details of claim that is being denied to include the date of service, provider name,
32 amount of claim, diagnostic code and treatment costs with corresponding meanings;

33 (4) Must include the specific reason or reasons for the external appeal decision;

34 (5) Must include information for claimant as to procedure to obtain copies of any and all

1 information relevant to the external appeal which copies must be provided to the claimant free of
2 charge; and

3 (6) Must not be written in a manner that could reasonably be expected to negatively
4 impact the beneficiary.

5 **27-18.9.9. Reporting requirements.**

6 The office shall establish reporting requirements to determine if adverse benefit
7 determination and/or utilization review programs are in compliance with the provisions of this
8 chapter and applicable regulations as well as in compliance with applicable federal law.

9 **27-1.9-10. Rules and regulations.**

10 The health insurance commissioner may promulgate such rules and regulations as are
11 necessary and proper to effectuate the purpose and for the efficient administration and
12 enforcement of this chapter.

13 **27-18.9-11. Waiver of requirements.**

14 (a) The office shall waive the requirements of this chapter only when a conflict exists
15 with those activities of a review agent that are conducted pursuant to contracts with the state or
16 the federal government or those activities under other state or federal jurisdictions.

17 (b) The office shall waive de minimus activity, in accordance with the regulations
18 adopted by the commissioner.

19 **27-18.9-12. Variance of statutory requirements.**

20 Statutory variances shall be issued for a period not to exceed one (1) year and may be
21 subject to such terms and conditions deemed necessary as determined by the commissioner. Prior
22 to issuing a statutory variance the office may provide notice and public hearing to ensure
23 necessary beneficiary and health care provider protections in the process.

24 **27-18.9-13. Denial, suspension, or revocation of certificate.**

25 Adopted pursuant to this chapter;

26 (a) The office may deny a certificate or certification upon review of the application if,
27 upon review of the application, it finds that the applicant proposing to conduct utilization review
28 does not meet the standards required by this chapter or by any regulations promulgated pursuant
29 to this chapter.

30 (b) The office may revoke a certificate or certification and/or impose monetary penalties
31 not less than \$100 and not to exceed fifty thousand dollars (\$50,000) per violation and/or impose
32 an order requiring a monetary restitution or disgorgement payment in an amount determined by
33 the commissioner to reasonably reflect the amount of damages caused or monies improperly
34 obtained in any case in which:

1 (1) The health care entity and/or review agent fails to comply substantially with the
2 requirements of this chapter or of regulations;

3 (2) The review agent/network plan and or health care entity and/or review agent fails to
4 comply with the criteria used by it in its application for a certificate or certification; or

5 (3) The health care entity and/or review agent refuses to permit or fails to reasonably
6 cooperate with an examination by the commissioner to determine compliance with the
7 requirements of this chapter and regulations promulgated pursuant to the authority granted to the
8 commissioner in this chapter. These determinations may involve consideration of any written
9 grievances filed with the office against the health care entity and/or review agent by patients or
10 providers.

11 (c) Any applicant or certificate or certification holder aggrieved by an order or a decision
12 of the commissioner made under this chapter without a hearing may, within thirty (30) days after
13 notice of the order or decision, make a written request to the office for a hearing on the order or
14 decision pursuant to section 42-35-15.

15 (d) The procedure governing hearings authorized by this section shall be in accordance
16 with section 42-35-9 – 42-35-13 as stipulated in section 42-35-14(a). A full and complete record
17 shall be kept of all proceedings, and all testimony shall be recorded but need not be transcribed
18 unless the decision is appealed pursuant to section 42-35-15. A copy or copies of the transcript
19 may be obtained by any interested party upon payment of the cost of preparing the copy or
20 copies. Witnesses may be subpoenaed by either party.

21 **27-18.9-14. Criminal penalties.**

22 (a) A person, firm, corporation, association or other legal entity who knowingly and
23 willfully violates this chapter shall be guilty of a misdemeanor and may be punished by a fine not
24 to exceed fifty thousand dollars (\$50,000) or by imprisonment for a period of not more than one
25 year, or both.

26 (b) The statute of limitations for any criminal violation of the provisions of this chapter
27 shall be ten (10) years.

28 **27-18.9-15. Administrative penalties.**

29 (a) Whenever the commissioner shall have cause to believe that a violation of this chapter
30 has occurred by a health care entity and/or review agent or any person or entity conducting any
31 activities requiring certification under this chapter, the commissioner may, in accordance with the
32 requirements of the Administrative Procedures Act, chapter 35 of title 42:

33 (1) Revoke or suspend a license issued under this chapter;

34 (2) Levy an administrative penalty in an amount not less than one hundred dollars (\$100)

1 nor more than fifty thousand dollars (\$50,000) per violation. In the case of a continuing
2 violation, each day's continuance of the violation is deemed to be a separate and distinct offense;

3 (3) Order the violator to cease such actions;

4 (4) Require the health care entity and/or review agent or any person or entity conducting
5 any activities requiring certification under this chapter to take such actions as are necessary to
6 comply with this chapter or the regulations promulgated hereunder; or

7 (5) Any combination of the above penalties.

8 (b) Any monetary penalties assessed pursuant to this section shall be as general revenues.

9 (c) Nothing in this chapter shall limit the authority of the commissioner to seek any other
10 penalties or remedies available under applicable law or to conduct examinations, issue orders, and
11 recover the costs and expenses of state personnel or outside counsel or outside consultants or
12 experts pursuant to other provisions of the general laws.

13 **27-18.9-16. Injunctions - cease and desist.**

14 In addition to the penalties and other enforcement provisions available to the
15 commissioner pursuant to this chapter or any other applicable provision of law or regulation:

16 (a) If any person or entity violates this chapter or any rule implementing this chapter, the
17 commissioner may seek an injunction in a court of competent jurisdiction in this state and may
18 apply for temporary and permanent orders that the commissioner determines necessary to restrain
19 the person from further committing the violation.

20 (b) If the commissioner has reason to believe that any person or entity is violating or has
21 violated any provision of this chapter, any rule or order adopted by the commissioner, or any
22 written agreement entered into with the commissioner:

23 (i) The office may issue its order to that person, firm, corporation or association
24 commanding them to appear before the office at a hearing to be held no sooner than ten (10) days
25 nor later than twenty (20) days after issuance of that order to show cause why the office should
26 not issue an order to that person to cease and desist from the violation of the provisions of this
27 chapter.

28 (ii) The order to show cause may be served on any person, firm, corporation or
29 association named in the order in the same manner that summons in a civil action may be served,
30 or by mailing a copy of the order, certified mail, return receipt requested, to that person or entity
31 at any address at which he or she has done business or at which he or she lives. If, upon that
32 hearing, the office is satisfied that the person or entity is in fact violating any provision of this
33 chapter, then the office may order that person or entity, in writing, to cease and desist from that
34 violation.

1 (iii) All hearings shall be governed in accordance with chapter 35 of title 42, the
2 "administrative procedures act." If that person or entity fails to comply with an order of the
3 commissioner after being afforded a hearing, the superior court in Providence County has
4 jurisdiction upon complaint of the commissioner to restrain and enjoin that person from violating
5 this chapter.

6 (c) If the commissioner has reason to believe that any person or entity is violating or has
7 violated any provision of this chapter, any rule or order adopted by the commissioner, or any
8 written agreement entered into with the commissioner and the commissioner finds that such an
9 action presents an immediate danger to the public and requires an immediate final order, he or she
10 may issue an emergency cease and desist order reciting with particularity the facts underlying
11 such findings. The emergency cease and desist order is effective immediately upon service of a
12 copy of the order on the respondent and remains effective for ninety (90) days. If the department
13 begins non-emergency cease and desist proceedings under subsections (a) or (b), the emergency
14 cease and desist order remains effective, absent an order by a court of competent jurisdiction
15 pursuant to section 42-35-1 et seq. In the event of a willful violation of this chapter, the superior
16 court may award statutory damages in addition to actual damages in an additional amount up to
17 three (3) times the actual damage award.

18 **27-18.9-17. Severability.**

19 If any provision of this chapter or the application of any provision to any person or
20 circumstance shall be held invalid, that invalidity shall not affect the provisions or application of
21 this chapter which can be given effect without the invalid provision or application, and to this end
22 the provisions of this chapter are declared to be severable.

23 SECTION 11. This article shall take effect as of July 1, 2017.

24 **ARTICLE 6**

25 **RELATING TO GOVERNMENTAL REFORM**

26 SECTION 1. Section 36-4-16.4 of the General Laws in Chapter 36-4 entitled "Merit
27 System" is hereby repealed.

28 **36-4-16.4. Salaries of directors.**

29 ~~(a) In the month of March of each year, the department of administration shall conduct a~~
30 ~~public hearing to determine salaries to be paid to directors of all state executive departments for~~
31 ~~the following year, at which hearing all persons shall have the opportunity to provide testimony,~~
32 ~~orally and in writing. In determining these salaries, the department of administration will take into~~
33 ~~consideration the duties and responsibilities of the aforementioned officers, as well as such related~~
34 ~~factors as salaries paid executive positions in other states and levels of government, and in~~

1 ~~comparable positions anywhere which require similar skills, experience, or training.~~
2 ~~Consideration shall also be given to the amounts of salary adjustments made for other state~~
3 ~~employees during the period that pay for directors was set last.~~

4 ~~(b) Each salary determined by the department of administration will be in a flat amount,~~
5 ~~exclusive of such other monetary provisions as longevity, educational incentive awards, or other~~
6 ~~fringe additives accorded other state employees under provisions of law, and for which directors~~
7 ~~are eligible and entitled.~~

8 ~~(c) In no event will the department of administration lower the salaries of existing~~
9 ~~directors during their term of office.~~

10 ~~(d) Upon determination by the department of administration, the proposed salaries of~~
11 ~~directors will be referred to the general assembly by the last day in April of that year to go into~~
12 ~~effect thirty (30) days hence, unless rejected by formal action of the house and the senate acting~~
13 ~~concurrently within that time.~~

14 ~~(e) Notwithstanding the provisions of this section, for 2015 only, the time period for the~~
15 ~~Department of Administration to conduct the public hearing shall be extended to July and the~~
16 ~~proposed salaries shall be referred to the general assembly by August 30. The salaries may take~~
17 ~~effect before next year, but all other provisions of this section shall apply.~~

18 SECTION 2. Sections 36-4-16.2 and 36-4-29 of the General Laws in Chapter 36-4
19 entitled "Merit System" are hereby amended to read as follows:

20 **36-4-16.2. Duties and responsibilities of the department of administration.**

21 (a) It is the duty of the department of administration to maintain a pay plan for
22 unclassified employees of the state, including any rules and regulations that are necessary to
23 implement and complement the plan. In maintaining the pay plan, it will be the duty of the
24 department of administration to allocate all new unclassified positions to existing grades within
25 the plan, and to review at least once annually all existing unclassified positions and to reallocate
26 those positions within the pay plan as it deems proper. No new unclassified position shall be
27 created or allocated or reallocated to any grade within the plan unless state agency and
28 department heads have been afforded the opportunity to make recommendations regarding the
29 proposed changes; provided further, however that any unclassified position that has been vacant
30 for more than twelve (12) months shall be canceled and removed from the unclassified pay plan
31 unless within that twelve (12) months the person having supervisory authority over the position
32 requests an extension, in which case the department of administration may approve an extension
33 of not more than twelve (12) months; and provided further, that employees, appointing
34 authorities, and the general public, shall be afforded an opportunity at a public hearing to provide

1 testimony, orally and in writing, regarding the changes, prior to the department's submission of
2 recommendations to the governor. The agenda for the public hearing shall include a summary of
3 the proposed changes. Hearings conducted pursuant to this section shall be subject to the
4 provisions of chapter 46 of title 42.

5 (b) The department of administration, ~~notwithstanding any provision to the contrary,~~ shall
6 only have the authority to make recommendations to the governor provided however that the
7 governor may delegate his or her authority to receive, accept, modify or reject any
8 recommendations to the director of administration. The governor or the director of administration
9 through authority delegated by the governor shall approve and adopt the plan with such changes
10 as he or she may deem necessary. Following approval by the governor or the director of
11 administration through authority delegated by the governor, all unclassified pay plan changes
12 shall be included in the normal budget process in the appropriate section of the personnel
13 supplement.

14 (c) When the pay plan and regulations have been adopted they shall constitute the official
15 pay schedule for the positions in the unclassified service. Thereafter, no person in the unclassified
16 service shall be paid a salary that is greater than the maximum or less than the minimum rates
17 fixed by the approved pay plan and regulations or by amendments thereto, nor shall salary
18 adjustments for unclassified employees made by the department of administration during its
19 review exceed two (2) grades per year at the maximum of the grade; provided, however, that
20 unclassified employees shall be entitled to all monetary additives accorded other state employees,
21 including, but not limited to, longevity and incentive training awards.

22 **36-4-29. Restoration to former position classification of promotional appointees**
23 **dismissed during probation.**

24 Any promotional appointee, who was promoted on or after July 1, 2017 and whose
25 position restoration privileges are not governed by a valid collective bargaining agreement in
26 effect on June 30, 2017, who is dismissed from the position to which he or she was promoted
27 during the probationary period or at the conclusion thereof by reason of the failure of the
28 appointing authority to file a request for his or her continuance in the position ~~shall~~ may, at the
29 discretion of the appointing authority of the position from which he or she was promoted, be
30 restored to the ~~position~~ classification from which he or she was promoted ~~even though it should~~
31 ~~be necessary to lay off a person holding his or her former position.~~

32 SECTION 3. Sections 36-6-3 and 36-6-5 of the General Laws in Chapter 36-6 entitled
33 “Salaries and Traveling Expenses” are hereby amended to read as follows:

34 **36-6-3. Salaries of directors of state departments.**

1 The general officers of the state shall receive such annual salaries as the general assembly
2 may by law determine. Directors shall receive such annual salaries ~~as may be from time to time~~
3 ~~established by the unclassified pay plan board which shall consist of seven (7) members as~~
4 ~~provided in § 36-4-16.~~ as determined by the governor. The state controller is hereby authorized
5 and directed to draw his or her orders upon the general treasurer for the payment of such sums, or
6 so much thereof, as may be required from time to time, upon receipt by him or her of properly
7 authenticated vouchers.

8 **36-6-5. Manner of compensation prescribed by appropriation law.**

9 All officials and employees shall be compensated in the manner provided by the annual
10 appropriation act or as may hereafter otherwise be prescribed by law. This section shall not apply
11 ~~to the directors of the several departments of the state of Rhode Island or~~ to the general officers of
12 the state of Rhode Island whose salaries shall be fixed by the general assembly.

13 SECTION 4. Section 44-1-14 of the General Laws in Chapter 44-1 entitled "State Tax
14 Officials" is hereby amended as follows:

15 **44-1-14. Disclosure of information to tax officials of federal government or other**
16 **states, or to other persons.**

17 Notwithstanding any other provision of law:

18 (1) The tax administrator may make available: (i) to the taxing officials of any other
19 states or of the federal government for tax purposes only any information that the administrator
20 may consider proper contained in tax reports or returns or any audit or the report of any
21 investigation made with respect to them, filed pursuant to the tax laws of this state; provided, that
22 other states or the federal government grant like privileges to the taxing officials of this state;
23 and/or (ii) to an officer or employee of the office of internal audit of the Rhode Island department
24 of administration any information that the administrator may consider proper contained in tax
25 reports or returns or any audit or the report of any investigation made with respect to them, filed
26 pursuant to the tax laws of this state, to whom disclosure is necessary for the purposes of fraud
27 detection and prevention in any state or federal program.

28 (2) The tax administrator shall not permit any federal return or federal return information
29 to be inspected by, or disclosed to, an individual who is the chief executive officer of the state or
30 any person other than:

31 (i) To another employee of the tax division for the purpose of, and only to the extent
32 necessary in, the administration of the state tax laws for which the tax division is responsible;

33 (ii) To another officer or employee of the state to whom the disclosure is necessary in
34 connection with processing, storage, and transmission of those returns and return information and

1 solely for purposes of state tax administration;

2 (iii) To another person for the purpose of, but only to the extent necessary in, the
3 programming, maintenance, repair, testing, and procurement of equipment used in processing or
4 transmission of those returns and return information; or

5 (iv) To a legal representative of the tax division, personally and directly engaged in, and
6 solely for use in, preparation for a civil or civil criminal proceeding (or investigation which may
7 result in a proceeding) before a state administrative body, grand jury, or court in a matter
8 involving state tax administration, but only if:

9 (A) The taxpayer is or may be a party to the proceeding;

10 (B) The treatment of an item reflected on the return is or may be related to the resolution
11 of an issue in the proceeding or investigation; or

12 (C) The return or return information relates, or may relate, to a transactional relationship
13 between a person who is or may be a party to the proceeding and the taxpayer that affects or may
14 affect the resolution of an issue in a proceeding or investigation.

15 SECTION 5. This article shall take effect as of July 1, 2017.

16 ARTICLE 7

17 RELATING TO STATE FUNDS

18 SECTION 1. Section 21-28.6-17 of the General Laws in Chapter 21-28.6 entitled “The
19 Edward O. Hawkins and Thomas C. Slater Medical Marijuana Act” is hereby amended to read as
20 follows:

21 **21-28.6-17. Revenue.**

22 (a) Effective July 1, 2016, all fees collected by the departments of health and business
23 regulation from applicants, registered patients, primary caregivers, authorized purchasers,
24 licensed cultivators, ~~and~~ cooperative cultivations, compassion centers, and compassion center
25 cardholders shall be placed in restricted receipt accounts to support the state's medical marijuana
26 program. including but not limited to payment of expenses incurred by the departments of health
27 and business regulation for the administration of the program.

28 (b) All revenues remaining in the restricted receipt accounts after payments specified in
29 subdivision (a) of this section shall first be paid to cover any existing deficit in the department of
30 health’s restricted receipt account or the department of business regulation’s restricted receipt
31 account. These transfers shall be made annually on the last business day of the fiscal year.

32 (c) All revenues remaining in the restricted receipt accounts after payments specified in
33 subdivisions (a) and (b) shall be paid into the state’s general fund. These payments shall be made
34 annually on the last business day of the fiscal year.

1 SECTION 2. Section 35-4-27 of the General Laws in Chapter 35-4 entitled "State
2 Funds" is hereby amended to read as follows:

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

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

- 13 Executive Office of Health and Human Services
- 14 Organ Transplant Fund
- 15 HIV Care Grant Drug Rebates
- 16 Department of Human Services
- 17 Veterans' home – Restricted account
- 18 Veterans' home – Resident benefits
- 19 Pharmaceutical Rebates Account
- 20 Demand Side Management Grants
- 21 Veteran's Cemetery Memorial Fund
- 22 Donations – New Veterans' Home Construction
- 23 Department of Health
- 24 Providence Water Lead Grant
- 25 [Lead Poisoning Prevention](#)
- 26 Pandemic medications and equipment account
- 27 Miscellaneous Donations/Grants from Non-Profits
- 28 State Loan Repayment Match
- 29 Department of Behavioral Healthcare, Developmental Disabilities and Hospitals
- 30 Eleanor Slater non-Medicaid third-party payor account
- 31 Hospital Medicare Part D Receipts
- 32 RICLAS Group Home Operations
- 33 Commission on the Deaf and Hard of Hearing
- 34 Emergency and public communication access account

1 Department of Environmental Management
2 [State Park Merchandising](#)
3 National heritage revolving fund
4 Environmental response fund II
5 Underground storage tanks registration fees
6 Rhode Island Historical Preservation and Heritage Commission
7 Historic preservation revolving loan fund
8 Historic Preservation loan fund – Interest revenue
9 Department of Public Safety
10 Forfeited property – Retained
11 Forfeitures – Federal
12 Forfeited property – Gambling
13 Donation – Polygraph and Law Enforcement Training
14 Rhode Island State Firefighter's League Training Account
15 Fire Academy Training Fees Account
16 Attorney General
17 Forfeiture of property
18 Federal forfeitures
19 Attorney General multi-state account
20 ~~Forfeited property – Gambling~~
21 Department of Administration
22 [OER Reconciliation Funding](#)
23 RI Health Benefits Exchange
24 Office of Management and Budget
25 Information Technology Investment Fund
26 Restore and replacement – Insurance coverage
27 Convention Center Authority rental payments
28 Investment Receipts – TANS
29 [OPEB System Restricted Receipt Account](#)
30 Car Rental Tax/Surcharge-Warwick Share
31 Housing Resources Commission Restricted Account
32 Department of Revenue
33 DMV Modernization Project
34 [DMV Registry Technology](#)

1 Jobs Tax Credit Redemption Fund
2 Legislature
3 Audit of federal assisted programs
4 Department of Children, Youth and Families
5 Children's Trust Accounts – SSI
6 Military Staff
7 RI Military Family Relief Fund
8 RI National Guard Counterdrug Program
9 Treasury
10 Admin. Expenses – State Retirement System
11 Retirement – Treasury Investment Options
12 Defined Contribution – Administration - RR
13 Violent Crimes Compensation – Refunds
14 Treasury Research Fellowship
15 Business Regulation
16 Banking Division Reimbursement Account
17 Office of the Health Insurance Commissioner Reimbursement Account
18 Securities Division Reimbursement Account
19 Commercial Licensing and Racing and Athletics Division Reimbursement Account
20 Insurance Division Reimbursement Account
21 Historic Preservation Tax Credit Account.
22 Judiciary
23 Arbitration Fund Restricted Receipt Account
24 Third-Party Grants
25 RI Judiciary Technology Surcharge Account
26 Department of Elementary and Secondary Education
27 Statewide Student Transportation Services Account
28 School for the Deaf Fee for Service Account
29 Davies Career and Technical School Local Education Aid Account
30 Davies – National School Breakfast & Lunch Program
31 Office of the Post-Secondary Commissioner
32 Westerly Higher Education and Industry Center
33 Department of Labor and Training
34 Job Development Fund

1 Department of Transportation
2 Rhode Island Highway Maintenance Account

3 SECTION 3. Title 35 of the General Laws entitled "Public Finance" is hereby amended
4 by adding thereto the following chapter:

5 CHAPTER 35-4.1

6 PERFORMANCE IMPROVEMENT FUND ACT

7 **35-4.1-1. Legislative findings.**

8 The general assembly finds and recognizes:

9 (a) The importance of pursuing data-driven approaches to improving service delivery,
10 and that limited state resources should be allocated based on proven results, not inputs or
11 promised successes.

12 (b) That pay for success contracts provide an opportunity for the state to address the
13 challenges of improving service delivery with limited resources as these contracts both:

14 (1) Create incentives for improved performance and reduced costs, allow for more rapid
15 learning about which programs work and which do not, and accelerate the adoption of new, more
16 effective solutions, and

17 (2) Provide a mechanism to bring upfront financial support from the private and nonprofit
18 sectors to innovative social programs that the state only repays if contractual performance targets
19 are achieved, thereby reducing the state's financial risk in supporting innovative initiatives.

20 **35-4.1-2. Definitions.**

21 For the purpose of this chapter:

22 (a) "Performance targets" means the level of performance, as measured by an
23 independent evaluator, which represent success. Success is defined in the pay for success
24 contract.

25 (b) "Independent evaluator" means an independent entity selected by the state whose role
26 includes assessing and reporting on the achievement of performance targets at the frequency
27 required in the pay for success contract.

28 (c) "Success payments" refer to the payments that the state will make only if contractual
29 performance targets are achieved as determined by the independent evaluator and approved by
30 the office of management and budget.

31 (d) "Pay for success contracts" are contracts designed to improve outcomes and lower
32 costs for contracted government services that are subject to the following requirements:

33 (1) A determination that the contract will result in significant performance improvements
34 and budgetary savings across all impacted agencies if the performance targets are achieved;

1 (2) A requirement that a substantial portion of any payment be conditioned on the
2 achievement of specific outcomes based on defined performance targets;

3 (3) An objective process by which an independent evaluator will determine whether the
4 performance targets have been achieved;

5 (4) A calculation of the amount and timing of payments that would be earned by the
6 service provider during each year of the agreement if performance targets are achieved as
7 determined by the independent evaluator; and

8 (5) Payments shall only be made if performance targets are achieved.

9 **35-4.1-3. Creation of the Government Performance Improvement Fund.**

10 (a) There is hereby created and established in the state treasury a fund to be known as the
11 “government performance improvement fund” to which shall be deposited appropriations as may
12 be made from time to time by the general assembly. All money now or hereafter in the
13 government performance improvement fund are hereby dedicated for the purpose of funding pay
14 for success contracts.

15 (b) By signing the pay for success contract, the authorizing department or agency is
16 confirming that the contract has met the requirements established in this chapter.

17 (c) The department of administration is charged with the administration of this fund for
18 the purposes specified in this section, and may make payments from the fund only in accordance
19 with the terms and conditions of pay for success contracts and upon approval of the director of
20 the office of management and budget. All claims against the fund shall be examined, audited, and
21 allowed in the manner now or hereafter provided by law for claims against the state.

22 (d) The department of administration shall provide an annual status report for the prior
23 fiscal year on all contracts not later than December 31 of each year to the house and senate
24 finance committees.

25 SECTION 4. Chapter 42.17.1 of the General Laws entitled “Department of
26 Environmental Management” is hereby amended by adding thereto the following sections:

27 **42.17.1.26. Parks and Recreation Merchandising.**

28 There is hereby established within the department of environmental management a
29 restricted receipt account entitled “state park merchandising.” All proceeds from the sale of
30 merchandise developed by the department to promote Rhode Island’s state parks, beaches, and
31 campgrounds shall be deposited into the restricted receipt account. The monies deposited into
32 this account shall be specifically used to (1) replenish merchandise stock and (2) provide
33 additional funding for special park projects that enhance recreational facilities and/or expand
34 interpretive, educational and recreational programming managed by the department. Funds

1 generated by the sale of merchandise shall not be used to supplement the annual operating
2 expenses of the division of parks and recreation.

3 **42-17.1.27. Eisenhower House – Rental fees.**

4 (a) There is hereby established within the department of environmental management a
5 restricted receipt account entitled “Eisenhower house”. All proceeds from rental fees for the use
6 of the Eisenhower house and its surrounding grounds shall be deposited into this account and
7 used for reinvestment and maintenance of the facility. The rental fees for the use of Eisenhower
8 house and surrounding grounds shall be established by regulation. The department of
9 environmental management may require certain attendants to be present during rental hours, and
10 may require the lessees to reimburse the cost of such service provided to reflect the actual cost to
11 the department. The department may also require reasonable amounts of liability insurance to be
12 obtained by the lessee.

13 (b) The department of environmental management and the state shall not be civilly liable
14 for the acts or omissions of the lessees of the Eisenhower house.

15 SECTION 5. Section 42-45-12 of the General Laws entitled “Rhode Island Historical
16 Preservation and Heritage Commission” is hereby repealed.

17 **42-45-12. Eisenhower House – Rental fees.**

18 ~~(a) The historical preservation and heritage commission is hereby authorized to collect~~
19 ~~rental fees for use of the Eisenhower House and surrounding grounds. The rental fees shall be~~
20 ~~established by regulation. All fees collected under this section shall be deposited as general~~
21 ~~revenues. The historical preservation and heritage commission may require certain attendants to~~
22 ~~be present during rental hours and may require the lessees to reimburse the cost of such service~~
23 ~~provided such cost reflect the actual cost of the commission. The commission may also require~~
24 ~~reasonable amounts of liability insurance to be obtained by the lessee.~~

25 ~~(b) The historical preservation and heritage commission and the state shall not be civilly~~
26 ~~liable for the acts or omissions of the lessees of the Eisenhower House.~~

27 SECTION 6. Section 44-1-36 of the General Laws in Chapter 44-1 entitled “State Tax
28 Officials” is hereby amended to read as follows:

29 **44-1-36. Contracts.**

30 (a) Except as set forth in section (b) below, the division of taxation may enter into
31 contracts with persons (defined herein as individuals, firms, fiduciaries, partnerships,
32 corporations, trusts, or associations, however formed) to be paid on a contingent fee basis, for
33 services rendered to the division of taxation where the contract is for the collection of taxes,
34 interest, or penalty or the reduction of refunds claimed. Under such contracts the contingent fee

1 shall be based on the actual amount of taxes, interest and/or penalties collected and/or the amount
2 by which the claimed refund is reduced.

3 (b) The division of taxation may not enter into a contingent fee contract under which the
4 person directly conducts a field audit.

5 (c) The division of taxation shall publish an annual report setting forth the number of
6 contracts entered into under paragraph (a), the amount collected and the percentage of the
7 contingency fee arrangement of each contract.

8 (d) With respect to any contingent fee contract entered into pursuant to subsection (a)
9 above, the division of taxation is authorized to utilize a portion of the balance of monies collected
10 under said contract(s) after payment of the contingent fee payable thereunder, for the support and
11 maintenance of the division's computer system, as authorized by the director of the office of
12 management and budget.

13 SECTION 7. This article shall take effect as of July 1, 2017.

14 ARTICLE 8

15 RELATING TO TAX AND REVENUES

16 SECTION 1. Section 31-36-20 of the General Laws in Chapter 31-36 entitled "Motor
17 Fuel Tax" is hereby amended to read as follows:

18 **31-36-20. Disposition of proceeds.**

19 (a) Notwithstanding any other provision of law to the contrary, all moneys paid into the
20 general treasury under the provisions of this chapter or chapter 37 of this title, and title 46 shall be
21 applied to and held in a separate fund and be deposited in any depositories that may be selected
22 by the general treasurer to the credit of the fund, which fund shall be known as the Intermodal
23 Surface Transportation Fund; provided, that in fiscal year 2004 for the months of July through
24 April six and eighty-five hundredth cents (\$0.0685) per gallon of the tax imposed and accruing
25 for the liability under the provisions of § 31-36-7, less refunds and credits, shall be transferred to
26 the Rhode Island public transit authority as provided under § 39-18-21. For the months of May
27 and June in fiscal year 2004, the allocation shall be five and five hundredth cents (\$0.0505).
28 Thereafter, until fiscal year 2006, the allocation shall be six and twenty-five hundredth cents
29 (\$0.0625). For fiscal years 2006 through FY 2008, the allocation shall be seven and twenty-five
30 hundredth cents (\$0.0725); provided, that expenditures shall include the costs of a market survey
31 of non-transit users and a management study of the agency to include the feasibility of moving
32 the Authority into the Department of Transportation, both to be conducted under the auspices of
33 the state budget officer. The state budget officer shall hire necessary consultants to perform the
34 studies, and shall direct payment by the Authority. Both studies shall be transmitted by the

1 Budget Officer to the 2006 session of the General Assembly, with comments from the Authority.
2 For fiscal year 2009, the allocation shall be seven and seventy-five hundredth cents (\$0.0775), of
3 which one-half cent (\$0.005) shall be derived from the one cent (\$0.01) per gallon environmental
4 protection fee pursuant to § 46-12.9-11. For fiscal years 2010 and thereafter, the allocation shall
5 be nine and seventy-five hundredth cents (\$0.0975), of which of one-half cent (\$0.005) shall be
6 derived from the one cent (\$0.01) per gallon environmental protection fee pursuant to § 46-12.9-
7 11. ~~One cent (\$0.01)~~ Twenty-one hundredth cents (\$0.0021) per gallon shall be transferred to the
8 Elderly/Disabled Transportation Program of the department of human services, and seventy-nine
9 hundredth cents (\$0.0079) shall be transferred to the Rhode Island public transit authority for the
10 elderly/disabled transportation program, and the remaining cents per gallon shall be available for
11 general revenue as determined by the following schedule:

12 (i) For the fiscal year 2000, three and one fourth cents (\$0.0325) shall be available for
13 general revenue.

14 (ii) For the fiscal year 2001, one and three-fourth cents (\$0.0175) shall be available for
15 general revenue.

16 (iii) For the fiscal year 2002, one-fourth cent (\$0.0025) shall be available for general
17 revenue.

18 (iv) For the fiscal year 2003, two and one-fourth cent (\$0.0225) shall be available for
19 general revenue.

20 (v) For the months of July through April in fiscal year 2004, one and four-tenths cents
21 (\$0.014) shall be available for general revenue. For the months of May through June in fiscal year
22 2004, three and two-tenths cents (\$0.032) shall be available for general revenue, and thereafter,
23 until fiscal year 2006, two cents (\$0.02) shall be available for general revenue. For fiscal year
24 2006 through fiscal year 2009 one cent (\$0.01) shall be available for general revenue.

25 (2) All deposits and transfers of funds made by the tax administrator under this section,
26 including those to the Rhode Island public transit authority, the department of human services and
27 the general fund, shall be made within twenty-four (24) hours of receipt or previous deposit of the
28 funds in question.

29 (3) Commencing in fiscal year 2004, the Director of the Rhode Island Department of
30 Transportation is authorized to remit, on a monthly or less frequent basis as shall be determined
31 by the Director of the Rhode Island Department of Transportation, or his or her designee, or at the
32 election of the Director of the Rhode Island Department of Transportation, with the approval of
33 the Director of the Department of Administration, to an indenture trustee, administrator, or other
34 third party fiduciary, in an amount not to exceed two cents (\$0.02) per gallon of the gas tax

1 imposed, in order to satisfy debt service payments on aggregate bonds issued pursuant to a Joint
2 Resolution and Enactment Approving the Financing of Various Department of Transportation
3 Projects adopted during the 2003 session of the General Assembly, and approved by the
4 Governor.

5 (4) Commencing in fiscal year 2015, three and one-half cents (\$0.035) shall be
6 transferred to the Rhode Island Turnpike and Bridge Authority to be used for maintenance,
7 operations, capital expenditures and debt service on any of its projects as defined in chapter 12 of
8 title 24 in lieu of a toll on the Sakonnet River Bridge. The Rhode Island turnpike and bridge
9 authority is authorized to remit to an indenture trustee, administrator, or other third party
10 fiduciary any or all of the foregoing transfers in order to satisfy and/or secure its revenue bonds
11 and notes and/or debt service payments thereon, including, but not limited to, the bonds and notes
12 issued pursuant to the Joint Resolution set forth in Section 3 of Article 6 of Chapter 23 of the
13 Public Laws of 2010. Notwithstanding any other provision of said Joint Resolution the Rhode
14 Island turnpike and bridge authority is expressly authorized to issue bonds and notes previously
15 authorized under said Joint Resolution for financing all expenses incurred by it for the formerly
16 authorized tolling of the Sakonnet River Bridge and the termination thereof.

17 (b) Notwithstanding any other provision of law to the contrary, all other funds in the fund
18 shall be dedicated to the department of transportation, subject to annual appropriation by the
19 general assembly. The director of transportation shall submit to the general assembly, budget
20 office and office of the governor annually an accounting of all amounts deposited in and credited
21 to the fund together with a budget for proposed expenditures for the succeeding fiscal year in
22 compliance with §§ 35-3-1 and 35-3-4. On order of the director of transportation, the state
23 controller is authorized and directed to draw his or her orders upon the general treasurer for the
24 payments of any sum or portion of the sum that may be required from time to time upon receipt
25 of properly authenticated vouchers.

26 (c) At any time the amount of the fund is insufficient to fund the expenditures of the
27 department of transportation, not to exceed the amount authorized by the general assembly, the
28 general treasurer is authorized, with the approval of the governor and the director of
29 administration, in anticipation of the receipts of monies enumerated in § 31-36-20 to advance
30 sums to the fund, for the purposes specified in § 31-36-20, any funds of the state not specifically
31 held for any particular purpose. However, all the advances made to the fund shall be returned to
32 the general fund immediately upon the receipt by the fund of proceeds resulting from the receipt
33 of monies to the extent of the advances.

34 SECTION 2. Sections 44-20-12 and 44-20-13 of the General Laws in Chapter 44-20

1 entitled "Cigarette Tax" are hereby amended to read as follows:

2 **44-20-12. Tax imposed on cigarettes sold.**

3 A tax is imposed on all cigarettes sold or held for sale in the state. The payment of the tax
4 to be evidenced by stamps, which may be affixed only by licensed distributors to the packages
5 containing such cigarettes. Any cigarettes on which the proper amount of tax provided for in this
6 chapter has been paid, payment being evidenced by the stamp, is not subject to a further tax under
7 this chapter. The tax is at the rate of ~~one hundred eighty-seven and one-half (187.5)~~ two hundred
8 twelve and one-half (212.5) mills for each cigarette.

9 **44-20-13. Tax imposed on unstamped cigarettes.**

10 A tax is imposed at the rate of ~~one hundred eighty-seven and one-half (187.5)~~ two
11 hundred twelve and one-half (212.5) mills for each cigarette upon the storage or use within this
12 state of any cigarettes not stamped in accordance with the provisions of this chapter in the
13 possession of any consumer within this state.

14 SECTION 3. Chapter 44-20 of the General Laws entitled "Cigarette Tax" is hereby
15 amended by adding thereto the following section:

16 **44-20-12.6. Floor stock tax on cigarettes and stamps.**

17 (a) Each person engaging in the business of selling cigarettes at retail in this state shall
18 pay a tax or excise to the state for the privilege of engaging in that business during any part of the
19 calendar year 2017. In calendar year 2017, the tax shall be measured by the number of cigarettes
20 held by the person in this state at 12:01 a.m. on August 1, 2017 and is computed at the rate of
21 twenty-five (25.0) mills for each cigarette on August 1, 2017.

22 (b) Each distributor licensed to do business in this state pursuant to this chapter shall pay
23 a tax or excise to the state for the privilege of engaging in that business during any part of the
24 calendar year 2017. The tax is measured by the number of stamps, whether affixed or to be
25 affixed to packages of cigarettes, as required by § 44-20-28. In calendar year 2017 the tax is
26 measured by the number of stamps), whether affixed or to be affixed, held by the distributor at
27 12:01 a.m. on August 1, 2017, and is computed at the rate of twenty-five (25.0) mills per cigarette
28 in the package to which the stamps are affixed or to be affixed.

29 (c) Each person subject to the payment of the tax imposed by this section shall, on or
30 before August 15, 2017, file a return, under oath or certified under the penalties of perjury, with
31 the tax administrator on forms furnished by him or her, showing the amount of cigarettes and the
32 number of stamps in that person's possession in this state at 12:01 a.m. on August 1, 2017, as
33 described in this section above, and the amount of tax due, and shall at the time of filing the
34 return pay the tax to the tax administrator. Failure to obtain forms shall not be an excuse for the

1 failure to make a return containing the information required by the tax administrator.

2 (d) The tax administrator may prescribe rules and regulations, not inconsistent with law,
3 with regard to the assessment and collection of the tax imposed by this section.

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

6 **44-1-37. Administrative penalties and attorney's fees.**

7 (a) Whenever a licensee and/or a taxpayer violates any provision of title 44 or the
8 regulations promulgated thereunder, the tax administrator may, in accordance with the
9 requirements of the Administrative Procedures Act, Chapter 35 of Title 42 of the Rhode Island
10 General Laws:

11 (1) Revoke or suspend a license or permit issued by the division of taxation;

12 (2) Levy an administrative penalty in an amount not less than one hundred (\$100) nor
13 more than fifty thousand dollars (\$50,000);

14 (3) Order the violator to cease such actions; and/or

15 (4) Any combination of the above penalties.

16 (b) The tax administrator is hereby authorized, and may in his or her discretion, recover
17 the reasonable cost of legal services provided by in-house attorneys in the Department of
18 Revenue and/or the Division of Taxation incurred in matters pertaining to administrative
19 hearings, court hearings, and appeals. Nothing in this section shall limit the power of the tax
20 administrator to retain outside legal counsel and to recover the costs of such legal counsel
21 pursuant to other provisions of the general laws.

22 (c) Any monetary penalties assessed pursuant to this section shall be as general revenues.

23 **44-1-38. Jeopardy determinations.**

24 If the tax administrator believes that the collection of any amount of tax, interest, and/or
25 penalty assessed in a notice of deficiency determination will be jeopardized by a delay which
26 could render a person or entity judgment proof and/or frustrate the collectability of said
27 determination, the tax administrator shall thereupon make a jeopardy determination of the amount
28 of tax required to be collected, including interest and penalties, if any. Said jeopardy
29 determination shall state briefly the facts upon which it is based. The amount of the tax, interest,
30 and/or penalties so determined is shall be due and payable immediately upon the mailing by the
31 tax administrator of the notice of that jeopardy determination. Within thirty (30) days of the date
32 of the mailing of the notice of the jeopardy determination, the taxpayer may bring an action in the
33 sixth (6th) division district court appealing the jeopardy determination. Within twenty (20) days
34 after the action is commenced, the district court shall make a determination of whether or not the

1 [making of the jeopardy assessment is was reasonable under the circumstances.](#)

2 **44-1-39. Information deemed state property.**

3 [For the purpose of determining taxpayer compliance, any and all information or data](#)
4 [required to be generated or maintained pursuant to title 44 and/or the regulations promulgated](#)
5 [thereunder, shall be deemed to be the property of the State of Rhode Island.](#)

6 SECTION 5. Sections 44-11-2.2 and 44-11-29 of the General Laws in Chapter 44-11
7 entitled "Business Corporation Tax" are hereby amended to read as follows:

8 **44-11-2.2 Pass-Through Entities – Definitions – Withholding – Returns.**

9 (a) Definitions.

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

15 (2) "Member" means an individual who is a shareholder of an S corporation; a partner in
16 a general partnership, a limited partnership, or a limited liability partnership; a member of a
17 limited liability company; or a beneficiary of a trust;

18 (3) "Nonresident" means an individual who is not a resident of or domiciled in the state, a
19 business entity that does not have its commercial domicile in the state, and a trust not organized
20 in the state.

21 (b) *Withholding.*

22 (1) A pass-through entity shall withhold income tax at the highest Rhode Island
23 withholding tax rate provided for individuals or ~~nine percent (9%)~~ [seven percent \(7%\)](#) for
24 corporations on the member's share of income of the entity which is derived from or attributable
25 to sources within this state distributed to each nonresident member and pay the withheld amount
26 in the manner prescribed by the tax administrator. The pass-through entity shall be liable for the
27 payment of the tax required to be withheld under this section and shall not be liable to such
28 member for the amount withheld and paid over in compliance with this section. A member of a
29 pass-through entity that is itself a pass-through entity (a "lower-tier pass-through entity") shall be
30 subject to this same requirement to withhold and pay over income tax on the share of income
31 distributed by the lower-tier pass-through entity to each of its nonresident members. The tax
32 administrator shall apply tax withheld and paid over by a pass-through entity on distributions to a
33 lower-tier pass-through entity to the withholding required of that lower-tier pass-through entity.

34 (2) A pass-through entity shall, at the time of payment made pursuant to this section,

1 deliver to the tax administrator a return upon a form prescribed by the tax administrator showing
2 the total amounts paid or credited to its nonresident members, the amount withheld in accordance
3 with this section, and any other information the tax administrator may require. A pass-through
4 entity shall furnish to its nonresident member annually, but not later than the fifteenth day of the
5 third month after the end of its taxable year, a record of the amount of tax withheld on behalf of
6 such member on a form prescribed by the tax administrator.

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

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

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

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

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

21 *(d) Composite return.*

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

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

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

32 **44-11-29. Notice to tax administrator of sale of assets – Tax due.**

33 (a) The sale or transfer of the major part in value of the assets of a domestic corporation,
34 [domestic limited liability company, domestic limited partnership, or any other domestic business](#)

1 entity, or of the major part in value of the assets situated in this state of a foreign corporation,
2 foreign limited liability company, foreign limited partnership, or any other foreign business
3 entity, other than in the ordinary course of trade and in the regular and usual prosecution of ~~the~~
4 ~~corporation's~~ business by said corporation, limited liability company, limited partnership, or any
5 other business entity whether domestic or foreign, and the sale or transfer of the major part in
6 value of the assets of a domestic corporation, domestic limited liability company, domestic
7 limited partnership, or any other domestic corporation business entity, or of the major part in
8 value of the assets situated in this state of a foreign corporation, foreign limited liability company,
9 foreign limited partnership, or any other foreign business entity which is engaged in the business
10 of buying, selling, leasing, renting, managing, or dealing in real estate, shall be fraudulent and
11 void as against the state unless the corporation, limited liability company, limited partnership, or
12 any other business entity, whether domestic or foreign, ~~corporation shall~~, at least five (5) business
13 days before the sale or transfer, ~~notify~~ notifies the tax administrator of the proposed sale or
14 transfer and of the price, terms, and conditions of the sale or transfer and of the character and
15 location of the assets by requesting a letter of good standing from the tax division. Whenever a
16 corporation, limited liability company, limited partnership, or any other business entity, whether
17 domestic or foreign, ~~shall~~ makes such a sale or transfer, ~~the tax imposed by this chapter~~ any and
18 all tax returns required to be filed under this title must be filed and any and all taxes imposed
19 under this title shall become due and payable at the time when the tax administrator is so notified
20 of the sale or transfer, or, if he or she is not so notified, at the time when he or she should have
21 been notified of the sale or transfer.

22 (b) This section shall not apply to sales by receivers, assignees under a voluntary
23 assignment for the benefit of creditors, trustees in bankruptcy, debtors in possession in
24 bankruptcy, or public officers acting under judicial process.

25 SECTION 6. Section 44-18-30 of the General Laws in Chapter 44-18 entitled "Sales and
26 Use Taxes – Liability and Computation" is hereby amended to read as follows:

27 **44-18-30.1. Application for certificate of exemption – Fees.**

28 A fee of twenty-five dollars (\$25.00) shall be paid by all organizations applying for a
29 certificate of exemption from the Rhode Island sales and use tax under § 44-18-30(5). The
30 certificate of exemption shall be valid for four (4) years from the date of issue. All fees collected
31 under this section shall be allocated to the tax administrator for enforcement and collection of all
32 taxes. All certificates issued prior to the effective date of this section shall expire four (4) years
33 from the effective date of this section.

34 SECTION 7. Sections 44-19-22, 44-19-31, and 44-19-42 of the General Laws in Chapter

1 44-19 entitled “Sales and Use Taxes – Enforcement and Collection” are hereby amended to read
2 as follows:

3 **44-19-22. Notice of transfer of business – Taxes due immediately.**

4 The sale or transfer by any taxpayer other than receivers, assignees under a voluntary
5 assignment for the benefit of creditors, trustees in bankruptcy, [debtors in possession in](#)
6 [bankruptcy](#), or public officers acting under judicial process of the major part in value of the assets
7 of the taxpayer [other](#) than in the ordinary course of trade and the regular and usual prosecution of
8 the taxpayer’s business, is fraudulent and void as against the state, unless the taxpayer, at least
9 five (5) days before the sale or transfer, notifies the tax administrator of the proposed sale or
10 transfer and of the price, terms, and conditions of the sale [or transfer](#) and of the character and
11 location of those assets [by requesting a letter of good standing from the tax division](#). Whenever
12 the taxpayer makes a sale or transfer, [any and all tax returns required to be filed under this title](#)
13 [must be filed and any and](#) all taxes imposed under ~~by chapter 18 of~~ this title must be paid at the
14 time ~~when~~ the tax administrator is [so](#) notified [of the sale or transfer](#), or, if the administrator is not
15 [so](#) notified, at the time when [he or she](#) ~~the administrator~~ should have been notified [of the sale or](#)
16 [transfer](#).

17 **44-19-31. Penalty for violations generally.**

18 Any retailer or other person failing to file a return or report required by this chapter, or
19 filing or causing to be filed, or making or causing to be made, or giving or causing to be given
20 any return, report, certificate, affidavit, representation, information, testimony, or statement
21 required or authorized by this chapter, which is willfully false, or willfully failing to file a bond
22 required by this chapter or willfully failing to comply with the provisions of this chapter, or
23 failing to file a registration certificate and that data in connection with it as the tax administrator
24 by regulation or may require, or to display or surrender a permit as required by this chapter, or
25 assigning or transferring the permit, or failing to file a notice of a show or failing to display a
26 permit to operate a show or operating a show without obtaining a permit, or permitting a person
27 to display or sell tangible personal property, services, or food and drink at a show without
28 displaying a permit, or willfully failing to charge separately the tax imposed by this chapter or to
29 state the tax separately on any bill, statement, memorandum, or receipt issued or employed by the
30 person upon which the tax is required to be stated separately as provided in § 44-19-8, or willfully
31 failing to collect the tax from a customer, [or willfully failing to remit any tax to the state which](#)
32 [was collected from a customer](#), or who refers or causes reference to be made to this tax in a form
33 or manner other than that required by this chapter, or failing to keep any records required by this
34 chapter, is, in addition to any other penalties in this chapter or elsewhere prescribed, guilty of a

1 felony, punishment for which is a fine of not more than ~~ten thousand dollars (\$10,000)~~ twenty-
2 five thousand dollars (\$25,000), or imprisonment for ~~one~~ five years, or both.

3 **44-19-42. Suppression of Sales ~~Sales suppression devices~~ – Definitions and**
4 **applicability.**

5 (a) As used in this section:

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

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

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

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

18 (ii) May eliminate or manipulate transaction records in any manner.

19 (4) “Remote data manipulation” means and includes, but is not limited to, sending,
20 transmitting, transporting, or receiving through any electronic means any and all transaction data
21 to a remote location, whether or not that location is within Rhode Island or outside the state or the
22 United States, for the purpose of manipulating and/or altering said data in any way, whether or
23 not the actual manipulation is performed manually or through automated means.

24 ~~(4)~~(5) “Transaction data” includes items purchased by a customer, the price for each
25 item. A taxability determination for each item, a segregated tax amount for each of the taxed
26 items, the amount of cash, debit, or credit tendered, the net amount returned to the customer in
27 change, the date and time of the purchase, the name, address, and identification number of the
28 vendor, and the receipt or invoice number of the transaction.

29 ~~(5)~~(6) “Transaction reports” means a report documenting, but not limited to, the sales,
30 the taxes collected, media totals, and discount voids at an electronic cash register that is
31 printed on cash register tape at the end of a day or shift, or a report documenting every action at
32 an electronic cash register that is stored electronically.

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

1 [\(c\) A person shall not knowingly suppress sales by engaging in remote data manipulation,](#)
2 [either as the sender or the receiver of the information.](#)

3 ~~(d)~~ Any person who violates subdivision (b) [and/or \(c\)](#) of this section shall be guilty of
4 a felony and, upon conviction, shall be subject to a fine not exceeding fifty-thousand dollars
5 (\$50,000) or imprisonment not exceeding five (5) years, or both.

6 ~~(e)~~ In addition, a person who violates subdivision (b) [and/or \(c\)](#) of this section shall be
7 liable to the state for:

8 (1) All taxes, interest, and penalties due as the result of the person's use of an automated
9 sales suppression device or phantom-ware [and/or remote data manipulation](#); and

10 (2) All profits associated with the person's sale of an automated sales suppression device
11 or phantom-ware [and/or remote data manipulation](#).

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

15 ~~(g)~~ Safe harbor. A person shall not be subject to prosecution under Rhode Island
16 general laws § 44-19-42, if by October 1, 2014, the person:

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

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

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

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

25 SECTION 8. Sections 44-20-1, 44-20-3, 44-20-4.1, 44-20-8, 44-20-8.2, 44-20-13.2, 44-
26 20-15, 44-20-33, 44-20-35, 44-20-40.1, 44-20-43, 44-20-45, and 44-20-51.1 of the General Laws
27 in Chapter 44-20 entitled "Cigarette Tax" are hereby amended to read as follows:

28 CHAPTER 44-20

29 CIGARETTE [AND OTHER TOBACCO PRODUCTS TAX](#)

30 **44-20-1. Definitions.**

31 Whenever used in this chapter, unless the context requires otherwise:

32 (1) "Administrator" means the tax administrator;

33 (2) "Cigarettes" means and includes any cigarettes suitable for smoking in cigarette form,
34 and each sheet of cigarette rolling paper, [including but not limited to, paper made into a hollow](#)

1 [cylinder or cone, made with paper or any other material, with or without a filter suitable for use in](#)
2 [making cigarettes;](#)

3 (3) "Dealer" means any person whether located within or outside of this state, who sells
4 or distributes cigarettes [and/or other tobacco products](#) to a consumer in this state;

5 (4) "Distributor" means any person:

6 (A) Whether located within or outside of this state, other than a dealer, who sells or
7 distributes cigarettes [and/or other tobacco products](#) within or into this state. Such term shall not
8 include any cigarette [or other tobacco product](#) manufacturer, export warehouse proprietor, or
9 importer with a valid permit under 26 U.S.C. § 5712, if such person sells or distributes cigarettes
10 [and/or other tobacco products](#) in this state only to licensed distributors, or to an export warehouse
11 proprietor or another manufacturer with a valid permit under 26 U.S.C. § 5712;

12 (B) Selling cigarettes [and/or other tobacco products](#) directly to consumers in this state by
13 means of at least twenty-five (25) ~~cigarette~~ vending machines;

14 (C) Engaged in this state in the business of manufacturing cigarettes [and/or other tobacco](#)
15 [products](#) or any person engaged in the business of selling cigarettes [and/or other tobacco products](#)
16 to dealers, or to other persons, for the purpose of resale only; provided, that seventy-five percent
17 (75%) of all cigarettes [and/or other tobacco products](#) sold by that person in this state are sold to
18 dealers or other persons for resale and selling cigarettes [and/or other tobacco products](#) directly to
19 at least forty (40) dealers or other persons for resale; or

20 (D) Maintaining one or more regular places of business in this state for that purpose;
21 provided, that seventy-five percent (75%) of the sold cigarettes [and/or other tobacco products](#) are
22 purchased directly from the manufacturer and selling cigarettes [and/or other tobacco products](#)
23 directly to at least forty (40) dealers or other persons for resale;

24 (5) "Importer" means any person who imports into the United States, either directly or
25 indirectly, a finished cigarette [or other tobacco product](#) for sale or distribution;

26 (6) "Licensed", when used with reference to a manufacturer, importer, distributor or
27 dealer, means only those persons who hold a valid and current license issued under § 44-20-2 for
28 the type of business being engaged in. When the term "licensed" is used before a list of entities,
29 such as "licensed manufacturer, importer, wholesale dealer, or retailer dealer," such term shall be
30 deemed to apply to each entity in such list;

31 (7) "Manufacturer" means any person who manufactures, fabricates, assembles,
32 processes, or labels a finished cigarette [and/or other tobacco products](#);

33 [\(8\) "Other tobacco products" \(OTP\) means any cigars \(excluding Little Cigars, as](#)
34 [defined in § 44-20.2-1, which are subject to cigarette tax\), cheroots, stogies, smoking tobacco](#)

1 (including granulated, plug cut, crimp cut, ready rubbed and any other kinds and forms of tobacco
2 suitable for smoking in a otherwise), chewing tobacco (including Cavendish, twist, plug, scrap
3 and any other kinds and forms of tobacco suitable for chewing), any and all forms of hookah,
4 shisha and “mu’assel” tobacco, snuff, and shall include any other articles or products made of or
5 containing tobacco, in whole or in part, or any tobacco substitute, except cigarettes;

6 ~~(8)~~(9) "Person" means any individual, including an employee or agent, firm, fiduciary,
7 partnership, corporation, trust, or association, however formed;

8 (10) “Pipe” means an apparatus made of any material used to burn or vaporize products
9 so that the smoke or vapors can be inhaled or ingested by the user;

10 ~~(9)~~(11) "Place of business" means ~~and includes~~ any ~~place~~ location where cigarettes
11 and/or other tobacco products are sold, ~~or where cigarettes are~~ stored, or kept ~~for the purpose of~~
12 ~~sale or consumption~~, including, but not limited to, any storage room, attic, basement, garage or
13 other facility immediately adjacent to the location. It also includes any receptacle, hide, vessel,
14 vehicle, airplane, train, or vending machine;

15 ~~(10)~~(12) "Sale" or "sell" ~~includes and applies to~~ means gifts, exchanges, and barter; ~~of~~
16 cigarettes and/or other tobacco products. The act of holding, storing, or keeping cigarettes and/or
17 other tobacco products at a place of business for any purpose shall be presumed to be holding the
18 cigarettes and/or other tobacco products for sale. Furthermore, any sale of cigarettes and/or other
19 tobacco products by the servants, employees, or agents of the licensed dealer during business
20 hours at the place of business shall be presumed to be a sale by the licensee;

21 ~~(11)~~(13) "Stamp" means the impression, device, stamp, label, or print manufactured,
22 printed, or made as prescribed by the administrator to be affixed to packages of cigarettes, as
23 evidence of the payment of the tax provided by this chapter or to indicate that the cigarettes are
24 intended for a sale or distribution in this state that is exempt from state tax under the provisions of
25 state law; and also includes impressions made by metering machines authorized to be used under
26 the provisions of this chapter.

27 **44-20-3. Penalties for unlicensed business.**

28 Any distributor or dealer who sells, offers for sale, or possesses with intent to sell,
29 cigarettes and/or any other tobacco products without a license as provided in § 44-20-2, ~~shall be~~
30 ~~fined in accordance with the provisions of and the penalties contained in § 11-9-13.15.~~ shall be
31 guilty of a misdemeanor, and shall be fined not more than ten thousand dollars (\$10,000) for each
32 offense, or be imprisoned for a term not to exceed one (1) year, or be punished by both a fine and
33 imprisonment.

34 **44-20-4.1. License availability.**

1 (a) No license under this chapter may be granted, maintained or renewed if the applicant,
2 or any combination of persons owning directly or indirectly any interests in the applicant:

3 (1) Owes five hundred dollars (\$500) or more in delinquent ~~cigarette~~ taxes;

4 (2) Is delinquent in any tax filings for one month or more;

5 (3) Had a license under this chapter revoked by the administrator within the past two (2)
6 years;

7 (4) Has been convicted of a crime relating to cigarettes ~~stolen or counterfeit cigarettes~~
8 and/or other tobacco products;

9 (5) Is a cigarette manufacturer or importer that is neither: (i) a participating manufacturer
10 as defined in subsection II (jj) of the “Master Settlement Agreement” as defined in § 23-71-2; nor
11 (ii) in full compliance with chapter 20.2 of this title and § 23-71-3;

12 (6) Has imported, or caused to be imported, into the United States any cigarette or other
13 tobacco product in violation of 19 U.S.C. § 1681a; or

14 (7) Has imported, or caused to be imported, into the United States, or manufactured for
15 sale or distribution in the United States any cigarette that does not fully comply with the Federal
16 Cigarette Labeling and Advertising Act (15 U.S.C. § 1331, et. seq).

17 (b)(1) No person shall apply for a new license or permit (as defined in § 44-19-1) or
18 renewal of a license or permit, and no license or permit shall be issued or renewed for any
19 applicant, or any combination of persons owning directly or indirectly any interests in the
20 applicant ~~person~~, unless all outstanding fines, fees or other charges relating to any license or
21 permit held by ~~that person~~ the applicant, or any combination of persons owning directly or
22 indirectly any interests in the applicant, as well as any other tax obligations of the applicant, or
23 any combination of persons owning directly or indirectly any interests in the applicant have been
24 paid.

25 (2) No license or permit shall be issued relating to a business ~~at any specific location~~ until
26 all prior licenses or permits relating to that business or to that location have been officially
27 terminated and all fines, fees or charges relating to the prior ~~licenses~~ license or permit have been
28 paid or otherwise resolved or the administrator has found that the person applying for the new
29 license or permit is not acting as an agent for the prior licensee or permit holder who is subject to
30 any such related fines, fees or charges that are still due. Evidence of such agency status includes,
31 but is not limited to, a direct familial relationship and/or an employment, contractual or other
32 formal financial or business relationship with the prior licensee or permit holder.

33 (3) No person shall apply for a new license or permit pertaining to a specific location in
34 order to evade payment of any fines, fees or other charges relating to a prior license or permit ~~for~~

1 ~~that location.~~

2 (4) No new license or permit shall be issued for a business at a specific location for which
3 a license or permit already has been issued unless there is a bona fide, good faith change in
4 ownership of the business at that location.

5 (5) No license or permit shall be issued, renewed or maintained for any person, including
6 the owners of the business being licensed or having applied and received a permit, that has been
7 convicted of violating any criminal law relating to tobacco products, the payment of taxes or
8 fraud or has been ordered to pay civil fines of more than twenty-five thousand (\$25,000) dollars
9 for violations of any civil law relating to tobacco products, the payment of taxes or fraud.

10 **44-20-8. Suspension or revocation of license.**

11 The tax administrator may suspend or revoke any license under this chapter for failure of
12 the licensee to comply with any provision of this chapter or with any provision of any other law
13 or ordinance relative to the sale or purchase of cigarettes or other tobacco products; ~~and the~~. The
14 tax administrator may also suspend or revoke any license for failure of the licensee to comply
15 with any provision of chapter 19 of title 44 and chapter 13 of title 6, and, for the purpose of
16 determining whether the licensee is complying with any provision of chapter 13 of title 6, the tax
17 administrator and his or her authorized agents are empowered, in addition to authority conferred
18 by § 44-20-40, to examine the books, papers, and records of any licensee. The administrator shall
19 revoke the license of any person who would be ineligible to obtain a new or renew a license by
20 reason of any of the conditions for licensure provided in § 44-20-4.1. Any person aggrieved by
21 the suspension or revocation may apply to the administrator for a hearing as provided in § 44-20-
22 47, and may further appeal to the district court as provided in § 44-20-48.

23 **44-20-8.2. Transactions only with licensed manufacturers, importers, distributors,**
24 **and dealers.**

25 A manufacturer or importer may sell or distribute cigarettes and/or other tobacco
26 products to a person located or doing business within this state, only if such person is a licensed
27 importer or distributor. An importer may obtain cigarettes and/or other tobacco products only
28 from a licensed manufacturer. A distributor may sell or distribute cigarettes and/or other tobacco
29 products to a person located or doing business within this state, only if such person is a licensed
30 distributor or dealer. A distributor may obtain cigarettes and/or other tobacco products only from
31 a licensed manufacturer, importer, or distributor. A dealer may obtain cigarettes and/or other
32 tobacco products only from a licensed distributor.

33 **44-20-13.2. Tax imposed on other tobacco products, smokeless tobacco, cigars, and**
34 **pipe tobacco products.**

1 (a) A tax is imposed on all other tobacco products, smokeless tobacco, cigars, and pipe
2 tobacco products sold, ~~or~~ or held for sale in the state by any person, the payment of the tax to be
3 accomplished according to a mechanism established by the administrator, division of taxation,
4 department of administration revenue. ~~Any tobacco product on which the proper amount of tax~~
5 ~~provided for in this chapter has been paid, payment being evidenced by a stamp, is not subject to~~
6 ~~a further tax under this chapter.~~ The tax imposed by this section shall be as follows:

7 (1) At the rate of eighty percent (80%) of the wholesale cost of other tobacco products,
8 cigars, pipe tobacco products and smokeless tobacco other than snuff.

9 (2) Notwithstanding the eighty percent (80%) rate in subsection (a) above, in the case of
10 cigars, the tax shall not exceed fifty cents (\$.50) for each cigar.

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

16 ~~(b) Any dealer having in his or her possession any tobacco, cigars, and pipe tobacco~~
17 ~~products with respect to the storage or use of which a tax is imposed by this section shall, within~~
18 ~~five (5) days after coming into possession of the tobacco, cigars, and pipe tobacco in this state,~~
19 ~~file a return with the tax administrator in a form prescribed by the tax administrator. The return~~
20 ~~shall be accompanied by a payment of the amount of the tax shown on the form to be due.~~
21 ~~Records required under this section shall be preserved on the premises described in the relevant~~
22 ~~license in such a manner as to ensure permanency and accessibility for inspection at reasonable~~
23 ~~hours by authorized personnel of the administrator.~~

24 ~~(e)~~(b) The proceeds collected are paid into the general fund.

25 **44-20-15. Confiscation of contraband cigarettes, other tobacco products, and other**
26 **property.**

27 (a) All cigarettes and other tobacco products which are held for sale or distribution within
28 the borders of this state in violation of the requirements of this chapter are declared to be
29 contraband goods and may be seized by the tax administrator or his or her agents, or employees,
30 or by any sheriff or his or her deputy or any police officer when directed by the tax administrator
31 to do so, without a warrant. All cigarettes contraband goods seized by the state under this chapter
32 shall be destroyed.

33 (b) All fixtures, equipment, and all other materials and personal property on the premises
34 of any distributor or dealer who, with the intent to defraud the state, fails to keep or make any

1 record, return, report, or inventory; keeps or makes any false or fraudulent record, return, report,
2 or inventory required by this chapter; refuses to pay any tax imposed by this chapter; or attempts
3 in any manner to evade or defeat the requirements of this chapter shall be forfeited to the state.

4 **44-20-33. Sale of contraband ~~unstamped~~ cigarettes or contraband other tobacco**
5 **products prohibited.**

6 No distributor shall sell, and no other person shall sell, offer for sale, display for sale, or
7 possess with intent to sell any contraband other tobacco products or contraband cigarettes, the
8 packages or boxes ~~containing~~ of which do not bear stamps evidencing the payment of the tax
9 imposed by this chapter.

10 **44-20-35. Penalties for violations as to unstamped contraband cigarettes or**
11 **contraband other tobacco products.**

12 (a) Any person who violates any provision of §§ 44-20-33 and 44-20-34 shall be fined
13 or imprisoned, or both fined and imprisoned, as follows:

14 (1) For a first offense in a twenty-four-month (24) period, fined ~~not more than one~~
15 ~~thousand dollars (\$1,000), or~~ not more than ~~five (5)~~ ten (10) times the retail value of the ~~cigarettes~~
16 contraband cigarettes and/or contraband other tobacco products involved, whichever is greater or
17 be imprisoned not more than one (1) year, or be both fined and imprisoned;

18 (2) For a second or subsequent offense in a twenty-four-month (24) period, fined ~~not~~
19 ~~more than five thousand dollars (\$5,000) or~~ not more than twenty-five (25) times the retail value
20 of the ~~cigarettes~~ contraband cigarettes and/or contraband other tobacco products involved,
21 ~~whichever is greater,~~ or be imprisoned not more than three (3) years, or be both fined and
22 imprisoned.

23 (b) When determining the amount of a fine sought or imposed under this section,
24 evidence of mitigating factors, including history, severity, and intent shall be considered.

25 **44-20-40.1. Inspections.**

26 (a) The administrator or his or her duly authorized agent shall have authority to enter and
27 inspect, without a warrant during normal business hours, and with a warrant during nonbusiness
28 hours, the facilities and records of any manufacturer, importer, distributor or dealer.

29 (b) In any case where the administrator or his or her duly authorized agent, or any police
30 officer

31 of this state, has knowledge or reasonable grounds to believe that any vehicle is
32 transporting cigarettes or other tobacco products in violation of this chapter, the administrator,
33 such agent, or such police officer, is authorized to stop such vehicle and to inspect the same for
34 contraband cigarettes or other tobacco products.

1 **44-20-43. Violations as to reports and records.**

2 Any person who fails to submit the reports required in this chapter by the tax
3 administrator under this chapter, or who makes any incomplete, false, or fraudulent report, or who
4 refuses to permit the tax administrator or his or her authorized agent to examine any books,
5 records, papers, or stocks of cigarettes or other tobacco products as provided in this chapter, or
6 who refuses to supply the tax administrator with any other information which the tax
7 administrator requests for the reasonable and proper enforcement of the provisions of this chapter,
8 shall be guilty of a misdemeanor punishable by imprisonment up to one (1) year, or a fine ~~fined~~
9 of not more than five thousand dollars (\$5,000), or both, for the first offense, and for each
10 subsequent offense, shall be fined not more than ten thousand dollars (\$10,000), or be imprisoned
11 not more than five (5) years, or ~~be both fined and imprisoned.~~

12 **44-20-45. Importation of cigarettes and/or other tobacco products with intent to**
13 **evade tax.**

14 Any person, firm, corporation, club, or association of persons who ~~or that~~ orders any
15 cigarettes and/or other tobacco products for another or pools orders for cigarettes and/or other
16 tobacco products from any persons or conspires with others for pooling orders, or receives in this
17 state any shipment of ~~unstamped~~ contraband cigarettes and/or contraband other tobacco products
18 on which the tax imposed by this chapter has not been paid, for the purpose and intention of
19 violating the provisions of this chapter or to avoid payment of the tax imposed in this chapter, is
20 guilty of a felony and shall be fined one hundred thousand dollars (\$100,000) or five (5) times
21 the retail value of the cigarettes involved, whichever is greater, or imprisoned not more than
22 fifteen (15) years, or both.

23 **44-20-51.1. Civil Penalties.**

24 (a) Whoever omits, neglects, or refuses to comply with any duty imposed upon him/her
25 by this chapter, or does, or causes to be done, any of the things required by this chapter, or does
26 anything prohibited by this chapter, shall, in addition to any other penalty provided in this
27 chapter, be liable as follows:

28 (1) For a first offense in a twenty-four month (24) period, a penalty of not more than ~~one~~
29 ~~thousand dollars (\$1,000), or five (5)~~ ten (10) times the retail value of the cigarettes and/or other
30 tobacco products involved, ~~whichever is greater, to be recovered, with costs of suit, in a civil~~
31 ~~action; and~~

32 (2) For a second or subsequent offense in a twenty-four-month (24) period, a penalty of
33 not more than ~~five thousand dollars (\$5,000), or not more than~~ twenty-five (25) times the retail
34 value of the cigarettes and/or other tobacco products involved, ~~whichever is greater, to be~~

1 ~~recovered, with costs of suit, in a civil action.~~

2 (b) Whoever fails to pay any tax imposed by this chapter at the time prescribed by law or
3 regulations, shall, in addition to any other penalty provided in this chapter, be liable for a penalty
4 of one thousand dollars (\$1,000) or not more than five (5) times the tax due but unpaid,
5 whichever is greater.

6 (c) When determining the amount of a penalty sought or imposed under this section,
7 evidence of mitigating or aggravating factors, including history, severity, and intent, shall be
8 considered.

9 SECTION 9. This article shall take effect as of July 1, 2017, except for sections 2 and 3
10 which take effect as of August 1, 2017.

11 **ARTICLE 9**

12 **RELATING REMOTE SELLERS SALES TAX COLLECTION**

13 SECTION 1. Title 44 of the general laws entitled "Taxation" is hereby amended by
14 adding thereto the following chapter:

15 CHAPTER 70

16 REMOTE SELLER SALES TAX COLLECTION ACT

17 **44-70-1. Legislative findings.**

18 The general assembly finds and declares as follows:

19 (1) The general assembly recognizes that the commerce clause prohibits states from
20 imposing an undue burden on interstate commerce.

21 (2) The general assembly finds that, due to the ready availability of sales and use tax
22 collection software and Rhode Island's status as a signatory to the Streamlined Sales and Use Tax
23 agreement under which there is an existing compliance infrastructure in place to facilitate the
24 collection and remittance of sales tax by remote sellers, it is no longer an undue burden for
25 remote sellers to accurately compute, collect and remit their sales and use tax obligations to
26 Rhode Island.

27 (3) The general assembly further finds that there has been an exponential expansion of
28 online commerce and related technology, and given that technology, it would not be an undue
29 burden for remote sellers to collect and remit sales and use tax.

30 (4) The general assembly further finds the sales and use tax system established under
31 Rhode Island law does not pose an undue burden on remote sellers and provides sufficient
32 simplification to warrant the collection and remittance of sales and use taxes that are due and
33 owing to Rhode Island by remote sellers.

34 **44-70-2. Definitions.**

1 For the purposes of this chapter:

2 (1) "Covered entity" means remote seller, marketplace provider, or referrer that meets
3 the criteria described § 44-70-3.

4 (2) "Division of taxation" means the Rhode Island department of revenue, division of
5 taxation. The division may also be referred to in this chapter as the "division of taxation," "tax
6 division", or "division".

7 (3) "Marketplace provider" means any person or persons that facilitates a sale by a
8 retailer. For purposes of this chapter, a marketplace provider facilitates a retail sale when the
9 marketplace provider both:

10 (A) Lists or advertises for purchase tangible personal property or services in any forum,
11 including a catalog or internet website; and

12 (B) Either directly or indirectly through agreements or arrangements with third parties,
13 collects payments from the purchaser and transmits those payments to a marketplace seller. A
14 person or persons may be a marketplace provider regardless of whether they deduct any fees from
15 the transaction. The division may define in regulation circumstances under which a marketplace
16 provider shall be deemed to facilitate a retail sale.

17 (4) "Marketplace seller" means a person, persons or retailer that has any sales facilitated
18 by a marketplace provider.

19 (5) "Person" means person as defined in section § 44-18-6 of the general laws.

20 (6) "Referrer" means every person who:

21 (A) Contracts or otherwise agrees with a retailer to list for sale for a price one or more
22 items of tangible personal property or services in any forum, including a catalog or internet
23 website; and

24 (B) Receives a fee, commission, or other consideration from a retailer for the listing; and

25 (C) Transfers, via telephone, internet link, or otherwise, a purchaser to the retailer or the
26 retailer's employee, affiliate, or website to complete a purchase; and

27 (D) Does not collect receipts from the purchaser for the transaction.

28 (7) "Related" means:

29 (A) A person or persons has a relationship with the remote seller within the meaning of
30 the internal revenue code of 1986 as amended; or

31 (B) A person or persons have one or more ownership relationships and such relationships
32 were designed with a principal purpose of avoiding the application of this section.

33 (8) "Remote seller" means any person or persons who does not have physical presence in
34 this state and meets at least one of the criteria below, regardless of whether or not the activity is

1 related to the sale of tangible personal property or taxable services:

2 (A) Who is currently selling, leasing, or delivering in this state, or is participating in any
3 activity in this state in connection with the selling, leasing, or delivering in this state, of tangible
4 personal property and/or taxable services for use, storage, distribution, or consumption within this
5 state. This includes, but shall not be limited to, the following acts or methods of transacting
6 business on a regular or systematic basis:

7 (i) Engaging in, either directly or indirectly through a marketplace provider, referrer, or
8 other third party, direct response marketing targeted at purchasers or potential purchasers in this
9 state. For purposes of this subsection, “direct response marketing” includes, but is not
10 limited to, sending, transmitting or broadcasting of flyers, newsletters, telephone calls, targeted
11 electronic mail, text messages, social media messages, targeted mailings; collecting, analyzing
12 and utilizing individual data on purchasers or potential purchasers in this state; using
13 information or software, including cached files, cached software, or ‘cookies’ or other data
14 tracking tools, that are stored on property in or distributed within this state; or conducting any
15 other actions that use persons, tangible property, intangible property, digital files or information,
16 or software in this state in an effort to enhance the probability that a person’s contacts with a
17 purchaser in this state will result in a sale to that purchaser.

18 (ii) Entering into one or more agreements under which a person or persons that have
19 physical presence in this state directly or indirectly refer potential purchasers of products to the
20 remote seller for a commission or other consideration, whether by an internet-based link or an
21 internet web site or otherwise.

22 An agreement under which a remote seller purchases advertisements from a person or
23 persons in this state, to be delivered on television, radio, in print, on the internet, or by any other
24 medium, is not an agreement described in this subsection (ii), unless the advertisement revenue
25 paid to the person or persons in this state consists of commissions or other consideration that is
26 based in whole or in part upon sales of products; or

27 (B) Whose sales process includes listing products for sale, soliciting, branding products,
28 selling products, processing orders, fulfilling orders, providing customer service or accepting or
29 assisting with returns or exchanges occurring in this state, regardless of whether that part of the
30 process has been subcontracted to an affiliate or third party. The sale process does not include
31 shipping via a common carrier; or

32 (C) Who offers its products for sale through one or more marketplace providers that have
33 physical presence in this state; or

34 (D) Who is related to a person that has physical presence in this state, and such related

1 person:

2 (i) Sells under the same or a similar business name tangible personal property or taxable
3 services similar to that sold by the person against whom the presumption is asserted; or

4 (ii) Maintains an office, distribution facility, salesroom, warehouse, storage place, or
5 other similar place of business in this state to facilitate the delivery of tangible personal property
6 or taxable services sold by the person against whom the presumption is asserted to such person's
7 in-state purchasers; or

8 (iii) Uses, with consent or knowledge of the person against whom the presumption is
9 asserted, trademarks, service marks, or trade names in this state that are the same or substantially
10 similar to those used by the person against whom the presumption is asserted; or

11 (iv) Delivers (except for delivery by common carrier for which the purchaser is charged
12 not more than the basic charge for shipping and handling), installs, or assembles tangible personal
13 property in this state, or performs maintenance or repair services on tangible personal property in
14 this state, which tangible personal property is sold to in-state purchasers by the person against
15 whom the presumption is asserted; or

16 (v) Facilitates the delivery of tangible personal property to in-state purchasers of the
17 person against whom the presumption is asserted by allowing such purchasers to pick up tangible
18 personal property sold by such person at an office, distribution facility, salesroom, warehouse,
19 storage place, or other similar place of business maintained in this state; or

20 (vi) Shares management, business systems, business practices, or employees with the
21 person against whom the presumption is asserted, or engages in intercompany transactions with
22 the person against whom the presumption is asserted related to the activities that establish or
23 maintain the market in this state of the person against whom the presumption is asserted.

24 (9) A "retail sale" or "sale at retail" means any retail sale or sale at retail as defined in §
25 44-18-8 of the general laws.

26 (10) A "retailer" means retailer as defined in section § 44-18-15 of the general laws.

27 (11) "State" means the State of Rhode Island and Providence Plantation.(5) "Person"
28 means person as defined in section § 44-18-6 of the general laws.

29 (12) "Streamline agreement" means the Streamlined Sales and Use Tax Agreement as
30 referenced in § 44-18.1 et seq of the general laws.

31 **44-70-3. Requirements for remote sellers, marketplace providers, and referrers.**

32 (A) Except as otherwise provided below in subsection (B)(4), beginning on January 1,
33 2018 and for any tax year thereafter, if a remote seller, marketplace provider, or referrer meets
34 either of the following criteria then it shall comply with the requirements in subsection (B):

1 (1) The gross revenue of the remote seller, marketplace provider, or referrer from the sale
2 of tangible personal property, products delivered electronically, and services delivered into this
3 state equals or exceeds one hundred thousand dollars (\$100,000) in the immediately preceding
4 calendar year; or

5 (2) The remote seller, marketplace provider, or referrer sold tangible personal property,
6 products delivered electronically, or services for delivery into this state in two hundred (200) or
7 more separate transactions in the immediately preceding calendar year.

8 (B) A covered entity shall register for a permit to make sales at retail and collect and
9 remit sales and use tax on all taxable sales into the state or, failing that, do each of the following:

10 (1) Post a conspicuous notice on its website that informs Rhode Island purchasers that
11 sales or use tax is due on certain purchases made from the covered entity and that this state
12 requires the purchaser to file a sale or use tax return; and

13 (2) At the time of purchase, notify Rhode Island purchasers that sales or use tax is due on
14 taxable purchases made from the covered entity and that the state of Rhode Island requires the
15 purchaser to file a sale or use tax return; and

16 (3) Subsequent to and within 48 hours of the time of purchase, notify Rhode Island
17 purchasers by email that sales or use tax is due on taxable purchases made from the covered
18 entity and that this state requires the purchaser to file a sale or use tax return after each taxable
19 sale is completed; and

20 (4) Send notification to all Rhode Island purchasers who have cumulative annual taxable
21 purchases from the covered entity totaling \$100 or more for the prior calendar year. The
22 notification shall be sent by January 31 of each year, including January 31, 2018 for purchases
23 made in calendar year 2017, showing the total amount paid by the purchaser for purchases
24 delivered into this state made from the covered entity in the previous calendar year and such other
25 information as the division may require by rule and regulation. Such notification shall include, if
26 available, the dates of purchases, the dollar amount of each purchase, and the category or type of
27 the purchase, including, if known by the covered entity, whether the purchase is exempt or not
28 exempt from taxation in Rhode Island. The notification shall state that the state of Rhode Island
29 requires a sales or use tax return to be filed and sales or use tax to be paid on certain categories or
30 types of purchases made by the purchaser from the covered entity. The notification shall be sent
31 separately to all Rhode Island purchasers by first-class mail and shall not be included with any
32 other shipments or mailings. The notification shall include the words “important tax document
33 enclosed” on the exterior of the mailing. The notification shall include the name of the covered
34 entity.

1 (C) A referrer subject to the provisions of § 44-70-3(B) that receives more than \$10,000
2 from fees paid by retailers during the previous calendar year is also required to provide notice to
3 retailers that the retailer's sales may be subject to sales and use tax. This notice is not required,
4 however, if (i) the retailer has previously provided a copy of the retailer's permit to make sales at
5 retail in this state to the referrer or (ii) if the referrer is a covered entity that collects and remits
6 sales and use tax.

7 **44-70-4. Exceptions for marketplace providers and referrers.**

8 (A) Notwithstanding the provisions of § 44-70-3 of this chapter, no marketplace provider
9 or referrer is required to comply with the provisions of § 44-70-3(B) for any sale facilitated for a
10 marketplace seller or retailer that has provided a copy of its retailer's sales permit to make sales at
11 retail in this state to the marketplace provider or referrer before the marketplace provider or
12 referrer facilitates that sale.

13 (B) A marketplace provider or referrer is relieved of any liability under this chapter for
14 failure to comply with the provisions of § 44-70-3 if the marketplace provider or referrer can
15 demonstrate (i) that the failure to comply was due to incorrect information given to the
16 marketplace provider or referrer by the marketplace seller or retailer and (ii) that the marketplace
17 provider or referrer and marketplace seller or retailer are not related.

18 (C) Nothing in this section shall be construed to interfere with the ability of a
19 marketplace provider or referrer and a marketplace seller or retailer to enter into agreements with
20 each other regarding fulfillment of the requirements of this chapter.

21 **44-70-5. Penalties.**

22 Any remote seller, marketplace provider or referrer that fails to provide the notices
23 described in § 44-70-3 and register for a permit to make sales at retail and collect and remit sales
24 and use tax on all taxable sales into this state shall be subject to a penalty of five dollars for each
25 such failure, but not less than a total penalty of \$20,000 per calendar year. This penalty shall be in
26 addition to any other applicable penalties under title 44 of the general laws.

27 **44-70-6. Other obligations.**

28 (A) Nothing in this section affects the obligation of any purchaser from this state to remit
29 use tax as to any applicable transaction in which the seller or covered entity does not collect and
30 remit an offsetting sales tax.

31 (B) Nothing in this chapter may be construed as relieving any business having substantial
32 nexus with this state from its sales and use tax collection obligations to this state under applicable
33 law.

34 (C) In the event that any section of this chapter is later determined to be unlawful, no

1 remote seller, marketplace provider, or referrer who has remitted sales and use tax under this
2 chapter shall be liable to a purchaser who claims that the sales tax should not have been collected.

3 **44-70-7. Rules and regulations - forms.**

4 The tax administrator may promulgate rules and regulations, not inconsistent with law,
5 to carry into effect the provisions of this chapter.

6 **44-70-8. Enforcement.**

7 (A) General. The tax administrator shall administer and enforce this chapter and is
8 authorized to make any rules and regulations, and to require any facts and information to be
9 reported, that he or she may deem necessary to enforce the tax. The provisions of chapter 1 of this
10 title relating to the tax administrator shall be applicable to this chapter.

11 (B) Examination of books and witnesses. The tax administrator, for the purpose of
12 ascertaining the correctness of any filing or notice or for the purpose of confirming the terms of
13 this chapter shall have the power to examine or to cause to have examined, by any agent or
14 representative designated by the tax administrator for that purpose, any books, papers, records, or
15 memoranda bearing upon the matters required to be included in the return, and may require the
16 attendance of the person rendering the return or any officer or employee of the person, or the
17 attendance of any other person having knowledge in the premises, and may take testimony and
18 require proof material for its information, with power to administer oaths to the person or
19 persons.

20 **44-70-9. Appeal.**

21 If the tax administrator issues one or more final determinations hereunder any appeal may
22 be made pursuant to the provisions of chapter 19 of title 44 of the general laws.

23 **44-70-10. Severability.**

24 If any provision of this chapter or the application thereof is held invalid, such invalidity
25 shall not affect the provisions or applications of this chapter which can be given effect without the
26 invalid provisions or applications.

27 SECTION 2. Unless otherwise specified herein, this article shall take effect upon
28 passage.

29 **ARTICLE 10**

30 **RELATING TO MAKING REVISED APPROPRIATIONS IN SUPPORT OF FY 2017**

31 SECTION 1. Subject to the conditions, limitations and restrictions hereinafter contained
32 in this act, the following general revenue amounts are hereby appropriated out of any money in
33 the treasury not otherwise appropriated to be expended during the fiscal year ending June 30,
34 2017. The amounts identified for federal funds and restricted receipts shall be made available

1 pursuant to section 35-4-22 and Chapter 41 of Title 42 of the Rhode Island General Laws. For the
 2 purposes and functions hereinafter mentioned, the state controller is hereby authorized and
 3 directed to draw his or her orders upon the general treasurer for the payment of such sums or such
 4 portions thereof as may be required from time to time upon receipt by him or her of properly
 5 authenticated vouchers.

	FY 2017	FY 2017	FY 2017
	<u>Enacted Change</u>	<u>Final</u>	
6 Administration			
7 Central Management			
10 General Revenue	2,660,785	175,753	2,836,538
11 Total - Central Management	2,660,785	175,753	2,836,538
12 Legal Services			
13 General Revenues	2,185,988	(52,253)	2,133,735
14 Total – Legal Services	2,185,988	(52,253)	2,133,735
15 Accounts and Control			
16 General Revenue	4,147,433	(48,027)	4,099,406
17 Total - Accounts and Control	4,147,433	(48,027)	4,099,406
18 Office of Management and Budget			
19 General Revenue	8,535,107	434,728	8,969,835
20 Restricted Receipts	355,000	109,647	464,647
21 Other Funds	1,381,095	123,696	1,504,791
22 Total – Office of Management and Budget	10,271,202	668,071	9,434,482
23 Purchasing			
24 General Revenue	2,860,772	153,137	3,013,859
25 Other Funds	232,640	46,420	279,060
26 Total – Purchasing	3,093,362	199,557	3,292,919
27 Human Resources			
28 General Revenue	7,783,906	193,340	7,977,246
29 Federal Funds	784,618	260,226	1,044,844
30 Restricted Receipts	487,070	131,176	624,246
31 Other Funds	1,486,706	96,829	1,583,535
32 Total - Human Resources	10,542,300	687,571	11,229,871
33 Personnel Appeal Board			
34 Total – Personnel Appeal Board	133,419	11,833	145,252

1	Information Technology			
2	General Revenues	21,840,562	(23,641)	21,816,921
3	Federal Funds	6,778,053	69,098	6,847,151
4	Restricted Receipts	9,903,237	6,304,893	16,208,130
5	Other Funds	2,771,449	(50,812)	2,720,637
6	Total – Information Technology	41,293,301	6,299,538	47,592,839
7	Library and Information Services			
8	General Revenue	1,342,819	(1,190)	1,341,629
9	Federal Funds	1,200,253	15,500	1,215,753
10	Restricted Receipts	28	5,472	5,500
11	Total - Library and Information Services	2,543,100	19,782	2,562,882
12	Planning			
13	General Revenue	1,341,758	(217,387)	1,124,371
14	Federal Funds	1,014,317	(990,006)	24,311
15	Other Funds			
16	Federal Highway – PL Systems Planning	2,974,750	52,460	3,027,210
17	Air Quality Modeling	24,000	0	24,000
18	Other Funds Total	2,998,750	52,460	3,051,210
19	Total - Planning	5,354,825	(1,154,933)	4,199,892
20	General			
21	General Revenues	50,000	0	50,000
22	Provided that this amount be allocated to City Year for the Whole School Whole Child			
23	Program, which provides individualized support to at-risk students.			
24	Miscellaneous Grants/Payments			
25	Torts - Courts/Awards	400,000	0	400,000
26	State Employees/Teachers Retiree Health	2,321,057	0	2,321,057
27	Resource Sharing and State	9,362,072	0	9,362,072
28	Library Construction Aid	2,223,220	(2,274)	2,220,946
29	RIPTA	900,000	0	900,000
30	Total General Revenues	15,256,349	(2,274)	15,254,075
31	Restricted Receipts	421,500	278,500	700,000
32	Rhode Island Capital Plan Funds			
33	Statehouse Renovations	700,000	300,000	1,000,000
34	DoIT Enterprise Operations Center	500,000	30,000	530,000

1	Cranston Street Armory	1,500,000	0	1,500,000
2	Cannon Building	400,000	0	400,000
3	Pastore Center Rehab DOA Portion	6,783,000	117,000	6,900,000
4	Zambarano Building Rehabilitation	3,785,000	(610,000)	3,175,000
5	Pastore Strategic Plan	1,325,500	0	1,325,500
6	Old State House	500,000	(250,000)	250,000
7	State Office Building	1,670,000	35,000	1,705,000
8	Old Colony House	100,000	180,000	280,000
9	William Powers Building	1,000,000	0	1,000,000
10	Pastore Center Utility Systems Upgrade	2,878,000	(242,378)	2,635,622
11	Replacement of Fueling Tanks	400,000	(104,390)	295,610
12	Environmental Compliance	200,000	0	200,000
13	Big River Management Area	100,000	31,720	131,720
14	Washington County Government Center	500,000	(400,000)	100,000
15	Veterans Memorial Auditorium	245,000	210,147	455,147
16	Chapin Health Laboratory	2,362,000	(1,612,000)	750,000
17	Pastore Center Parking	900,000	(600,000)	300,000
18	Pastore Center Water Tanks and Pipes	380,000	160,000	540,000
19	RI Convention Center Authority	1,000,000	800,245	1,800,245
20	Dunkin Donuts Center	2,787,500	1,135,759	3,923,259
21	Pastore Power Plant Rehabilitation	640,000	160,000	800,000
22	Virks Building Renovations	14,505,000	627,512	15,132,512
23	Accessibility – Facility Renovations	1,000,000	0	1,000,000
24	Other Funds Total	46,161,000	(31,385)	46,129,615
25	Total – General	61,838,849	244,841	62,083,690
26	Debt Service Payments			
27	General Revenue	130,523,966	(8,354,968)	122,168,998
28	Out of the general revenue appropriations for debt service, the General Treasurer is			
29	authorized to make payments for the I-195 Redevelopment District Commission loan up to the			
30	maximum debt service due in accordance with the loan agreement.			
31	Federal Funds	2,235,315	(699)	2,234,616
32	Restricted Receipts	111,453	451	111,904
33	Other Funds			
34	COPS - DLT Building – TDI	127,677	(23,619)	104,058

1	Transportation Debt Service	45,942,881	0	45,942,881
2	Investment Receipts – Bond Funds	100,000	0	100,000
3	Other Funds Total	46,170,558	(23,619)	46,146,939
4	Total - Debt Service Payments	179,041,292	(8,378,835)	170,662,457
5	Energy Resources			
6	Federal Funds	397,040	174,360	571,400
7	Restricted Receipts	12,520,976	3,617,072	16,138,048
8	Total – Energy Resources	12,918,016	3,791,432	16,709,448
9	Rhode Island Health Benefits Exchange			
10	General Revenues	2,625,841	0	2,625,841
11	Federal Funds	1,177,039	6,763,779	7,940,818
12	Restricted Receipts	8,580,747	(2,567,501)	6,013,246
13	Total - Rhode Island Health Benefits			
14	Exchange	12,383,627	4,196,278	16,579,905
15	Construction Permitting, Approvals and Licensing			
16	General Revenues	1,823,455	325,837	2,149,292
17	Restricted Receipts	1,440,520	(61,484)	1,379,036
18	Total – Construction Permitting, Approvals and			
19	Licensing	3,263,975	264,353	3,528,328
20	Office of Diversity, Equity, and Opportunity			
21	General Revenue	1,294,640	(70,043)	1,224,597
22	Other Funds	92,993	(42,869)	50,124
23	Total – Office of Diversity, Equity and			
24	Opportunity	1,387,633	(112,912)	1,274,721
25	Capital Asset Management and Maintenance			
26	General Revenue	34,693,189	(936,891)	33,756,298
27	Federal Funds	1,310,071	258,673	1,568,744
28	Restricted Receipts	443,424	204,910	648,334
29	Other Funds	4,412,913	(627,735)	3,785,178
30	Total – Capital Asset Management and			
31	Maintenance	40,859,579	(1,101,043)	39,758,554
32	Personnel and Operational Reforms			
33	General Revenue	(1,966,421)	1,000,000	(966,421)
34	Total - Personnel and			

1	Operational Reforms	(1,966,421)	1,000,000	(966,421)
2	Grand Total – General Revenue	251,645,503	(8,590,073)	243,055,430
3	Grand Total – Administration	391,952,283	6,711,006	397,158,498
4	Business Regulation			
5	Central Management			
6	General Revenues	1,325,909	69,662	1,395,571
7	Total – Central Management	1,325,909	69,662	1,395,571
8	Banking Regulation			
9	General Revenue	1,818,673	(56,869)	1,761,804
10	Restricted Receipts	50,000	0	50,000
11	Total–Banking Regulation	1,868,673	(56,869)	1,811,804
12	Securities Regulation			
13	General Revenue	1,079,028	(104,132)	974,896
14	Restricted Receipts	15,000	0	15,000
15	Total - Securities Regulation	1,094,028	(104,132)	989,896
16	Insurance Regulation			
17	General Revenue	3,993,494	(186,461)	3,807,033
18	Restricted Receipts	1,792,566	7,371	1,799,937
19	Total - Insurance Regulation	5,786,060	(179,090)	5,606,970
20	Office of the Health Insurance Commissioner			
21	General Revenue	1,449,061	(1,485)	1,447,576
22	Federal Funds	1,100,710	910,686	2,011,396
23	Restricted Receipts	11,500	0	11,500
24	Total – Office of the Health Insurance			
25	Commissioner	2,561,271	909,201	3,470,472
26	Board of Accountancy			
27	General Revenue	6,000	0	6,000
28	Total – Board of Accountancy	6,000	0	6,000
29	Commercial Licensing, Racing & Athletics			
30	General Revenues	638,207	233,895	872,102
31	Restricted Receipts	2,306,661	59,622	2,366,283
32	Total - Commercial Licensing, Racing &			
33	Athletics	2,944,868	293,517	3,238,385
34	Boards for Design Professionals			

1	General Revenue	273,080	83,166	356,246
2	Total – Boards for Design Professionals			
3	Grand Total – General Revenues	10,583,452	37,776	10,621,228
4	Grand Total - Business Regulation	15,859,889	1,015,455	16,875,344
5	Executive Office of Commerce			
6	Central Management			
7	General Revenue	1,200,198	55,351	1,255,549
8	Housing and Community Development			
9	General Revenue	617,205	(3,372)	613,833
10	Federal Funds	17,790,927	476,004	18,266,931
11	Restricted Receipts	4,750,000	0	4,750,000
12	Total – Housing and Community			
13	Development	23,158,132	472,632	23,630,764
14	Quasi-Public Appropriations			
15	General Revenue			
16	Rhode Island Commerce Corporation	7,394,514	40,000	7,434,514
17	Airport Impact Aid	1,025,000	0	1,025,000
18	Sixty percent (60%) of the first \$1,000,000 appropriated for airport impact aid shall be			
19	distributed to each airport serving more than 1,000,000 passengers based upon its percentage of			
20	the total passengers served by all airports serving more than 1,000,000 passengers. Forty percent			
21	(40%) of the first \$1,000,000 shall be distributed based on the share of landings during the			
22	calendar year 2016 at North Central Airport, Newport-Middletown Airport, Block Island Airport,			
23	Quonset Airport, T.F. Green Airport and Westerly Airport, respectively. The Rhode Island			
24	Commerce Corporation shall make an impact payment to the towns or cities in which the airport			
25	is located based on this calculation. Each community upon which any parts of the above airports			
26	are located shall receive at least \$25,000.			
27	STAC Research Alliance	1,150,000	0	1,150,000
28	Innovative Matching Grants/Internships	1,000,000	0	1,000,000
29	1-195 Redevelopment District Commission	761,000	69,116	830,116
30	Chafee Center at Bryant	376,200	0	376,200
31	RI College and University Research Collaborative	150,000	0	150,000
32	Other Funds			
33	Rhode Island Capital Plan Funds			
34	I-195 Redevelopment District Commission	300,000	51,683	351,683

1	Quonset Piers	1,000,000	(600,000)	400,000
2	Total- Quasi-Public Appropriations	13,156,714	(439,201)	12,717,513
3	Economic Development Initiatives Fund			
4	General Revenue			
5	Cluster Grants	500,000	0	500,000
6	Main Street RI Streetscape Improvements	1,000,000	0	1,000,000
7	Rebuild RI Tax Credit Fund	25,000,000	0	25,000,000
8	First Wave Closing Fund	7,000,000	1,500,000	8,500,000
9	P-Tech	1,200,000	0	1,200,000
10	Innovation Vouchers	1,500,000	0	1,500,000
11	Anchor Institution Tax Credits	700,000	0	700,000
12	Total- Economic Development Initiatives			
13	Fund	36,900,000	1,500,000	38,400,000
14	Commerce Programs			
15	General Revenue	5,000,000	(1,500,000)	3,500,000
16	Grand Total - Executive Office of			
17	Commerce	79,415,044	88,782	79,503,826
18	Labor and Training			
19	Central Management			
20	General Revenue	120,134	13,993	134,127
21	Restricted Receipts	529,314	323,907	853,221
22	Other Funds			
23	Rhode Island Capital Plan Funds			
24	Center General Building Roof	0	156,620	156,620
25	Center General Asset Protection	1,905,000	(530,562)	1,374,438
26	Total Other Funds	1,905,000	(373,942)	1,531,058
27	Total - Central Management	2,554,448	(36,042)	2,518,406
28	Workforce Development Services			
29	General Revenue	704,517	0	704,517
30	Federal Funds	24,121,921	8,601,561	32,723,482
31	Restricted Receipts	12,028,451	5,941,938	17,970,389
32	Other Funds	9,711	4,238,083	4,247,794
33	Total - Workforce Development Services	36,864,600	18,781,582	55,646,182
34	Workforce Regulation and Safety			

1	General Revenue	2,825,411	(12,076)	2,813,335
2	Total – Workforce Regulation and Safety			
3	Income Support			
4	General Revenues	4,160,083	(76,815)	4,083,268
5	Federal Funds	14,329,659	2,133,806	16,463,465
6	Restricted Receipts	2,475,000	(168,394)	2,306,606
7	Other Funds			
8	Temporary Disability Insurance Fund	186,953,678	5,794,454	192,748,132
9	Employment Security Fund	160,400,000	(1,480,000)	158,920,000
10	Other Funds	0	100,450	100,450
11	Other Funds Total	347,353,678	4,414,904	351,768,582
12	Total - Income Support	368,318,420	6,303,501	374,621,921
13	Injured Workers Services			
14	Restricted Receipts	8,552,358	28,039	8,580,397
15	Total – Injured Workers Services	8,552,358	28,039	8,580,397
16	Labor Relations Board			
17	General Revenue	402,491	2,058	404,549
18	Total - Labor Relations Board	402,491	2,058	404,549
19	Grand Total - General Revenues	8,212,636	(72,840)	8,139,796
20	Grand Total - Labor and Training	419,517,728	25,067,062	444,584,790
21	Department of Revenue			
22	Director of Revenue			
23	General Revenues	1,147,047	75,801	1,222,848
24	Total – Director of Revenue	1,147,047	75,801	1,222,848
25	Office of Revenue Analysis			
26	General Revenue	806,836	908	807,744
27	Total – Office of Revenue Analysis	806,836	908	807,744
28	Lottery Division			
29	Other Funds	362,367,224	7,723,824	370,091,048
30	RICAP – Lottery Building Renovations	0	119,112	119,112
31	Other Funds Total	362,367,224	7,842,936	370,210,160
32	Total – Lottery Division	362,367,224	7,842,936	370,210,160
33	Municipal Finance			
34	General Revenue	3,053,887	43,447	3,097,334

1 Provided that \$600,000 of the total is to support the operations of the City of Central
 2 Falls.

3 Total – Municipal Finance

4 Taxation

5	General Revenues	20,294,329	80,003	20,374,332
6	Federal Funds	1,343,291	1,201,384	2,544,675
7	Restricted Receipts	930,267	86,330	1,016,597
8	Other Funds			
9	Motor Fuel Tax Evasion	176,148	0	176,148
10	Temporary Disability Insurance	987,863	91,707	1,079,570
11	Other Funds Total	1,164,011	91,707	1,255,718
12	Total – Taxation	23,731,898	1,459,424	25,191,322

13 Registry of Motor Vehicles

14	General Revenues	23,668,390	(3,348,802)	20,319,588
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15 ~~All unexpended or unencumbered balances as of June 30, 2017 relating to license plate~~
 16 ~~reissuance are hereby re-appropriated to fiscal year 2018.~~

17	Federal Funds	802,076	1,028,462	1,830,538
18	Restricted Receipts	4,094,763	(1,000,000)	3,094,763
19	Total - Registry of Motor Vehicles	28,565,229	(3,320,340)	25,244,889

20 State Aid

21	General Revenue			
22	Distressed Communities Relief Fund	12,384,458	0	12,384,458
23	Payment in Lieu of Tax Exempt Properties	41,979,103	0	41,979,103
24	Motor Vehicle Excise Tax Payments	10,000,000	0	10,000,000
25	Property Revaluation Program	559,901	0	559,901
26	Municipal Aid	0	137,340	137,340
27	General Revenue Total	64,923,462	137,340	65,060,802
28	Restricted Receipts	922,013	0	922,013
29	Total – State Aid	65,845,475	137,340	65,982,815
30	Grand Total – General Revenue	113,893,951	(3,011,303)	110,882,648
31	Grand Total – Revenue	485,517,596	6,239,516	491,757,112

32 **Legislature**

33	General Revenues	41,052,730	4,883,560	45,936,290
34	Restricted Receipts	1,696,572	(85,048)	1,611,524

1	Grand Total – Legislature	42,749,302	4,798,512	47,547,814
2	Lieutenant Governor			
3	General Revenues	1,079,576	(26,288)	1,053,288
4	Grand Total - Lieutenant Governor	1,079,576	(26,288)	1,053,288
5	Secretary of State			
6	Administration			
7	General Revenue	3,539,219	(236,881)	3,302,338
8	Total – Administration	3,539,219	(236,881)	3,302,338
9	Corporations			
10	General Revenue	2,192,627	(73,851)	2,118,776
11	Total – Corporations	2,192,627	(73,851)	2,118,776
12	State Archives			
13	General Revenue	133,721	(46,571)	87,150
14	Restricted Receipts	516,519	(101,246)	415,273
15	Other Funds			
16	Rhode Island Capital Plan Funds			
17	State Archives	100,000	50,000	150,000
18	Total - State Archives	750,240	(97,817)	652,423
19	Elections & Civics			
20	General Revenue	3,377,103	(119,347)	3,257,756
21	Federal Funds	0	22,859	22,859
22	Total – Elections & Civics	3,377,103	(96,488)	3,280,615
23	State Library			
24	General Revenue	554,149	76,002	630,151
25	Total – State Library			
26	Provided that \$125,000 be allocated to support the Rhode Island Historical Society			
27	pursuant to Rhode Island General Law, Section 29-2-1 and \$18,000 be allocated to support the			
28	Newport Historical Society, pursuant to Rhode Island General Law, Section 29-2-2.			
29	Office of Public Information			
30	General Revenue	484,232	40,471	524,703
31	Restricted Receipts	40,000	(15,000)	25,000
32	Total – Office of Public Information	524,232	25,471	549,703
33	Grand Total – General Revenues	10,281,051	(360,177)	9,920,874
34	Grand Total – Secretary of State	10,937,570	(403,564)	10,534,006

1	General Treasurer			
2	Treasury			
3	General Revenue	2,507,779	(12,304)	2,495,475
4	Federal Funds	328,594	(40,248)	288,346
5	Other Funds			
6	Temporary Disability Insurance Fund	250,410	(25,872)	224,538
7	Tuition Savings Program	300,000	124,270	424,270
8	Transfers to Division of Higher Education Asst	0	8,000,000	8,000,000
9	Other Funds Total	550,410	8,098,398	8,648,808
10	Total – Treasury	3,386,783	8,045,846	11,432,629
11	State Retirement System			
12	Restricted Receipts			
13	Admin Expenses - State Retirement System	8,228,881	1,646,621	9,875,502
14	Retirement - Treasury Investment Operations	1,544,396	(230,449)	1,313,947
15	Defined Contribution – Administration	68,373	24,105	92,478
16	Total - State Retirement System	9,841,650	1,440,277	11,281,927
17	Unclaimed Property			
18	Restricted Receipts	22,348,728	2,095,225	24,443,953
19	Total – Unclaimed Property	22,348,728	2,095,225	24,443,953
20	Crime Victim Compensation Program			
21	General Revenue	228,452	9,117	237,569
22	Federal Funds	624,287	(6,825)	617,462
23	Restricted Receipts	1,130,533	2,824	1,133,357
24	Total - Crime Victim Compensation Program	1,983,272	5,116	1,988,388
25	Grand Total – General Revenues	2,736,231	(3,187)	2,733,044
26	Grand Total – General Treasurer	37,560,433	11,586,464	49,146,897
27	Board of Elections			
28	General Revenue	1,982,707	85,969	2,068,676
29	Grand Total - Board of Elections	1,982,707	85,969	2,068,676
30	Rhode Island Ethics Commission			
31	General Revenue	1,653,383	(21,773)	1,631,610
32	Grand Total - Rhode Island Ethics	1,653,383	(21,773)	1,631,610
33	Office of Governor			
34	General Revenue	4,841,069	(7,587)	4,833,482

1	Contingency Fund	250,000	292,000	542,000
2	Grand Total – Office of Governor	5,091,069	284,413	5,375,482
3	Commission for Human Rights			
4	General Revenue	1,258,128	(10,525)	1,247,603
5	Federal Funds	323,295	75,110	398,405
6	Grand Total - Commission for Human Rights	1,581,423	64,585	1,646,008
7	Public Utilities Commission			
8	Federal Funds	104,669	23,331	128,000
9	Restricted Receipts	8,822,304	227,497	9,049,801
10	Grand Total - Public Utilities Commission	8,926,973	250,828	9,177,801
11	Office of Health and Human Services			
12	Central Management			
13	General Revenue	32,544,387	337,663	32,882,050
14	Federal Funds			
15	Federal Funds	109,882,888	21,791,649	131,674,537
16	Federal Funds – Stimulus	100,085	(100,085)	0
17	Federal Funds Total	109,982,973	21,691,564	131,674,537
18	Restricted Receipts	3,914,402	2,285,690	6,200,092
19	Total – Central Management	146,441,762	24,314,917	170,756,679
20	Medical Assistance			
21	General Revenue			
22	Managed Care	294,797,721	103,087	294,900,808
23	Hospitals	94,223,146	3,681,845	97,904,991
24	Nursing Facilities	87,653,283	(693,183)	86,960,100
25	Home and Community Based Services	33,104,210	(5,394,890)	27,709,320
26	Other Services	45,710,484	10,184,859	55,895,343
27	Pharmacy	57,379,065	1,825,577	59,204,642
28	Rhody Health	291,574,716	(1,671,930)	289,902,786
29	General Revenue Total	904,442,625	8,035,365	912,477,990
30	Federal Funds			
31	Managed Care	353,210,935	8,988,258	362,199,193
32	Hospitals	107,062,817	(5,318,892)	101,743,925
33	Nursing Facilities	97,557,413	(7,517,512)	90,039,901
34	Home and Community Based Services	34,286,903	(5,596,222)	28,690,681

1	Other Services	429,645,177	67,316,480	496,961,657
2	Pharmacy	(1,111,840)	263,253	(848,587)
3	Rhody Health	298,041,793	355,421	298,397,214
4	Special Education	19,000,000	0	19,000,000
5	Federal Funds Total	1,337,693,198	58,490,786	1,396,183,984
6	Restricted Receipts	9,615,000	0	9,615,000
7	Total - Medical Assistance	2,251,750,823	66,526,151	2,318,276,974
8	Grand Total – General Revenue	936,987,012	8,373,028	945,360,040
9	Grand Total – Office of Health and	2,398,192,585	90,841,068	2,489,033,653
10	Human Services			
11	Children, Youth, and Families			
12	Central Management			
13	General Revenue	7,074,378	(162,307)	6,912,071
14	Federal Funds	2,808,145	(273,097)	2,535,048
15	Total - Central Management	9,882,523	(435,404)	9,447,119
16	General Revenue	5,004,800	142,692	5,147,492
17	Federal Funds	4,828,525	1,019,001	5,847,526
18	Other Funds			
19	Rhode Island Capital Plan Funds			
20	RICAP – NAFI Center	0	40,857	40,857
21	Various Repairs and Improvements to			
22	Training School	250,000	233,816	483,816
23	Other Funds Total	250,000	274,673	524,673
24	Total - Children's Behavioral Health			
25	Services	10,083,325	1,436,366	11,519,691
26	Juvenile Correctional Services			
27	General Revenue	24,927,098	(1,747,245)	23,179,853
28	Federal Funds Total	281,367	(1,977)	279,390
29	Other Funds			
30	Rhode Island Capital Plan Funds			
31	Thomas C. Slater Training School			
32	Maintenance Building	0	385,000	385,000
33	Generators-RITS	0	50,000	50,000
34	Other Funds Total			

1	Total - Juvenile Correctional Services	25,208,465	(1,749,222)	23,459,243
2	Child Welfare			
3	General Revenue	99,895,381	3,315,428	103,210,809
4	18 to 21 Year Olds	14,672,107	2,973,999	17,646,106
5	General Revenue	114,567,488	6,289,427	120,856,915
6	Federal Funds			
7	Federal Funds	52,104,852	(2,889,085)	49,215,767
8	Federal Funds – Stimulus	386,594	(386,594)	0
9	Federal Funds Total	52,491,446	(3,275,679)	49,215,767
10	Restricted Receipts	3,466,576	(316,274)	3,150,302
11	Other Funds			
12	Rhode Island Capital Plan Funds			
13	Youth Group Homes - Fire Code Upgrades	590,000	(590,000)	0
14	Other Funds	590,000	(590,000)	0
15	Total - Child Welfare	171,115,510	(2,107,474)	173,222,984
16	Higher Education Incentive Grants			
17	General Revenue			
18	Total – Higher Education Incentive Grants	200,000	0	200,000
19	Grand Total – General Revenues	151,773,764	4,522,567	156,296,331
20	Grand Total - Children, Youth, and Families	216,489,823	(1,794,214)	218,284,037
21	Health			
22	Central Management			
23	General Revenue	0	100,000	100,000
24	Federal Funds	808,064	(40,501)	767,563
25	Restricted Receipts	4,043,053	(16,477)	4,026,576
26	Total - Central Management	4,851,117	(43,022)	4,894,139
27	Community Health and Equity			
28	General Revenue	1,530,102	3,315	1,533,417
29	Federal Funds	74,019,207	(1,955,235)	72,063,972
30	Restricted Receipts	30,434,862	4,052,650	34,487,512
31	Total – Community Health and Equity	105,984,171	2,100,730	108,084,901
32	Environmental Health			
33	General Revenue	5,169,143	(10,761)	5,158,382
34	Federal Funds	6,148,955	1,263,125	7,412,080

1	Restricted Receipts	386,415	(216,308)	170,107
2	Total - Environmental Health	11,704,513	1,036,056	12,740,569
3	Health Laboratories and Medical Examiner			
4	General Revenue	10,028,498	215,450	10,243,948
5	Federal Funds	2,129,140	18,869	2,148,009
6	Total - Health Laboratories &			
7	Medical Examiner	12,157,638	234,319	12,391,957
8	Customer Service			
9	General Revenue	6,363,621	72,192	6,435,813
10	Federal Funds	3,491,908	772,327	4,264,235
11	Restricted Receipts	1,142,254	(34,521)	1,107,733
12	Total – Customer Service	10,997,783	809,998	11,807,781
13	Policy, Information and Communications			
14	General Revenue	937,935	(279,707)	658,228
15	Federal Funds	1,629,319	336,348	1,965,667
16	Restricted Receipts	581,225	61,242	642,467
17	Total – Policy, Information			
18	and Communications	3,148,479	117,883	3,266,362
19	Preparedness, Response, Infectious Disease & Emergency Services			
20	General Revenue	1,902,523	(33,076)	1,869,447
21	Federal Funds	12,138,428	2,747,331	14,885,759
22	Total – Preparedness, Response, Infectious			
23	Disease & Emergency Services	14,040,951	2,714,255	16,755,206
24	Grand Total – General Revenue	25,931,822	67,413	25,999,235
25	Grand Total – Health	162,884,652	7,056,263	169,940,915

26 **Human Services**

27 Central Management

28	General Revenue	4,852,023	(1,422,509)	3,429,514
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29 Of this amount, \$300,000 is to support the Domestic Violence Prevention Fund to
30 provide direct services through the Coalition Against Domestic Violence, \$250,000 is to support
31 Project Reach activities provided by the RI Alliance of Boys and Girls Club, \$217,000 is for
32 outreach and supportive services through Day One, \$175,000 is for food collection and
33 distribution through the Rhode Island Community Food Bank, and \$300,000 for services
34 provided to the homeless at Crossroads Rhode Island ~~and \$200,000 is to support the Institute for~~

1 ~~the Study and Practice of Nonviolence's Violence Reduction Strategy.~~

2	Community Action Fund	520,000	0	520,000
3	This amount shall be used to provide services to individuals and families through the nine			
4	community action agencies.			
5	Federal Funds	4,155,192	(216,316)	3,938,876
6	Restricted Receipts	520,844	468,207	989,051
7	Total - Central Management	9,528,059	(1,170,618)	8,357,441
8	Child Support Enforcement			
9	General Revenue	3,314,623	(381,034)	2,933,589
10	Federal Funds	6,207,167	778,764	6,985,931
11	Total – Child Support Enforcement	9,521,790	397,730	9,919,520
12	Individual and Family Support			
13	General Revenue	18,596,622	4,052,511	22,649,133
14	Federal Funds	83,381,849	19,476,985	102,858,834
15	Federal Funds – Stimulus	1,625,839	2,234,952	3,860,791
16	Federal Funds Total	85,007,688	21,711,937	106,719,625
17	Restricted Receipts	394,399	131,251	525,650
18	Other Funds			
19	Rhode Island Capital Plan Fund			
20	Blind Vending Facilities	165,000	0	165,000
21	Intermodal Surface Transportation Fund	4,428,478	0	4,428,478
22	Food Stamp Bonus Funding	500,000	(89,466)	410,534
23	Rhode Island Capital Plan Funds			
24	Other Funds Total	5,093,478	(89,466)	5,004,012
25	Total - Individual and Family Support	109,092,187	25,806,233	134,898,420
26	Office of Veterans' Affairs			
27	General Revenue	20,504,694	(30,564)	20,474,130
28	Support services through Veterans' Organizations	200,000	0	200,000
29	Federal Funds	19,268,534	(1,181,690)	18,086,844
30	Restricted Receipts	676,499	1,132,526	1,809,025
31	Total - Veterans' Affairs	40,649,727	(79,728)	40,569,999
32	Health Care Eligibility			
33	General Revenue	8,527,641	(1,533,227)	6,994,414
34	Federal Funds	10,650,014	(982,165)	9,667,849

1	Total - Health Care Eligibility	19,177,655	(2,515,392)	16,662,263
2	Supplemental Security Income Program			
3	General Revenue	18,496,913	3,347	18,500,260
4	Total - Supplemental Security Income	18,496,913	3,347	18,500,260
5	Program			
6	Rhode Island Works			
7	General Revenue	14,747,241	(4,886,622)	9,860,619
8	Federal Funds	78,203,704	642,265	78,845,969
9	Total – Rhode Island Works	92,950,945	(4,244,357)	88,706,588
10	State Funded Programs			
11	General Revenue	1,582,800	28,800	1,611,600
12	Of this appropriation, \$210,000 shall be used for hardship contingency payments.			
13	Federal Funds	282,085,000	(24,569)	282,060,431
14	Total - State Funded Programs	283,667,800	4,231	283,672,031
15	Elderly Affairs			
16	General Revenue	5,477,200	(39,160)	5,438,040
17	Of this amount, \$140,000 is to provide elder services, including respite, through the			
18	Diocese of Providence, \$40,000 for ombudsman services provided by the Alliance for Long Term			
19	in accordance with RIGL 42-66.7 and \$85,000 for security for housing for the elderly in			
20	accordance with RIGL 42-66.1-3.			
21	Senior Center Support	400,000	0	400,000
22	Elderly Nutrition	580,000	0	580,000
23	Of this amount, \$530,000 is for Meals on Wheels.			
24	RIPAE	75,229	(211)	75,018
25	Care and Safety of the Elderly	281,328	19,522	300,850
26	General Funds Total	6,533,729	(39,371)	6,494,358
27	Federal Funds	6,813,757	646,413	12,714,010
28	Restricted Receipts	120,693	370	121,063
29	Total – Elderly Affairs	19,002,047	327,384	19,329,431
30	Grand Total – General Revenues	97,636,314	4,488,697	93,147,617
31	Grand Total - Human Services	602,087,123	18,528,830	620,615,953
32	Behavioral Healthcare, Developmental Disabilities, and Hospitals			
33	Central Management			
34	General Revenue	1,097,743	545,280	1,643,023

1	Federal Funds	597,685	(597,685)	0
2	Total - Central Management	1,695,428	(52,405)	1,643,023
3	Hospital and Community System Support			
4	General Revenue	1,474,964	575,071	2,050,035
5	Federal Funds	789,226	(789,226)	0
6	Restricted Receipts			
7	Other Funds			
8	Rhode Island Capital Plan Funds			
9	Medical Center Rehabilitation	250,000	2,204	252,204
10	Community Facilities Fire Code	400,000	42,200	442,200
11	Other Funds Total	650,000	44,404	694,404
12	Total - Hospital and Community System			
13	Support	2,914,190	(169,751)	2,744,439
14	Services for the Developmentally Disabled			
15	General Revenue	119,651,536	2,363,931	122,015,467
16	Of this general revenue funding, \$4.5 million shall be expended on private provider direct			
17	support staff raises and associated payroll costs to include targeted increases associated with			
18	performance-based contracting and system transformation incentives as authorized by the			
19	Department of Behavioral Healthcare, Developmental Disabilities and Hospitals. Any increases			
20	for direct support staff in residential or other community based settings must first receive the			
21	approval of the Office of Management and Budget and the Executive Office of Health and			
22	Human Services. Final approval of any funding re-design for services through the Division of			
23	Developmental Disabilities is also subject to approval of the Executive Office and the Office of			
24	Management and Budget.			
25	Federal Funds	124,135,783	919,253	125,055,036
26	Restricted Receipts	1,755,100	117,460	1,872,560
27	Other Funds			
28	Rhode Island Capital Plan Funds			
29	DD Private Waiver	200,000	9,544	209,544
30	MR Community Facilities/Access to Ind.	500,000	0	500,000
31	RICAP – Regional Center Repair/Rehab	0	974,363	974,363
32	Other Funds Total	700,000	983,907	1,683,907
33	Total - Services for the Developmentally			
34	Disabled	246,242,419	4,384,551	250,626,970

1	Behavioral Healthcare Services			
2	General Revenue	2,015,777	2,202,627	4,218,404
3	Federal Funds	17,235,690	3,976,945	21,212,635
4	Of this federal funding, \$900,000 shall be expended on the Municipal Substance Abuse			
5	Task Forces and \$128,000 shall be expended on NAMI of RI.			
6	Restricted Receipts	100,000	0	100,000
7	Other Funds			
8	Rhode Island Capital Plan Funds			
9	MH Community Facilities Repair	200,000	0	200,000
10	MH Housing Development Thresholds	800,000	0	800,000
11	Substance Abuse Asset Protection	100,000	0	100,000
12	Other Funds Total	1,100,000	0	1,100,000
13	Total – Behavioral Healthcare Services	20,451,467	6,179,572	26,631,039
14	Hospital and Community Rehabilitative Services			
15	General Revenue	48,944,219	2,850,759	51,794,978
16	Federal Funds	50,280,372	2,299,930	52,580,302
17	Restricted Receipts	6,580,724	(1,644,129)	4,936,595
18	Other Funds			
19	Rhode Island Capital Plan Funds			
20	Zambarano Buildings and Utilities	386,000	194,000	580,000
21	Hospital Consolidation	1,000,000	1,500,000	2,500,000
22	Eleanor Slater HVAC/Elevators	5,837,736	(315,706)	5,522,030
23	MR Community Facilities	1,000,000	159,429	1,159,429
24	Hospital Equipment	300,000	70,771	370,771
25	Other Funds Total	8,523,736	1,608,494	10,132,230
26	Total Hospital and Community			
27	Rehabilitative Services	114,329,051	5,115,054	119,444,105
28	Grand Total – General Revenue	173,184,239	8,537,668	181,721,907
29	Grand Total – Behavioral Healthcare,			
30	Developmental Disabilities, and Hospitals	385,332,555	15,457,021	401,089,576
31	Office of the Child Advocate			
32	General Revenue	650,582	(15,041)	635,541
33	Federal Funds	145,000	(386)	144,614
34	Grand Total – Office of the Child Advocate	795,582	(15,427)	780,155

1	Commission on the Deaf and Hard of Hearing			
2	General Revenue	477,746	(177,096)	460,650
3	Restricted Receipts	110,000	20,000	130,000
4	Grand Total – Com on Deaf and Hard of			
5	Hearing	587,746	2,904	590,650
6	Governor's Commission on Disabilities			
7	General Revenue	412,547	8,049	420,596
8	Federal Funds	228,750	69,314	298,064
9	Restricted Receipts	44,126	15,234	59,360
10	Grand Total - Governor's Commission on			
11	Disabilities	685,423	92,597	778,020
12	Office of the Mental Health Advocate			
13	General Revenue	542,009	7,264	549,273
14	Grand Total - Office of the Mental			
15	Health Advocate	542,009	7,264	549,273
16	Elementary and Secondary Education			
17	Administration of the Comprehensive Education Strategy			
18	General Revenue	20,555,594	89,599	20,645,193
19	Provided that \$90,000 be allocated to support the hospital school at Hasbro Children's			
20	Hospital pursuant to Rhode Island General Law, Section 16-7-20 and that \$245,000 be allocated			
21	to support child opportunity zones through agreements with the department of elementary and			
22	secondary education to strengthen education, health and social services for students and their			
23	families as a strategy to accelerate student achievement.			
24	Federal Funds			
25	Federal Funds	202,791,134	(918,097)	201,873,037
26	Federal Funds – Stimulus	1,804,987	2,188,102	3,993,089
27	Federal Funds Total	204,596,121	1,270,005	205,866,126
28	Restricted Receipts			
29	Restricted Receipts	1,264,259	0	1,264,259
30	HRIC Adult Education Grants	3,500,000	0	3,500,000
31	Restricted Receipts Total	4,764,259	0	4,764,259
32	Other Funds			
33	Rhode Island Capital Plan Funds			
34	State-Owned Warwick	350,000	0	350,000

1	State-Owned Woonsocket	1,950,000	0	1,950,000
2	Other Funds Total	2,300,000	0	2,300,000
3	Total – Administration of the Comprehensive			
4	Education Strategy	232,215,974	1,359,604	233,575,578
5	Davies Career and Technical School			
6	General Revenue	12,590,093	0	12,590,093
7	Federal Funds	1,379,112	75,891	1,455,003
8	Restricted Receipts	3,936,872	(4,200)	3,932,672
9	Other Funds			
10	Rhode Island Capital Plan Funds			
11	Davies HVAC	500,000	(1,192)	498,808
12	Davies Asset Protection	150,000	327,911	477,911
13	Other Funds Total	650,000	326,719	976,719
14	Total - Davies Career and Technical School	18,556,077	398,410	18,954,487
15	RI School for the Deaf			
16	General Revenue	6,326,744	(67,533)	6,259,211
17	Federal Funds	254,320	0	254,320
18	Restricted Receipts	785,791	(8,000)	777,791
19	Other Funds			
20	RI School for the Deaf			
21	Transformation Grants	59,000	0	59,000
22	Other Funds Total	59,000	0	59,000
23	Total - RI School for the Deaf	7,425,855	(75,533)	7,350,322
24	Metropolitan Career and Technical School			
25	General Revenue	9,342,007	0	9,342,007
26	Other Funds			
27	Rhode Island Capital Plan Funds			
28	MET Asset Protection	100,000	100,000	200,000
29	MET School HVAC	1,000,000	2,131,996	3,131,996
30	Other Funds Total	1,100,000	2,231,996	3,331,996
31	Total – Metropolitan Career and			
32	Technical School	10,442,007	2,231,996	12,674,003
33	Education Aid			
34	General Revenue	845,855,695	68,000	845,923,695

1	Restricted Receipts	20,700,072	155,254	20,855,326
2	Other Funds			
3	Permanent School Fund Education Aid	600,000	0	600,000
4	Other Funds Total	600,000	0	600,000
5	Total – Education Aid	867,155,767	223,254	867,379,021
6	Central Falls School District			
7	General Revenue	39,100,578	0	39,100,578
8	Total – Central Falls School District	39,100,578	0	39,100,578
9	School Construction Aid			
10	General Revenue			
11	School Housing Aid	70,907,110	0	70,907,110
12	School Building Authority Capital Fund	9,092,890	0	9,092,890
13	Total – School Construction Aid	80,000,000	0	80,000,000
14	Teachers' Retirement			
15	General Revenue	99,076,582	0	99,076,582
16	Total – Teachers' Retirement	99,076,582	0	99,076,582
17	Grand Total – General Revenue	1,112,847,293	90,066	1,112,937,359
18	Grand Total - Elementary and Secondary			
19	Education	1,353,972,840	4,137,731	1,358,110,571
20	Public Higher Education			
21	Office of Postsecondary Commissioner			
22	General Revenue	6,298,407	53,475	6,351,882
23	Provided that \$355,000 shall be allocated to Rhode Island Children's Crusade pursuant to			
24	Rhode Island General Law, Section 16-70-5 and that \$30,000 shall be allocated to Best Buddies			
25	Rhode Island to support its programs for children with developmental and intellectual disabilities.			
26	Appropriations to the Office of Postsecondary Commissioner of seven hundred and fifty			
27	thousand (\$750,000) are to be used for the Westerly Higher Education and Industry Center.			
28	Funds shall only be spent to secure a long-term lease of the facility.			
29	Federal Funds			
30	Federal Funds	9,445,218	2,381,253	11,826,471
31	WaytogoRI Portal	863,629	48,754	912,383
32	Guaranty Agency Operating Fund	4,000,000	0	4,000,000
33	Restricted Receipts	361,925	494,848	856,773
34	Other Funds			

1	Tuition Savings Program – Dual Enrollment	1,300,000	0	1,300,000
2	Tuitions Savings Program – Scholarship/Grants	6,095,000	0	6,095,000
3	Nursing Education Center - Operating	0	1,106,666	1,106,666
4	Westerly Campus	2,000,000	0	2,000,000
5	Total – Office of the			
6	Postsecondary Commissioner	30,364,179	4,084,996	34,449,175
7	University of Rhode Island			
8	General Revenue			
9	General Revenue	75,616,226	0	75,616,226
10	Provided that in order to leverage federal funding and support economic development,			
11	\$250,000 shall be allocated to the Small Business Development Center and \$250,000 shall be			
12	allocated to the Polaris Manufacturing Extension Program, and that \$50,000 shall be allocated to			
13	Special Olympics Rhode Island to support its mission of providing athletic opportunities for			
14	individuals with intellectual and developmental disabilities.			
15	The University shall not decrease internal student financial aid in the 2016 – 2017			
16	academic year below the level of the 2015 – 2016 academic year. The President of the institution			
17	shall report, prior to the commencement of the 2016-2017 academic year, to the chair of the			
18	Council of Postsecondary Education that such tuition charges and student aid levels have been			
19	achieved at the start of the FY 2017 as prescribed above.			
20	Debt Service	13,182,679	2,303,038	15,485,717
21	RI State Forensics Lab	1,071,393	0	1,071,393
22	General Revenue Total	89,870,298	2,303,038	92,173,336
23	Other Funds			
24	University and College Funds	649,629,440	(18,701,995)	630,927,445
25	Debt – Dining Services	1,106,597	0	1,106,597
26	Debt – Education and General	3,786,661	(189,456)	3,597,205
27	Debt – Health Services	146,167	0	146,167
28	Debt – Housing Loan Funds	11,751,883	(1,147,285)	10,604,598
29	Debt – Memorial Union	319,976	0	319,976
30	Debt – Ryan Center	2,789,719	0	2,789,719
31	Debt – Alton Jones Services	102,946	0	102,946
32	Debt - Parking Authority	1,042,907	0	1,042,907
33	Debt – Sponsored Research	85,105	(192)	84,913
34	Debt – URI Energy Conservation	2,021,187	(51,187)	1,970,000

1	Debt Service – Op Transfers	810,170	(205,088)	605,082
2	Debt – URI Energy Conservation	2,021,187	(51,187)	1,970,000
3	Rhode Island Capital Asset Plan Funds			
4	Asset Protection	13,556,000	0	13,556,000
5	URI Shephard Building Upgrades	95,000	(95,000)	0
6	URI/RIC Nursing Education Center	200,000	101,859	301,859
7	White Hall Renovations	0	419,130	419,130
8	URI Electrical Substation	0	1,382,650	1,382,650
9	URI Biotech Center	0	156,439	156,439
10	URI Fire Safety	0	2,552,968	2,552,968
11	Other Funds Total	687,443,758	(15,777,157)	671,666,601
12	Total – University of Rhode Island	777,314,056	(13,474,119)	763,839,937

13 Notwithstanding the provisions of section 35-3-15 of the general laws, all unexpended or
14 unencumbered balances as of June 30, ~~2016~~ 2017 relating to the University of Rhode Island are
15 hereby reappropriated to fiscal year ~~2017~~ 2018.

16 Rhode Island College

17 General Revenue

18	General Revenue	46,996,330	0	46,996,330
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19 Rhode Island College shall ~~not decrease internal student financial aid~~ maintain tuition
20 charges in the 2016 – 2017 academic year at the same level as the 2015 – 2016 academic year.
21 The President of the institution shall report, prior to the commencement of the 2016 – 2017
22 academic year, to the chair of the Council of Postsecondary Education that such tuition charges
23 and student aid levels have been achieved at the start of FY 2017 as prescribed above.

24	Debt Service	2,565,254	(55,863)	2,509,391
25	General Funds Total	49,561,584	(55,863)	49,505,721
26	Other Funds			
27	University and College Funds	125,192,812	(4,999,717)	120,193,095
28	Debt – Education and General	880,568	256,275	1,136,843
29	Debt – Housing	368,195	1	368,196
30	Debt – Student Center and Dining	154,068	0	154,068
31	Debt – Student Union	235,656	0	235,656
32	Debt – G.O. Debt Service	1,644,459	(3,000)	1,641,459
33	Debt – Energy Conservation	256,275	0	256,275
34	Rhode Island Capital Plan Funds			

1	Asset Protection	5,357,700	482,417	5,840,117
2	Infrastructure Modernization	3,000,000	(245,299)	2,754,701
3	Other Funds Total	137,089,733	(4,509,323)	132,580,410
4	Total – Rhode Island College	186,651,317	(4,565,186)	182,086,131

5 Notwithstanding the provisions of section 35-3-15 of the general laws, all unexpended or
6 unencumbered balances as of June 30, ~~2016~~ 2017 relating to Rhode Island College are hereby
7 reappropriated to fiscal year ~~2017~~ 2018.

8 Community College of Rhode Island

9 General Revenue

10	General Revenue	48,936,035	0	48,936,035
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11 The Community College of Rhode Island College shall not decrease internal student
12 financial aid maintain tuition charges in the 2016 – 2017 academic year at the same level as the
13 2015 – 2016 academic year. The President of the institution shall report, prior to the
14 commencement of the 2016 – 2017 academic year, to the chair of the Council of Postsecondary
15 Education that such tuition charges and student aid levels have been achieved at the start of FY
16 2017 as prescribed above.

17	Debt Service	1,691,204	(47,755)	1,643,449
18	General Revenue Total	50,627,239	(47,755)	50,579,484
19	Restricted Receipts	660,795	0	660,795
20	Other Funds			
21	University and College Funds	107,824,292	(11,234,777)	96,589,515
22	CCRI Debt Service – Energy Conservation	807,225	0	807,225
23	Rhode Island Capital Plan Funds			
24	Asset Protection	3,032,100	0	3,032,100
25	Knight Campus Renewal	4,000,000	1,223,902	5,223,902
26	Other Funds Total	115,663,617	(10,010,875)	105,652,742
27	Total – Community College of RI	166,951,651	(10,058,630)	156,893,021

28 Notwithstanding the provisions of section 35-3-15 of the general laws, all unexpended or
29 unencumbered balances as of June 30, 2016 2017 relating to the Community College of Rhode
30 Island are hereby reappropriated to fiscal year 2017 2018.

31	Grand Total – General Revenue	196,357,528	2,252,895	198,610,423
32	Grand Total – Public Higher	1,161,281,203	(24,012,939)	1,137,268,264

33 **RI State Council on the Arts**

34 General Revenue

1	Operating Support	786,884	(12,516)	774,368
2	Grants	1,165,000	0	1,165,000
3	Provided that \$375,000 be provided to support the operational costs of WaterFire			
4	Providence art installations.			
5	General Revenue Total	1,951,884	(12,516)	1,939,368
6	Federal Funds	775,454	11,274	786,728
7	Restricted Receipts	0	25,000	25,000
8	Other Funds			
9	Arts for Public Facilities	303,200	677,500	980,700
10	Other Funds Total	303,200	677,500	980,700
11	Grand Total - RI State Council on the Arts	3,030,538	701,258	3,731,796
12	RI Atomic Energy Commission			
13	General Revenue	981,100	(1,418)	979,682
14	Federal Funds	32,422	196,441	228,863
15	Other Funds			
16	URI Sponsored Research	269,527	1,072	270,599
17	Rhode Island Capital Plan Funds			
18	RINSC Asset Protection	50,000	9,895	59,895
19	Other Funds Total	319,527	10,967	330,494
20	Grand Total - RI Atomic Energy Commission	1,333,049	205,990	1,539,039
21	RI Historical Preservation and Heritage Commission			
22	General Revenue	1,202,559	(40,558)	1,162,001
23	Provided that \$30,000 support the operational costs of the Fort Adams Trust's restoration			
24	activities.			
25	Federal Funds	1,093,966	453,062	1,547,028
26	Restricted Receipts	427,175	2,025	429,200
27	Other Funds			
28	RIDOT – Project Review	79,998	(144)	79,854
29	Grand Total – RI Historical Preservation			
30	and Heritage Commission	2,803,698	414,385	3,218,083
31	Attorney General			
32	Criminal			
33	General Revenue	15,675,925	229,207	15,905,132
34	Federal Funds	1,692,545	1,658,462	3,351,007

1	Restricted Receipts	6,637,954	8,923,978	15,561,932
2	Total – Criminal	24,006,424	10,811,647	34,818,071
3	Civil			
4	General Revenue	5,135,543	267,158	5,402,701
5	Restricted Receipts	916,302	(313,433)	602,869
6	Total – Civil	6,051,845	(46,275)	6,005,570
7	Bureau of Criminal Identification			
8	General Revenue	1,758,215	(113,879)	1,644,336
9	Total – Bureau of Criminal Identification			
10	General			
11	General Revenue	3,026,299	168,315	3,194,614
12	Other Funds			
13	Rhode Island Capital Plan Fund			
14	Building Renovations and Repairs	300,000	117,530	417,530
15	Other Funds Total	300,000	117,530	417,530
16	Total – General	3,326,299	285,845	3,612,144
17	Grand Total – General Revenue	25,595,982	550,801	26,146,783
18	Grand Total - Attorney General	35,142,783	10,937,338	46,080,121
19	Corrections			
20	Central Management			
21	General Revenue	10,179,627	(81,130)	10,098,497
22	Federal Funds	0	59,219	59,219
23	Total – Central Management	10,179,627	(21,911)	10,157,716
24	Parole Board			
25	General Revenue	1,338,481	82,301	1,420,782
26	Federal Funds	14,006	96,978	110,984
27	Total – Parole Board	1,352,487	179,279	1,531,766
28	Custody and Security			
29	General Revenue	133,857,240	2,409,629	136,266,869
30	Federal Funds	571,759	303,831	875,590
31	Restricted Receipts	0	35,000	35,000
32	Total – Custody and Security	134,428,999	2,748,460	137,177,459
33	Institutional Support			
34	General Revenue	15,822,911	(459,705)	15,363,206

1	Other Funds			
2	Rhode Island Capital Plan Fund			
3	Asset Protection	3,750,000	(564,031)	3,185,969
4	Maximum – General Renovations	1,300,000	24,253	1,324,253
5	Building State Match – Reintegration C	150,000	389,133	539,133
6	General Renovations Women’s	750,000	(438,934)	311,066
7	ISC Exterior Envelope and HVAC	1,700,000	(1,275,000)	425,000
8	Medium Infrastructure	4,000,000	(2,000,000)	2,000,000
9	Correctional Facilities Study	250,000	0	250,000
10	Other Funds Total	11,900,000	(3,864,579)	8,035,421
11	Total - Institutional Support	27,722,911	(4,324,284)	23,398,627
12	Institutional Based Rehab/Population Management			
13	General Revenue	11,599,533	(1,875,961)	9,723,572
14	Federal Funds	527,398	216,485	743,883
15	Restricted Receipts	44,023	0	44,023
16	Total – Institutional Based Rehab/Pop/Mgt.	12,170,954	(1,659,476)	10,511,478
17	Healthcare Services			
18	General Revenue	21,909,573	1,276,829	23,186,402
19	Total – Healthcare Services	21,909,573	1,276,829	23,186,402
20	Community Corrections			
21	General Revenue	16,993,141	297,329	17,290,470
22	Provided that \$250,000 be allocated to Crossroads Rhode Island for sex offender			
23	discharge planning.			
24	Federal Funds	16,845	78,049	94,894
25	Restricted Receipts	16,118	1,195	17,313
26	Total – Community Corrections	17,026,104	376,573	17,402,677
27	Grand Total - General Revenue	211,700,506	1,649,292	213,349,798
28	Grand Total – Corrections	224,790,655	(1,424,530)	223,366,125

29 **Judiciary**

30 Supreme Court

31 General Revenue

32 General Revenue 27,510,065 922,853 28,432,918

33 Provided however, that no more than \$1,056,438 in combined total shall be offset to the
34 Public Defender’s Office, the Attorney General’s Office, the Department of Corrections, the

1 Department of Children Youth and Families, and the Department of Public Safety for square-
 2 footage occupancy costs in public courthouses and further provided that \$230,000 be allocated to
 3 the Rhode Island Coalition Against Domestic Violence for the domestic abuse court advocacy
 4 project pursuant to Rhode Island General Law, Section 12-29-7 and that \$90,000 be allocated to
 5 Rhode Island Legal Services, Inc. to provide housing and eviction defense to indigent individuals.

6	Defense of Indigents	3,784,406	18,760	3,803,166
7	General Funds Total	31,294,471	941,613	32,236,084
8	Federal Funds	128,933	(6,590)	122,343
9	Restricted Receipts	3,076,384	1,607,945	4,684,329
10	Other Funds			
11	Rhode Island Capital Plan Fund			
12	Judicial HVAC	900,000	180,072	1,080,072
13	Judicial Complexes Asset Protection	875,000	(6,386)	868,614
14	Licht Judicial Complex Restoration	750,000	0	750,000
15	Murray Judicial Complex Cell Block	3,000,000	405,070	3,405,070
16	Other Funds Total	5,525,000	578,756	6,103,756
17	Total - Supreme Court	40,024,788	3,121,724	43,146,512
18	Judicial Tenure and Discipline			
19	General Revenue	124,865	(376)	124,489
20	Total – Judicial Tenure and Discipline	124,865	(376)	124,489
21	Superior Court			
22	General Revenue	22,807,060	85,630	22,892,690
23	Federal Funds	51,290	48,968	100,258
24	Restricted Receipts	371,741	(1,188)	370,553
25	Total - Superior Court	23,230,091	133,410	23,363,501
26	Family Court			
27	General Revenue	21,495,610	(1,052,179)	20,443,431
28	Federal Funds	2,770,714	502,407	3,273,121
29	Total - Family Court	24,266,324	(549,772)	23,716,552
30	District Court			
31	General Revenue	11,865,905	561,999	12,427,904
32	Federal Funds	303,154	149,453	452,607
33	Restricted Receipts	138,045	(71,686)	66,359
34	Total - District Court	12,307,104	639,766	12,946,870

1	Traffic Tribunal			
2	General Revenue	9,018,180	(75,188)	8,942,992
3	Total – Traffic Tribunal	9,018,180	(75,188)	8,942,992
4	Workers' Compensation Court			
5	Restricted Receipts	8,096,017	(84,731)	8,011,286
6	Total – Workers' Compensation Court	8,096,017	(84,731)	8,011,286
7	Grand Total – General Revenue	96,606,091	461,499	97,067,590
8	Grand Total – Judiciary	117,067,369	3,184,833	120,252,202
9	Military Staff			
10	General Revenue	2,659,719	(33,378)	2,626,341
11	Federal Funds	17,497,797	(837,684)	16,660,113
12	Restricted Receipts			
13	RI Military Family Relief Fund	300,000	(200,000)	100,000
14	Counter Drug Asset Forfeiture	37,300	(5,300)	32,000
15	Other Funds			
16	Rhode Island Capital Plan Fund			
17	Armory of Mounted Command Roof			
18	Replacement	357,500	(224,775)	132,725
19	Asset Protection	700,000	108,202	808,202
20	Benefit Street Arsenal	0	37,564	37,564
21	Bristol Readiness Center	125,000	(125,000)	0
22	Joint Force Headquarters Building	1,500,000	(900,000)	600,000
23	Other Funds Total	2,682,500	(1,104,090)	1,578,491
24	Grand Total – Military Staff	23,177,316	(2,180,371)	20,996,945
25	Public Safety			
26	Central Management			
27	General Revenue	1,407,618	464,128	1,871,746
28	Federal Funds	5,398,633	2,831,488	8,230,121
29	Total – Central Management	6,806,251	3,295,616	10,101,867
30	E-911 Emergency Telephone System			
31	General Revenue	5,699,440	(65,576)	5,633,864
32	Total - E-911 Emergency Telephone System	5,699,440	(65,576)	5,633,864
33	State Fire Marshal			
34	General Revenue	3,248,953	157,360	3,406,313

1	Federal Funds	425,169	(6,263)	418,906
2	Restricted Receipts	195,472	0	195,472
3	Other Funds			
4	Rhode Island Capital Plan Funds			
5	Fire Academy	1,215,000	1,629,189	2,844,189
6	Quonset Development Corp	62,294	(8,781)	53,513
7	Other Funds Total	1,277,294	1,620,408	2,897,702
8	Total - State Fire Marshal	5,146,888	1,771,505	6,918,393
9	Security Services			
10	General Revenue	23,162,912	414,561	23,577,473
11	Total – Security Services	23,162,912	414,561	23,577,473
12	Municipal Police Training Academy			
13	General Revenue	263,746	(965)	262,781
14	Federal Funds	222,395	0	222,395
15	Total - Municipal Police Training Academy	468,141	(965)	485,176
16	State Police			
17	General Revenue	65,659,479	1,153,508	66,812,987
18	Federal Funds	3,246,194	13,415	3,259,609
19	Restricted Receipts	4,256,598	15,290,621	19,547,219
20	Other Funds			
21	Airport Commission Assistance	212,221	(62,221)	150,000
22	Lottery Commission Assistance	1,611,348	(501,155)	1,110,193
23	Road Construction Reimbursement	2,934,672	0	2,934,672
24	Weight & Measurement Reimbursement	0	440,000	440,000
25	Rhode Island Capital Plan Funds			
26	DPS Asset Protection	250,000	410,479	660,479
27	Lincoln Woods Barracks Renovations	500,000	11,345	511,345
28	State Police Barracks/Training Academy	0	191,244	191,244
29	Other Funds Total	5,508,241	489,692	5,997,933
30	Total - State Police	78,670,512	16,947,236	95,617,748
31	Grand Total – General Revenue	99,442,148	2,123,016	101,565,164
32	Grand Total – Public Safety	119,972,144	22,362,377	142,334,521
33	Emergency Management			
34	General Revenue	1,848,876	(1,028)	1,847,848

1	Federal Funds	20,094,466	(2,148,112)	17,946,354
2	Restricted Receipts	861,046	(412,934)	448,112
3	Other Funds			
4	Rhode Island Capital Plan Fund			
5	Emergency Management Building	189,750	0	189,750
6	Hurricane Sandy Cleanup	0	232,075	232,075
7	Rhode Island State Communication Network	1,000,000	494,414	1,494,414
8	Other Funds Total	1,189,750	726,489	1,916,239
9	Grand Total – Emergency Management	23,994,138	(1,835,585)	22,158,553
10	Office of Public Defender			
11	General Revenue	11,784,382	(16,174)	11,768,208
12	Federal Funds	112,820	(15,000)	97,820
13	Grand Total - Office of Public Defender	11,897,202	(31,174)	11,866,028
14	Environmental Management			
15	Office of the Director			
16	General Revenue			
17	Permit Streamlining	5,165,334	351,172	5,516,506
18	General Revenue Total	5,165,334	351,172	5,516,506
19	Restricted Receipts	3,901,548	191,256	4,092,804
20	Total – Office of the Director	9,066,882	542,428	9,609,310
21	Provided that \$200,000 be allocated to the Town of North Providence for its Eliot			
22	Avenue flooding and drainage remediation project.			
23	Natural Resources			
24	General Revenue	21,124,014	7,851	21,131,865
25	Federal Funds	20,047,496	2,691,502	22,738,998
26	Restricted Receipts	6,121,231	(2,313,948)	3,807,283
27	Other Funds			
28	DOT Recreational Projects	909,926	762,000	1,671,926
29	Blackstone Bikepath Design	2,059,579	0	2,059,579
30	Transportation MOU	78,350	0	78,350
31	Rhode Island Capital Plan Funds			
32	Dam Repair	1,230,000	(975,805)	254,195
33	Fort Adams Rehabilitation	300,000	1,625	301,625
34	World War II Facility	0	128,715	128,715

1	Rocky Point Acquisitions/Renovations	0	116,992	116,992
2	Fort Adams America's Cup	1,400,000	69,851	1,469,851
3	Recreational Facilities Improvements	3,100,000	2,589,289	5,689,289
4	Galilee Piers Upgrade	250,000	61,611	311,611
5	Newport Piers	187,500	(50,000)	137,500
6	Fish & Wildlife Maintenance Facilities	150,000	(150,000)	0
7	Blackstone Valley Bike Path	300,000	93,348	393,348
8	Marine Infrastructure/Pier Development	100,000	0	100,000
9	Natural Resources Offices/Visitor's Center	3,500,000	(2,437,741)	1,062,259
10	State Recreation Building Demolition	100,000	0	100,000
11	Other Funds Total	13,665,355	(35,822)	13,629,533
12	Total - Natural Resources	60,958,096	595,290	61,553,386
13	Environmental Protection			
14	General Revenue	13,917,429	(2,270,350)	11,647,079
15	Federal Funds	9,681,296	1,735,701	11,416,997
16	Restricted Receipts	8,959,177	91,032	9,050,209
17	Other Funds			
18	Transportation MOU	164,734	0	164,734
19	Total - Environmental Protection	32,722,636	(443,617)	32,279,019
20	Grand Total – General Revenue	40,206,777	(1,911,327)	38,295,450
21	Grand Total - Environmental Management	102,747,614	694,101	103,441,715
22	Coastal Resources Management Council			
23	General Revenue	2,452,438	48,109	2,500,547
24	Federal Funds	4,148,312	1,069,762	5,218,074
25	Restricted Receipts	250,000	0	250,000
26	Other Funds			
27	Rhode Island Capital Plan Funds			
28	South Coast Restoration Project	321,775	0	321,775
29	Rhode Island Coastal Storm Risk Study	150,000	0	150,000
30	Total Other Funds	471,775	0	471,775
31	Grand Total - Coastal Resources Mgmt.	7,322,525	1,117,871	8,440,396
32	Transportation			
33	Central Management			
34	Federal Funds	6,610,622	2,091,989	8,702,611

1	Other Funds			
2	Gasoline Tax	2,593,920	2,011,759	4,605,679
3	Total – Central Management	9,204,542	4,103,748	13,308,290
4	Management and Budget			
5	Other Funds			
6	Gasoline Tax	3,009,298	1,089,405	4,098,703
7	Total – Management and Budget	3,009,298	1,089,405	4,098,703
8	Infrastructure Engineering – GARVEE/Motor Fuel Tax Bonds			
9	Federal Funds			
10	Federal Funds	260,384,515	(2,655,581)	257,728,934
11	Federal Funds – Stimulus	5,414,843	(302,029)	5,112,814
12	Federal Funds Total	265,799,358	(2,957,610)	262,841,748
13	Restricted Receipts	180,219	3,429,934	3,610,153
14	Other Funds			
15	Gasoline Tax	72,131,457	3,633,644	75,765,101
16	Land Sale Revenue	2,500,000	41,771	2,541,771
17	Rhode Island Capital Plan Fund			
18	RIPTA Land and Buildings	120,000	142,696	262,696
19	Highway Improvement Program	27,200,000	5,251,346	32,451,346
20	Other Funds Total	101,951,457	9,069,457	111,020,914
21	Total – Infrastructure Engineering			
22	GARVEE/Motor Fuel Tax Bonds	367,931,034	9,541,781	377,472,815
23	Infrastructure Maintenance			
24	Other Funds			
25	Gasoline Tax	12,846,800	9,570,794	22,417,594
26	Non-Land Surplus Property	50,000	050,000	
27	Outdoor Advertising	100,000	0100,000	
28	Rhode Island Highway Maintenance Account	79,792,727	30,409,402	110,202,129
29	Rhode Island Capital Plan Fund			
30	Maintenance Facilities Improvements	400,000	0400,000	
31	Salt Storage Facilities	1,000,000	961,9341,961,934	
32	Portsmouth Facility	2,273,444	02,273,444	
33	Maintenance-Capital Equip. Replacement	1,500,000	01,500,000	
34	Train Station Maintenance and Repairs	350,000	323,555	673,555

1	Other Funds Total	98,312,971	41,265,685	139,578,656
2	Total – Infrastructure Maintenance	98,312,971	41,265,685	139,578,656
3	Grand Total – Transportation	478,457,845	56,000,619	534,458,464
4	Statewide Totals			
5	General Revenue	3,683,715,867	16,689,108	3,700,404,975
6	Federal Funds	2,957,075,839	141,035,654	3,098,111,493
7	Restricted Receipts	257,000,390	49,762,067	306,762,457
8	Other Funds	2,040,921,480	54,342,736	2,095,264,216
9	Statewide Grand Total	8,938,713,393	261,829,748	9,200,543,141

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

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

	FY2017	FY2017	FY2017
<u>Account</u>	<u>Enacted</u>	<u>Change</u>	<u>Final</u>
24 State Assessed Fringe Benefit Internal Service Fund	41,699,269	(1,853,175)	39,846,094
25 Administration Central Utilities Internal Service Fund	14,900,975	6,025,473	20,926,448
26 State Central Mail Internal Service Fund	6,190,285	636,305	6,826,590
27 State Telecommunications Internal Service Fund	3,017,521	167,632	3,185,153
28 State Automotive Fleet Internal Service Fund	12,543,165	(78,722)	12,464,443
29 Surplus Property Internal Service Fund	2,500	500	3,000
30 Health Insurance Internal Service Fund	251,723,462	53,362	251,776,824
31 Other Post-Employment Benefits Fund	63,934,483	0	63,934,483
32 Capital Police Internal Service Fund	1,172,421	(44,402)	1,128,019
33 Corrections Central Distribution Center Internal			
34 Service Fund	7,094,183	(46,657)	7,047,526

1	Office of Health and Human Services	179.0 <u>178.0</u>
2	Children, Youth, and Families	629.5 <u>628.5</u>
3	Health	503.6
4	Human Services	937.1
5	Behavioral Health, Developmental Disabilities, and Hospitals	1,352.4
6	Office of the Child Advocate	6.0 <u>7.0</u>
7	Commission on the Deaf and Hard of Hearing	4.0
8	Governor's Commission on Disabilities	4.0
9	Office of the Mental Health Advocate	4.0
10	Elementary and Secondary Education	139.1
11	School for the Deaf	60.0
12	Davies Career and Technical School	126.0
13	Office of the Postsecondary Commissioner	27.0
14	Provided that 1.0 of the total authorization would be available only for positions that are	
15	supported by third-party funds.	
16	University of Rhode Island	2,489.5
17	Provided that 573.8 of the total authorization would be available only for positions that	
18	are supported by third-party funds.	
19	Rhode Island College	926.2
20	Provided that 82.0 of the total authorization would be available only for positions that are	
21	supported by third-party funds.	
22	Community College of Rhode Island	854.1
23	Provided that 89.0 of the total authorization would be available only for positions that are	
24	supported by third-party funds.	
25	Rhode Island State Council on the Arts	8.6
26	RI Atomic Energy Commission	8.6
27	Historical Preservation and Heritage Commission	16.6 <u>15.6</u>
28	Office of the Attorney General	235.1
29	Corrections	1423.0
30	Judicial	723.3 <u>723.5</u>
31	Military Staff	92.0
32	Public Safety	610.2 <u>616.6</u>
33	Office of the Public Defender	92.0
34	Emergency Management	29.0

1	Environmental Management	399.0 400
2	Coastal Resources Management Council	29.0
3	Transportation	701.0 741.0
4	Total	14,952.6 15,035.9

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

6 **ARTICLE 11**

7 RELATING TO THE MOTOR VEHICLE EXCISE TAX

8 SECTION 1. Section 44-34-11 of the General Laws in Chapter 44-34 entitled "Excise on
9 Motor Vehicles and Trailers" is hereby amended to read as follows:

10 **44-34-11. Rhode Island vehicle value commission.**

11 (a) There is hereby authorized, created, and established the "Rhode Island vehicle value
12 commission" whose function it is to establish presumptive values of vehicles and trailers subject
13 to the excise tax.

14 (b) The commission shall consist of the following seven (7) members as follows:

15 (1) The director of the department of revenue or his/her designee from the department of
16 revenue;

17 (2) Five (5) local tax officials named by the governor, at least one of whom shall be from
18 a city or town under ten thousand (10,000) population and at least one of whom is from a city or
19 town over fifty thousand (50,000) population in making these appointments the governor shall
20 give due consideration to the recommendations submitted by the President of the Rhode Island
21 League of Cities and Towns and each appointment shall be subject to the advice and consent of
22 the senate;

23 (3) And one motor vehicle dealer appointed by the governor upon giving due
24 consideration to the recommendation of the director of revenue and subject to the advice and
25 consent of the senate.

26 (4) All members shall serve for a term of three (3) years.

27 (5) ~~Current legislative appointees shall cease to be members of the commission upon the~~
28 ~~effective date of this act. Non legislative appointees to the commission may serve out their terms~~
29 ~~whereupon their successors shall be appointed in accordance with this act.~~ No one person shall be
30 eligible for appointment to the commission unless he or she is a resident of this state.

31 (6) Public members of the commission shall be removable by the governor pursuant to §
32 36-1-7 for cause only, and removal solely for partisan or personal reasons unrelated to capacity or
33 fitness for the office shall be unlawful.

34 (7) The governor shall appoint a chairperson from the commission's members. The

1 commission shall elect from among its members other officers as it may deem appropriate.

2 (c) The commission shall annually determine the presumptive values of vehicles and
3 trailers subject to the excise tax in the following manner:

4 (1) Not earlier than September 30 and not later than December 31 of each year, the
5 commission shall by rule adopt a methodology for determining the presumptive value of vehicles
6 and trailers subject to the excise tax which shall give consideration to the following factors:

7 (i) The average retail price of similar vehicles of the same make, model, type, and year of
8 manufacture as reported by motor vehicle dealers or by official used car guides, such as that of
9 the National Automobile Dealers Association for New England. Where regional guides are not
10 available, the commission shall use other publications deemed appropriate; and

11 (ii) Other information concerning the average retail prices for make, model, type, and
12 year of manufacture of motor vehicles as the director and the Rhode Island vehicle value
13 commission may deem appropriate to determine fair values.

14 (iii) Notwithstanding the foregoing, the presumptive value of vehicles and trailers subject
15 to the excise tax shall not exceed seventy percent (70%) of the clean retail value for those
16 vehicles reported by the National Automobile Dealers Association Official Used Car Guide New
17 England Edition. In the event that no such clean retail value is reported, the presumptive value
18 shall not exceed seventy percent (70%) of:

19 (a) Manufacturer's suggested retail price (MSRP) for new model year vehicles as
20 reported by the National Automobile Dealers Association Guides; or

21 (b) Average retail value for those vehicles reported by the National Automobile Dealers
22 Association Official Used Car Guide National Edition and
23 Motorcycle/Snowmobile/ATV/Personal Watercraft Appraisal Guide; or

24 (c) Used retail value for those vehicles reported in the National Association of
25 Automobile Dealers Recreational Vehicle Appraisal Guide; or

26 (d) Low value for those vehicles reported in the National Automobile Dealers
27 Association Classic, Collectible, Exotic and Muscle Car Appraisal Guide & Directory.

28 (2) On or before February 1 of each year, ~~it~~ the commission shall adopt a list of values for
29 vehicles and trailers of the same make, model, type, and year of manufacture as of the preceding
30 December 31 in accordance with the methodology adopted between September 30 and December
31 31; the list shall be subject to a public hearing at least five (5) business days prior to the date of its
32 adoption.

33 (3) Nothing in this section shall be deemed to require the commission to determine the
34 presumptive value of vehicles and trailers which are unique, to which special equipment has been

1 added or to which special modifications have been made, or for which adequate information is
2 not available from the sources referenced in subdivision (1) of this subsection; provided, that the
3 commission may consider those factors in its lists or regulations.

4 (4) The commission shall annually provide the list of presumptive values of vehicles and
5 trailers to each tax assessor on or before February 15 of each year.

6 (d) The commission shall adopt rules governing its organization and the conduct of its
7 business; prior to the adoption of the rules, the chair shall have the power to call meetings, and a
8 simple majority of the members of the commission, as provided for in subsection (b) of this
9 section, is necessary for a quorum, which quorum by majority vote shall have the power to
10 conduct business in the name of the commission. The commission may adopt rules and elect from
11 among its members such other officers as it deems necessary.

12 (e) The commission shall have the power to contract for professional services that it
13 deems necessary for the development of the methodology for determining presumptive values, for
14 calculating presumptive values according to the methodology, and for preparing the list of
15 presumptive values in a form and format that is generally usable by cities and towns in their
16 preparation of tax bills. The commission shall also have the power to incur reasonable expenses
17 in the conduct of its business as required by this chapter and to authorize payments for the
18 expenses.

19 (f) Commission members shall receive no compensation for the performance of their
20 duties but may be reimbursed for their reasonable expenses incurred in carrying out such duties.

21 (g) The commission shall respond to petitions of appeal by local boards of review in
22 accordance with the provisions of § 44-34-9.

23 (h) The commission shall establish, by rule, procedures for adopting an annual budget
24 and for administering its finances. After July 1, 1986, one-half (1/2) of the cost of the
25 commission's operations shall be borne by the state and one-half (1/2) shall be borne by cities and
26 towns within the state, with the city and town share distributed among cities and towns on a per
27 capita basis.

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

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

10 SECTION 2. Section 44-34.1-1 of the General Laws in Chapter 44-34.1 entitled "Motor
11 Vehicle and Trailer Excise Tax Elimination Act of 1998" is hereby amended to read as follows:

12 **44-34.1-1. Excise tax phase-out.**

13 (a)(1) Notwithstanding the provisions of chapter 34 of this title or any other provisions to
14 the contrary, the motor vehicle and trailer excise tax established by § 44-34-1 may be phased out.
15 The phase-out shall apply to all motor vehicles and trailers, including leased vehicles.

16 (2) Lessors of vehicles that pay excise taxes directly to municipalities shall provide
17 lessees, at the time of entering into the lease agreement, an estimate of annual excise taxes
18 payable throughout the term of the lease. In the event the actual excise tax is less than the
19 estimated excise tax, the lessor shall annually rebate to the lessee the difference between the
20 actual excise tax and the estimated excise tax.

21 (b) Pursuant to the provisions of this section, all motor vehicles shall be assessed a value
22 by the vehicle value commission. That value shall be assessed according to the provisions of §
23 44-34-11(c)(1) and in accordance with the terms as defined in subsection (d) of this section;
24 provided, however, that the maximum taxable value percentage applicable to model year values
25 as of December 31, 1997, shall continue to be applicable in future year valuations aged by one
26 year in each succeeding year.

27 (c)(1) The motor vehicle excise tax phase-out shall commence with the excise tax bills
28 mailed to taxpayers for the fiscal year 2000. The phase-out, beyond fiscal year 2003, shall be
29 subject to annual review and appropriation by the general assembly. The tax assessors of the
30 various cities and towns and fire districts shall reduce the average retail value of each vehicle
31 assessed by using the prorated exemptions from the following table:

32	Local Fiscal Year State fiscal year
33	Exempt from value Local Exemption Reimbursement
34	fiscal year 1999 0 \$1,500

1 fiscal year 2000 \$1,500 \$2,500

2 fiscal year 2001 \$2,500 \$3,500

3 fiscal year 2002 \$3,500 \$4,500

4 fiscal years 2003, 2004

5 and 2005 \$4,500 \$4,500

6 for fiscal year 2006 and \$5,000 \$5,000

7 for fiscal year 2007 \$6,000 \$6,000

8 for fiscal years 2008, 2009 and 2010 the exemption and the state fiscal year
9 reimbursement shall be increased, at a minimum, to the maximum amount to the nearest two
10 hundred and fifty dollar (\$250) increment within the allocation of one and twenty-two hundredths
11 percent (1.22%) of net terminal income derived from video lottery games pursuant to the
12 provisions of § 42-61-15, and in no event shall the exemption in any fiscal year be less than the
13 prior fiscal year.

14 for fiscal year 2011 and thereafter, the exemption shall be five hundred dollars (\$500).
15 Cities and towns may provide an additional exemption; provided, however, any such additional
16 exemption shall not be subject to reimbursement.

17 for fiscal year 2018 and thereafter, in no event shall the exemption in any fiscal year be
18 less than the prior fiscal year. Cities and towns may provide an additional exemption; provided,
19 however, any such additional exemption shall not be subject to reimbursement.

20 (2) The excise tax phase-out shall provide levels of assessed value reductions until the tax
21 is eliminated or reduced as provided in this chapter.

22 (3) Current exemptions shall remain in effect as provided in this chapter.

23 (4) The excise tax rates and ratios of assessment shall be maintained at a level identical to
24 the level in effect for fiscal year 1998 for each city, town, and fire district; provided, in the town
25 of Johnston the excise tax rate and ratios of assessment shall be maintained at a level identical to
26 the level in effect for fiscal year 1999 levels and the levy of a city, town, or fire district shall be
27 limited to the lesser of the maximum taxable value or net assessed value for purposes of
28 collecting the tax in any given year. Provided, however, for fiscal year 2011 and thereafter, the
29 rates and ratios of assessment may be less than but not more than the rates described in this
30 subsection (4). For fiscal year 2018 and thereafter, the ratios of assessment may be more than the
31 ratios described in this subsection (4), provided that they shall not exceed one hundred percent
32 (100%).

33 (d) *Definitions.* (1) "Maximum taxable value" means the value of vehicles as prescribed
34 by § 44-34-11 reduced by the percentage of assessed value applicable to model year values as

1 determined by the Rhode Island vehicle value commission as of December 31, 1997, for the
2 vehicles valued by the commission as of December 31, 1997. For all vehicle value types not
3 valued by the Rhode Island vehicle value commission as of December 31, 1997, the maximum
4 taxable value shall be the latest value determined by a local assessor from an appropriate pricing
5 guide, multiplied by the ratio of assessment used by that city, town, or fire district for a particular
6 model year as of December 31, 1997.

7 (2) "Net assessed value" means the motor vehicle values as determined in accordance
8 with § 44-34-11 less all personal exemptions allowed by cities, towns, fire districts, and the state
9 of Rhode Island exemption value as provided for in § 44-34.1-1(c)(1).

10 (e) If any provision of this chapter shall be held invalid by any court of competent
11 jurisdiction, the remainder of this chapter and the applications of the provisions hereof shall not
12 be effected thereby.

13 SECTION 3. This article shall take effect as of July 1, 2017.

14 **ARTICLE 12**

15 RELATING TO MEDICAID REFORM ACT OF 2008 RESOLUTION

16 SECTION 1. Rhode Island Medicaid Reform Act of 2008 Resolution.

17 WHEREAS, the General Assembly enacted Chapter 12.4 of Title 42 entitled "The Rhode
18 Island Medicaid Reform Act of 2008"; and

19 WHEREAS, a legislative enactment is required pursuant to Rhode Island General Laws
20 42-12.4-1, et seq.; and

21 WHEREAS, Rhode Island General Law 42-7.2-5(3)(a) provides that the Secretary of the
22 Executive Office of Health and Human Services ("Executive Office") is responsible for the
23 review and coordination of any Medicaid section 1115 demonstration waiver requests and
24 renewals as well as any initiatives and proposals requiring amendments to the Medicaid state plan
25 or category II or III changes as described in the demonstration, "with potential to affect the scope,
26 amount, or duration of publicly-funded health care services, provider payments or
27 reimbursements, or access to or the availability of benefits and services provided by Rhode Island
28 general and public laws"; and

29 WHEREAS, in pursuit of a more cost-effective consumer choice system of care that is
30 fiscally sound and sustainable, the Secretary requests legislative approval of the following
31 proposals to amend the demonstration:

32 (a) *Provider Rates -- Adjustments.* The Executive Office proposes to:

33 (i) Eliminate hospital payments by the projected increases in hospital rates that would
34 otherwise take-effect during the state fiscal year 2018 and reduce the hospital payments by one

1 percent on January 1, 2018.

2 (ii) Adjust acuity-based payment rates to nursing facilities and eliminate the annual
3 increase in rates that would otherwise take-effect on October 1, 2017;

4 (iii) Change the acuity-based policy adjustor for payments to hospitals for behavioral
5 health services; and

6 (iv) Reduce rates for Medicaid managed care plan administration.

7 Implementation of adjustments may require amendments to the Rhode Island’s Medicaid
8 State Plan and/or Section 1115 waiver under the terms and conditions of the demonstration.
9 Further, adoption of new or amended rules, regulations and procedures may also be required.

10 (b) *Beneficiary Liability Collection Enhancements* – Federal laws and regulations require
11 beneficiaries who are receiving Medicaid-funded long-term services and supports (LTSS) to pay
12 a portion of their income toward in the cost of care. The Executive Office is seeking to enhance
13 the agency’s capacity to collect these payments in a timely and equitable manner. The Executive
14 Office may require federal State Plan and/or waiver authority to implement these enhancements.
15 Amended rules, regulations and procedures may also be required.

16 (c) *Community Health Centers – Alternative payment methodology.* To pursue more
17 transparent, better coordinated, and cost-effective care delivery, the Executive Office proposes to
18 revise the *Rhode Island’s Principles of Reimbursement for Federally Qualified Health Centers*, as
19 amended July 2012, to include in its monthly capitation payments to the health plans the total cost
20 of providing care to the Medicaid plan members the Community Health Centers serve. Pursuing
21 such revisions may also require amendments to the Medicaid state plan and/or other federal
22 authorities.

23 (d) *Healthy Aging Initiative and LTSS System Reform.* The Executive Office proposes to
24 further the goals of the Healthy Aging Initiative and LTSS system rebalancing by pursuing:

25 (i) *Integrated Care Initiative (ICI) – Demonstration amendment.* New enrollment
26 patterns in managed care and fee-for-services Medicaid that will promote the Healthy Aging
27 Initiative goals of achieving greater utilization of home and community-based long-term services
28 and supports options.

29 (ii) *Process Review and Reform.* A review of access to Medicaid-funded LTSS for the
30 purpose of reforming existing processes to streamline eligibility determination procedures,
31 promote options counseling and person-centered planning, and to further the goals of rebalancing
32 the LTSS system while preserving service quality, choice and cost-effectiveness.

33 Implementation of these changes may require Section 1115 waiver authority under the
34 terms and conditions of the demonstration. New and/or amended rules, regulations and

1 procedures may also be necessary to implement this proposal. Accordingly, the Executive Office
2 may require State Plan or the Section 1115 waiver to foster greater access to home and
3 community-based services. Implementation of such changes may also require the adoption of
4 rules, regulations and/or procedures.

5 (e) *Adult Dental Services – Delivery system reform.* The Executive Office proposes to
6 change the payment and delivery system for adult dental services, including rates for oral surgery.
7 Changes to the Medicaid State Plan and the Section 1115 waiver are required to implement these
8 reforms. New and/or amended rules, regulations and procedures may also be necessary.

9 (f) *Estate Recoveries and Liens.* Proposed changes in Executive Office policies pertaining
10 to estate recoveries and liens may require new or amended State Plan and/or Section 1115 waiver
11 authorities. Implementation of these changes may also require new and/or amended rules,
12 regulations and procedures.

13 (g) *Asthma Treatment -- Home Asthma Response Program (HARP).* HARP is an
14 evidence-based asthma intervention program designed to reduce preventable asthma emergency
15 department visits and hospitalization among high risk pediatric asthma patients. To obtain
16 Medicaid financial participation for implementation of HARP, the Executive Office may be
17 required to adopt State Plan amendments and/or additional authorities under the terms of the
18 Rhode Island's Section 1115 demonstration waiver.

19 (h) *Centers of Excellence (COEs) – Opioid Treatment.* The Executive Office proposes
20 to establish a COE to promote best practices in the prevention and treatment of the Rhode
21 Islanders who are addicted to opioids. Pursuing the establishment of COEs financed in part by
22 federal matching Medicaid funds requires certain amendments to the Medicaid State Plan and
23 may necessitate adoption of new or amended waiver authorities, rules, regulations and
24 procedures.

25 (i) *Federal Financing Opportunities.* The Executive Office proposes to review Medicaid
26 requirements and opportunities under the U.S. Patient Protection and Affordable Care Act of
27 2010 (PPACA) and various other recently enacted federal laws and pursue any changes in the
28 Rhode Island Medicaid program that promote service quality, access and cost-effectiveness that
29 may warrant a Medicaid State Plan amendment or amendment under the terms and conditions of
30 Rhode Island's Section 1115 Waiver, its successor, or any extension thereof. Any such actions
31 by the Executive Office shall not have an adverse impact on beneficiaries or cause there to be an
32 increase in expenditures beyond the amount appropriated for state fiscal year 2018.

33 Now, therefore, be it: RESOLVED, the General Assembly hereby approves proposals
34 and be it further;

1 RESOLVED, the Secretary of the Executive Office is authorized to pursue and
2 implement any waiver amendments, State Plan amendments, and/or changes to the applicable
3 department's rules, regulations and procedures approved herein and as authorized by 42-12.4-7;
4 and be it further

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

6 SECTION 2. This article shall take effect upon passage.

7 ARTICLE 13

8 RELATING TO MEDICAL ASSISTANCE AND UNCOMPENSATED CARE

9 SECTION 1. Sections 40-8-13.4, 40-8-19 and 40-8-26 of the General Laws in Chapter
10 40-8 entitled "Medical Assistance" are hereby amended to read as follows:

11 **40-8-13.4. Rate methodology for payment for in state and out of state hospital**
12 **services.**

13 (a) The executive office of health and human services ("executive office") shall
14 implement a new methodology for payment for in-state and out-of-state hospital services in order
15 to ensure access to, and the provision of, high-quality and cost-effective hospital care to its
16 eligible recipients.

17 (b) In order to improve efficiency and cost effectiveness, the executive office shall:

18 (1)(i) With respect to inpatient services for persons in fee-for-service Medicaid, which is
19 non-managed care, implement a new payment methodology for inpatient services utilizing the
20 Diagnosis Related Groups (DRG) method of payment, which is a patient-classification method
21 that provides a means of relating payment to the hospitals to the type of patients cared for by the
22 hospitals. It is understood that a payment method based on DRG may include cost outlier
23 payments and other specific exceptions. The executive office will review the DRG-payment
24 method and the DRG base price annually, making adjustments as appropriate in consideration of
25 such elements as trends in hospital input costs; patterns in hospital coding; beneficiary access to
26 care; and the Centers for Medicare and Medicaid Services national CMS Prospective Payment
27 System (IPPS) Hospital Input Price index. For the twelve-month (12) period beginning July 1,
28 2015, the DRG base rate for Medicaid fee-for-service inpatient hospital services shall not exceed
29 ninety-seven and one-half percent (97.5%) of the payment rates in effect as of July 1, 2014. [For](#)
30 [the six \(6\) month period beginning January 1, 2018, the DRG base rate for Medicaid fee-for-](#)
31 [service inpatient hospital services shall not exceed ninety-nine percent \(99.0%\) of the payment](#)
32 [rates in effect as of July 1, 2017.](#)

33 (ii) With respect to inpatient services, (A) It is required as of January 1, 2011 until
34 December 31, 2011, that the Medicaid managed care payment rates between each hospital and

1 health plan shall not exceed ninety and one tenth percent (90.1%) of the rate in effect as of June
2 30, 2010. Negotiated increases in inpatient hospital payments for each annual twelve-month (12)
3 period beginning January 1, 2012 may not exceed the Centers for Medicare and Medicaid
4 Services national CMS Prospective Payment System (IPPS) Hospital Input Price index for the
5 applicable period; (B) Provided, however, for the twenty-four-month (24) period beginning July
6 1, 2013, the Medicaid managed care payment rates between each hospital and health plan shall
7 not exceed the payment rates in effect as of January 1, 2013, and for the twelve-month (12)
8 period beginning July 1, 2015, the Medicaid managed-care payment inpatient rates between each
9 hospital and health plan shall not exceed ninety-seven and one-half percent (97.5%) of the
10 payment rates in effect as of January 1, 2013; (C) Negotiated increases in inpatient hospital
11 payments for each annual twelve-month (12) period beginning July 1, 2016, may not exceed the
12 Centers for Medicare and Medicaid Services national CMS Prospective Payment System (IPPS)
13 Hospital Input Price Index, less Productivity Adjustment, for the applicable period; (D) For the
14 six (6) month period beginning July 1, 2017, the Medicaid managed care payment inpatient rates
15 between each hospital and health plan shall not exceed ninety-nine percent (99.0%) of the
16 payment rates in effect as of July 1, 2017; ~~(D)~~ E) The executive office will develop an audit
17 methodology and process to assure that savings associated with the payment reductions will
18 accrue directly to the Rhode Island Medicaid program through reduced managed-care-plan
19 payments and shall not be retained by the managed-care plans; ~~(E)~~ F) All hospitals licensed in
20 Rhode Island shall accept such payment rates as payment in full; and ~~(F)~~ G) For all such hospitals,
21 compliance with the provisions of this section shall be a condition of participation in the Rhode
22 Island Medicaid program.

23 (2) With respect to outpatient services and notwithstanding any provisions of the law to
24 the contrary, for persons enrolled in fee-for-service Medicaid, the executive office will reimburse
25 hospitals for outpatient services using a rate methodology determined by the executive office and
26 in accordance with federal regulations. Fee-for-service outpatient rates shall align with Medicare
27 payments for similar services. Notwithstanding the above, there shall be no increase in the
28 Medicaid fee-for-service outpatient rates effective on July 1, 2013, July 1, 2014, or July 1, 2015.
29 For the twelve-month (12) period beginning July 1, 2015, Medicaid fee-for-service outpatient
30 rates shall not exceed ninety-seven and one-half percent (97.5%) of the rates in effect as of July 1,
31 2014. For the six (6) month period beginning January 1, 2018, Medicaid fee-for-service
32 outpatient rates shall not exceed ninety-nine percent (99.0%) of the rates in effect as of July 1,
33 2017. Thereafter, increases in the outpatient hospital payments for each annual twelve-month
34 (12) period beginning July 1, 2016~~7~~, may not exceed the CMS national Outpatient Prospective

1 Payment System (OPPS) Hospital Input Price Index for the applicable period. With respect to the
2 outpatient rate,

3 (i) It is required as of January 1, 2011, until December 31, 2011, that the Medicaid
4 managed-care payment rates between each hospital and health plan shall not exceed one hundred
5 percent (100%) of the rate in effect as of June 30, 2010;

6 (ii) Negotiated increases in hospital outpatient payments for each annual twelve-month
7 (12) period beginning January 1, 2012, may not exceed the Centers for Medicare and Medicaid
8 Services national CMS Outpatient Prospective Payment System OPPS hospital price index for the
9 applicable period;

10 (iii) Provided, however, for the twenty-four-month (24) period beginning July 1, 2013,
11 the Medicaid managed-care outpatient payment rates between each hospital and health plan shall
12 not exceed the payment rates in effect as of January 1, 2013, and for the twelve-month (12)
13 period beginning July 1, 2015, the Medicaid managed-care outpatient payment rates between
14 each hospital and health plan shall not exceed ninety-seven and one-half percent (97.5%) of the
15 payment rates in effect as of January 1, 2013;

16 (iv) For the six (6) month period beginning January 1, 2018, the Medicaid managed care
17 outpatient payment rates between each hospital and health plan shall not exceed ninety-nine
18 percent (99.0%) of the payment rates in effect as of July 1, 2017;

19 (v) Negotiated increases in outpatient hospital payments for each annual twelve-month
20 (12) period beginning July 1, 201~~6~~⁸, may not exceed the Centers for Medicare and Medicaid
21 Services national CMS OPPS Hospital Input Price Index, less Productivity Adjustment, for the
22 applicable period.

23 (3) "Hospital", as used in this section, shall mean the actual facilities and buildings in
24 existence in Rhode Island, licensed pursuant to 23-17-1 et seq. on June 30, 2010, and thereafter
25 any premises included on that license, regardless of changes in licensure status pursuant to
26 chapter 17.14 of title 23 (hospital conversions) and 23-17-6(b) (change in effective control), that
27 provides short-term, acute inpatient and/or outpatient care to persons who require definitive
28 diagnosis and treatment for injury, illness, disabilities, or pregnancy. Notwithstanding the
29 preceding language, the negotiated Medicaid managed care payment rates for a court-approved
30 purchaser that acquires a hospital through receivership, special mastership or other similar state
31 insolvency proceedings (which court-approved purchaser is issued a hospital license after January
32 1, 2013) shall be based upon the newly negotiated rates between the court-approved purchaser
33 and the health plan, and such rates shall be effective as of the date that the court-approved
34 purchaser and the health plan execute the initial agreement containing the newly negotiated rate.

1 The rate-setting methodology for inpatient-hospital payments and outpatient-hospital payments
2 set forth in subdivisions (b)(1)(ii)(C) and (b)(2), respectively, shall thereafter apply to negotiated
3 increases for each annual twelve-month (12) period as of July 1 following the completion of the
4 first full year of the court-approved purchaser's initial Medicaid managed care contract.

5 (c) It is intended that payment utilizing the DRG method shall reward hospitals for
6 providing the most efficient care, and provide the executive office the opportunity to conduct
7 value-based purchasing of inpatient care.

8 (d) The secretary of the executive office is hereby authorized to promulgate such rules
9 and regulations consistent with this chapter, and to establish fiscal procedures he or she deems
10 necessary, for the proper implementation and administration of this chapter in order to provide
11 payment to hospitals using the DRG-payment methodology. Furthermore, amendment of the
12 Rhode Island state plan for Medicaid, pursuant to Title XIX of the federal Social Security Act, is
13 hereby authorized to provide for payment to hospitals for services provided to eligible recipients
14 in accordance with this chapter.

15 (e) The executive office shall comply with all public notice requirements necessary to
16 implement these rate changes.

17 (f) As a condition of participation in the DRG methodology for payment of hospital
18 services, every hospital shall submit year-end settlement reports to the executive office within one
19 year from the close of a hospital's fiscal year. Should a participating hospital fail to timely submit
20 a year-end settlement report as required by this section, the executive office shall withhold
21 financial-cycle payments due by any state agency with respect to this hospital by not more than
22 ten percent (10%) until said report is submitted. For hospital fiscal year 2010 and all subsequent
23 fiscal years, hospitals will not be required to submit year-end settlement reports on payments for
24 outpatient services. For hospital fiscal year 2011 and all subsequent fiscal years, hospitals will not
25 be required to submit year-end settlement reports on claims for hospital inpatient services.
26 Further, for hospital fiscal year 2010, hospital inpatient claims subject to settlement shall include
27 only those claims received between October 1, 2009, and June 30, 2010.

28 (g) The provisions of this section shall be effective upon implementation of the new
29 payment methodology set forth in this section and 40-8-13.3, which shall in any event be no later
30 than March 30, 2010, at which time the provisions of §40-8-13.2, 27-19-14, 27-19-15, and 27-19-
31 16 shall be repealed in their entirety.

32 **40-8-19. Rates of payment to nursing facilities.**

33 (a) Rate reform. (1) The rates to be paid by the state to nursing facilities licensed
34 pursuant to chapter 17 of title 23, and certified to participate in the Title XIX Medicaid program

1 for services rendered to Medicaid-eligible residents, shall be reasonable and adequate to meet the
2 costs that must be incurred by efficiently and economically operated facilities in accordance with
3 42 U.S.C. §1396a(a)(13). The executive office of health and human services ("executive office")
4 shall promulgate or modify the principles of reimbursement for nursing facilities in effect as of
5 July 1, 2011 to be consistent with the provisions of this section and Title XIX, 42 U.S.C. 1396 et
6 seq., of the Social Security Act.

7 (2) The executive office shall review the current methodology for providing Medicaid
8 payments to nursing facilities, including other long-term care services providers, and is
9 authorized to modify the principles of reimbursement to replace the current cost based
10 methodology rates with rates based on a price based methodology to be paid to all facilities with
11 recognition of the acuity of patients and the relative Medicaid occupancy, and to include the
12 following elements to be developed by the executive office:

- 13 (i) A direct care rate adjusted for resident acuity;
- 14 (ii) An indirect care rate comprised of a base per diem for all facilities;
- 15 (iii) A rearray of costs for all facilities every three (3) years beginning October, 2015, that
16 may or may not result in automatic per diem revisions;
- 17 (iv) Application of a fair rental value system;
- 18 (v) Application of a pass-through system; and
- 19 (vi) Adjustment of rates by the change in a recognized national nursing home inflation

20 index to be applied on October 1st of each year, beginning October 1, 2012. This adjustment will
21 not occur on October 1, 2013 or October 1, 2015, but will occur on April 1, 2015. [The adjustment
22 of rates will also not occur on October 1, 2017.](#) Said inflation index shall be applied without
23 regard for the transition factor in subsection (b)(2) below. For purposes of October 1, 2016,
24 adjustment only, any rate increase that results from application of the inflation index to
25 subparagraphs (a)(2)(i) and (a)(2)(ii) shall be dedicated to increase compensation for direct-care
26 workers in the following manner: Not less than 85% of this aggregate amount shall be expended
27 to fund an increase in wages, benefits, or related employer costs of direct-care staff of nursing
28 homes. For purposes of this section, direct-care staff shall include registered nurses (RNs),
29 licensed practical nurses (LPNs), certified nursing assistants (CNAs), certified medical
30 technicians, housekeeping staff, laundry staff, dietary staff, or other similar employees providing
31 direct care services; provided, however, that this definition of direct-care staff shall not include:

- 32 (i) RNs and LPNs who are classified as "exempt employees" under the Federal Fair Labor
33 Standards Act (29 U.S.C. 201 et seq.); or (ii) CNAs, certified medical technicians, RNs, or LPNs
34 who are contracted, or subcontracted, through a third-party vendor or staffing agency. By July 31,

1 2017, nursing facilities shall submit to the secretary, or designee, a certification that they have
2 complied with the provisions of this subparagraph (a)(2)(vi) with respect to the inflation index
3 applied on October 1, 2016. Any facility that does not comply with terms of such certification
4 shall be subjected to a clawback, paid by the nursing facility to the state, in the amount of
5 increased reimbursement subject to this provision that was not expended in compliance with that
6 certification.

7 [\(vii\) Effective on and after July 1, 2017, modify the reimbursement methodology through](#)
8 [the implementation of acuity-based policy adjustors.](#)

9 (b) Transition to full implementation of rate reform. For no less than four (4) years after
10 the initial application of the price-based methodology described in subdivision (a)(2) to payment
11 rates, the executive office of health and human services shall implement a transition plan to
12 moderate the impact of the rate reform on individual nursing facilities. Said transition shall
13 include the following components:

14 (1) No nursing facility shall receive reimbursement for direct-care costs that is less than
15 the rate of reimbursement for direct-care costs received under the methodology in effect at the
16 time of passage of this act; for the year beginning October 1, 2017, the reimbursement for direct-
17 care costs under this provision will be phased out in twenty-five-percent (25%) increments each
18 year until October 1, 2021, when the reimbursement will no longer be in effect. No nursing
19 facility shall receive reimbursement for direct care costs that is less than the rate of
20 reimbursement for direct care costs received under the methodology in effect at the time of
21 passage of this act; and

22 (2) No facility shall lose or gain more than five dollars (\$5.00) in its total per diem rate
23 the first year of the transition. An adjustment to the per diem loss or gain may be phased out by
24 twenty-five percent (25%) each year; except, however, for the years beginning October 1, 2015,
25 there shall be no adjustment to the per diem gain or loss, but the phase out shall resume
26 thereafter; and

27 (3) The transition plan and/or period may be modified upon full implementation of
28 facility per diem rate increases for quality of care related measures. Said modifications shall be
29 submitted in a report to the general assembly at least six (6) months prior to implementation.

30 (4) Notwithstanding any law to the contrary, for the twelve (12) month period beginning
31 July 1, 2015, Medicaid payment rates for nursing facilities established pursuant to this section
32 shall not exceed ninety-eight percent (98%) of the rates in effect on April 1, 2015.

33 **40-8-26. Community health centers.**

34 (a) For the purposes of this section the term community health centers refers to federally

1 qualified health centers and rural health centers.

2 (b) To support the ability of community health centers to provide high quality medical
3 care to patients, the ~~department of human services~~ executive office of health and human services
4 (“executive office”) shall adopt and implement a methodology for determining a Medicaid per
5 visit reimbursement for community health centers which is compliant with the prospective
6 payment system provided for in the Medicare, Medicaid and SCHIP Benefits Improvement and
7 Protection Act of 2001. The following principles are to assure that the prospective payment rate
8 determination methodology is part of the ~~department of human services’~~ executive office overall
9 value purchasing approach.

10 (c) The rate determination methodology will (i) fairly recognize the reasonable costs of
11 providing services. Recognized reasonable costs will be those appropriate for the organization,
12 management and direct provision of services and (ii) provide assurances to the ~~department of~~
13 ~~human services~~ executive office that services are provided in an effective and efficient manner,
14 consistent with industry standards. Except for demonstrated cause and at the discretion of the
15 ~~department of human services~~ executive office, the maximum reimbursement rate for a service
16 (e.g. medical, dental) provided by an individual community health center shall not exceed one
17 hundred twenty-five percent (125%) of the median rate for all community health centers within
18 Rhode Island.

19 (d) Community health centers will cooperate fully and timely with reporting requirements
20 established by the ~~department~~ executive office.

21 (e) Reimbursement rates established through this methodology shall be incorporated into
22 the PPS reconciliation for services provided to Medicaid eligible persons who are enrolled in a
23 health plan on the date of service. Monthly payments by ~~DHS~~ the executive office related to PPS
24 for persons enrolled in a health plan shall be made directly to the community health centers.

25 (f) Reimbursement rates established through this methodology shall be incorporated into
26 ~~the PPS reconciliation for services provided to Medicaid eligible persons who are enrolled in a~~
27 ~~health plan on the date of service. Monthly payments by DHS related to PPS for persons enrolled~~
28 ~~in a health plan shall be made directly to the community health centers~~ actuarially certified
29 capitation rates paid to a health plan. The health plan shall be responsible for paying the full
30 amount of the reimbursement rate to the community health center for each service eligible for
31 reimbursement under the Medicare, Medicaid and SCHIP Benefits Improvement and Protection
32 Act of 2001. If the health plan has an alternative payment arrangement with the community health
33 center the health plan may establish a PPS reconciliation process for eligible services and make
34 monthly payments related to PPS for person enrolled in the health plan on the date of service. The

1 [executive office will review, at least annually, the Medicaid reimbursement rates and](#)
2 [reconciliation methodology used by the health plans for community health centers to ensure](#)
3 [payments to each are made in compliance with the Medicare, Medicaid and SCHIP Benefits](#)
4 [Improvement and Protection Act of 2001.](#)

5 SECTION 2. Sections 40-8.3-2 and 40-8.3-10 of the General Laws in Chapter 40-8.3
6 entitled "Uncompensated Care" are hereby amended to read as follows:

7 **40-8.3-2. Definitions.**

8 As used in this chapter:

9 (1) "Base year" means, for the purpose of calculating a disproportionate share payment
10 for any fiscal year ending after September 30, 2015, the period from October 1, 2013, through
11 September 30, 2014, and for any fiscal year ending after September 30, 2016, the period from
12 October 1, 2014, through September 30, 2015.

13 (2) "Medicaid inpatient utilization rate for a hospital" means a fraction (expressed as a
14 percentage), the numerator of which is the hospital's number of inpatient days during the base
15 year attributable to patients who were eligible for medical assistance during the base year and the
16 denominator of which is the total number of the hospital's inpatient days in the base year.

17 (3) "Participating hospital" means any [government or](#) nongovernment and [psychiatric or](#)
18 non-psychiatric hospital that:

19 (i) Was licensed as a hospital in accordance with chapter 17 of title 23 during the base
20 year and shall mean the actual facilities and buildings in existence in Rhode Island, licensed
21 pursuant to 23-17-1 et seq. on June 30, 2010, and thereafter any premises included on that license,
22 regardless of changes in licensure status pursuant to chapter 17.14 of title 23 (hospital
23 conversions) and 23-17-6(b) (change in effective control), that provides short-term acute inpatient
24 and/or outpatient care to persons who require definitive diagnosis and treatment for injury,
25 illness, disabilities, or pregnancy. Notwithstanding the preceding language, the negotiated
26 Medicaid managed care payment rates for a court-approved purchaser that acquires a hospital
27 through receivership, special mastership, or other similar state insolvency proceedings (which
28 court-approved purchaser is issued a hospital license after January 1, 2013) shall be based upon
29 the newly negotiated rates between the court-approved purchaser and the health plan, and such
30 rates shall be effective as of the date that the court-approved purchaser and the health plan
31 execute the initial agreement containing the newly negotiated rate. The rate-setting methodology
32 for inpatient hospital payments and outpatient hospital payments set forth in §40-8-
33 13.4(b)(1)(ii)(C) and 40-8-13.4(b)(2), respectively, shall thereafter apply to negotiated increases
34 for each annual twelve-month (12) period as of July 1 following the completion of the first full

1 year of the court-approved purchaser's initial Medicaid managed care contract.

2 (ii) Achieved a medical assistance inpatient utilization rate of at least one percent (1%)
3 during the base year; and

4 (iii) Continues to be licensed as a hospital in accordance with chapter 17 of title 23 during
5 the payment year.

6 (4) "Uncompensated-care costs" means, as to any hospital, the sum of: (i) The cost
7 incurred by such hospital during the base year for inpatient or outpatient services attributable to
8 charity care (free care and bad debts) for which the patient has no health insurance or other third-
9 party coverage less payments, if any, received directly from such patients; and (ii) The cost
10 incurred by such hospital during the base year for inpatient or out-patient services attributable to
11 Medicaid beneficiaries less any Medicaid reimbursement received therefor; multiplied by the
12 uncompensated care index.

13 (5) "Uncompensated-care index" means the annual percentage increase for hospitals
14 established pursuant to 27-19-14 for each year after the base year, up to and including the
15 payment year, provided, however, that the uncompensated-care index for the payment year
16 ending September 30, 2007, shall be deemed to be five and thirty-eight hundredths percent
17 (5.38%), and that the uncompensated-care index for the payment year ending September 30,
18 2008, shall be deemed to be five and forty-seven hundredths percent (5.47%), and that the
19 uncompensated-care index for the payment year ending September 30, 2009, shall be deemed to
20 be five and thirty-eight hundredths percent (5.38%), and that the uncompensated-care index for
21 the payment years ending September 30, 2010, September 30, 2011, September 30, 2012,
22 September 30, 2013, September 30, 2014, September 30, 2015, September 30, 2016, and
23 September 30, 2017, shall be deemed to be five and thirty hundredths percent (5.30%).

24 **40-8.3-10. Hospital adjustment payments.**

25 Effective July 1, 2012 and for each subsequent year, the executive office of health and
26 human services is hereby authorized and directed to amend its regulations for reimbursement to
27 hospitals for inpatient and outpatient services as follows:

28 (a) Each hospital in the state of Rhode Island, as defined in subdivision 23-17-38.1(c)(1),
29 shall receive a quarterly outpatient adjustment payment each state fiscal year of an amount
30 determined as follows:

31 (1) Determine the percent of the state's total Medicaid outpatient and emergency
32 department services (exclusive of physician services) provided by each hospital during each
33 hospital's prior fiscal year;

34 (2) Determine the sum of all Medicaid payments to hospitals made for outpatient and

1 emergency department services (exclusive of physician services) provided during each hospital's
2 prior fiscal year;

3 (3) Multiply the sum of all Medicaid payments as determined in subdivision (2) by a
4 percentage defined as the total identified upper payment limit for all hospitals divided by the sum
5 of all Medicaid payments as determined in subdivision (2); and then multiply that result by each
6 hospital's percentage of the state's total Medicaid outpatient and emergency department services
7 as determined in subdivision (1); and then multiply the immediately preceding result by fifty
8 percent (50%) to obtain the total outpatient adjustment for each hospital to be paid each year;

9 (4) Pay each hospital on or before July 20, October 20, January 20, and April 20 one
10 quarter (1/4) of its total outpatient adjustment as determined in subdivision (3) above.

11 (b) Each hospital in the state of Rhode Island, as defined in subdivision 3-17-38.19(b)(1),
12 shall receive a quarterly inpatient adjustment payment each state fiscal year of an amount
13 determined as follows:

14 (1) Determine the percent of the state's total Medicaid inpatient services (exclusive of
15 physician services) provided by each hospital during each hospital's prior fiscal year;

16 (2) Determine the sum of all Medicaid payments to hospitals made for inpatient services
17 (exclusive of physician services) provided during each hospital's prior fiscal year;

18 (3) Multiply the sum of all Medicaid payments as determined in subdivision (2) by a
19 percentage defined as the total identified upper payment limit for all hospitals divided by the sum
20 of all Medicaid payments as determined in subdivision (2); and then multiply that result by each
21 hospital's percentage of the state's total Medicaid inpatient services as determined in subdivision
22 (1); and then multiply the immediately preceding result by fifty percent (50%) to obtain the total
23 inpatient adjustment for each hospital to be paid each year;

24 (4) Pay each hospital on or before July 20, October 20, January 20, and April 20 one
25 quarter (1/4) of its total inpatient adjustment as determined in subdivision (3) above.

26 (c) The amounts determined in subsections (a) and (b) are in addition to Medicaid
27 inpatient and outpatient payments and emergency services payments (exclusive of physician
28 services) paid to hospitals in accordance with current state regulation and the Rhode Island Plan
29 for Medicaid Assistance pursuant to Title XIX of the Social Security Act and are not subject to
30 recoupment or settlement.

31 SECTION 3. Section 40-8.9-9 of the General Laws in Chapter 40-8.9 entitled "Medical
32 Assistance - Long-Term Care Service and Finance Reform" are hereby amended to read as
33 follows:

34 **40-8.9-9. Long-term care re-balancing system reform goal.**

1 (a) Notwithstanding any other provision of state law, the executive office of health and
2 human services is authorized and directed to apply for and obtain any necessary waiver(s), waiver
3 amendment(s) and/or state plan amendments from the secretary of the United States department
4 of health and human services, and to promulgate rules necessary to adopt an affirmative plan of
5 program design and implementation that addresses the goal of allocating a minimum of fifty
6 percent (50%) of Medicaid long-term care funding for persons aged sixty-five (65) and over and
7 adults with disabilities, in addition to services for persons with developmental disabilities , to
8 home and community-based care ; provided, further, the executive office shall report annually as
9 part of its budget submission, the percentage distribution between institutional care and home and
10 community-based care by population and shall report current and projected waiting lists for long-
11 term care and home and community-based care services. The executive office is further
12 authorized and directed to prioritize investments in home and community- based care and to
13 maintain the integrity and financial viability of all current long-term care services while pursuing
14 this goal.

15 (b) The reformed long-term care system re-balancing goal is person-centered and
16 encourages individual self-determination, family involvement, interagency collaboration, and
17 individual choice through the provision of highly specialized and individually tailored home-
18 based services. Additionally, individuals with severe behavioral, physical, or developmental
19 disabilities must have the opportunity to live safe and healthful lives through access to a wide
20 range of supportive services in an array of community-based settings, regardless of the
21 complexity of their medical condition, the severity of their disability, or the challenges of their
22 behavior. Delivery of services and supports in less costly and less restrictive community settings,
23 will enable children, adolescents, and adults to be able to curtail, delay, or avoid lengthy stays in
24 long-term care institutions, such as behavioral health residential treatment facilities, long- term
25 care hospitals, intermediate care facilities and/or skilled nursing facilities.

26 (c) Pursuant to federal authority procured under 42-7.2-16 of the general laws, the
27 executive office of health and human services is directed and authorized to adopt a tiered set of
28 criteria to be used to determine eligibility for services. Such criteria shall be developed in
29 collaboration with the state's health and human services departments and, to the extent feasible,
30 any consumer group, advisory board, or other entity designated for such purposes, and shall
31 encompass eligibility determinations for long-term care services in nursing facilities, hospitals,
32 and intermediate care facilities for persons with intellectual disabilities as well as home and
33 community-based alternatives, and shall provide a common standard of income eligibility for
34 both institutional and home and community- based care. The executive office is authorized to

1 adopt clinical and/or functional criteria for admission to a nursing facility, hospital, or
2 intermediate care facility for persons with intellectual disabilities that are more stringent than
3 those employed for access to home and community-based services. The executive office is also
4 authorized to promulgate rules that define the frequency of re- assessments for services provided
5 for under this section. Levels of care may be applied in accordance with the following:

6 (1) The executive office shall continue to apply the level of care criteria in effect on June
7 30, 2015 for any recipient determined eligible for and receiving Medicaid-funded long-term
8 services in supports in a nursing facility, hospital, or intermediate care facility for persons with
9 intellectual disabilities on or before that date, unless:

10 (a) the recipient transitions to home and community based services because he or she
11 would no longer meet the level of care criteria in effect on June 30, 2015; or

12 (b) the recipient chooses home and community-based services over the nursing facility,
13 hospital, or intermediate care facility for persons with intellectual disabilities. For the purposes of
14 this section, a failed community placement, as defined in regulations promulgated by the
15 executive office, shall be considered a condition of clinical eligibility for the highest level of care.
16 The executive office shall confer with the long-term care ombudsperson with respect to the
17 determination of a failed placement under the ombudsperson's jurisdiction. Should any Medicaid
18 recipient eligible for a nursing facility, hospital, or intermediate care facility for persons with
19 intellectual disabilities as of June 30, 2015, receive a determination of a failed community
20 placement, the recipient shall have access to the highest level of care; furthermore, a recipient
21 who has experienced a failed community placement shall be transitioned back into his or her
22 former nursing home, hospital, or intermediate care facility for persons with intellectual
23 disabilities whenever possible. Additionally, residents shall only be moved from a nursing home,
24 hospital, or intermediate care facility for persons with intellectual disabilities in a manner
25 consistent with applicable state and federal laws.

26 (2) Any Medicaid recipient eligible for the highest level of care who voluntarily leaves a
27 nursing home, hospital, or intermediate care facility for persons with intellectual disabilities shall
28 not be subject to any wait list for home and community-based services.

29 (3) No nursing home, hospital, or intermediate care facility for persons with intellectual
30 disabilities shall be denied payment for services rendered to a Medicaid recipient on the grounds
31 that the recipient does not meet level of care criteria unless and until the executive office has:

32 (i) performed an individual assessment of the recipient at issue and provided written
33 notice to the nursing home, hospital, or intermediate care facility for persons with intellectual
34 disabilities that the recipient does not meet level of care criteria; and

1 (ii) the recipient has either appealed that level of care determination and been
2 unsuccessful, or any appeal period available to the recipient regarding that level of care
3 determination has expired.

4 (d) The executive office is further authorized to consolidate all home and community-
5 based services currently provided pursuant to 1915(c) of title XIX of the United States Code into
6 a single system of home and community- based services that include options for consumer
7 direction and shared living. The resulting single home and community-based services system
8 shall replace and supersede all §1915(c) programs when fully implemented. Notwithstanding the
9 foregoing, the resulting single program home and community-based services system shall include
10 the continued funding of assisted living services at any assisted living facility financed by the
11 Rhode Island housing and mortgage finance corporation prior to January 1, 2006, and shall be in
12 accordance with chapter 66.8 of title 42 of the general laws as long as assisted living services are
13 a covered Medicaid benefit.

14 (e) The executive office is authorized to promulgate rules that permit certain optional
15 services including, but not limited to, homemaker services, home modifications, respite, and
16 physical therapy evaluations to be offered to persons at risk for Medicaid-funded long-term care
17 subject to availability of state-appropriated funding for these purposes.

18 (f) To promote the expansion of home and community-based service capacity, the
19 executive office is authorized to pursue payment methodology reforms that increase access to
20 homemaker, personal care (home health aide), assisted living, adult supportive care homes, and
21 adult day services, as follows:

22 (1) Development, of revised or new Medicaid certification standards that increase access
23 to service specialization and scheduling accommodations by using payment strategies designed to
24 achieve specific quality and health outcomes.

25 (2) Development of Medicaid certification standards for state authorized providers of
26 adult day services, excluding such providers of services authorized under 40.1-24-1(3), assisted
27 living, and adult supportive care (as defined under 23-17.24) that establish for each, an acuity-
28 based, tiered service and payment methodology tied to: licensure authority, level of beneficiary
29 needs; the scope of services and supports provided; and specific quality and outcome measures.

30 The standards for adult day services for persons eligible for Medicaid-funded long-term
31 services may differ from those who do not meet the clinical/functional criteria set forth in 40-
32 8.10-3.

33 (3) ~~By October 1, 2016, institute an increase in the base payment rates for home care~~
34 ~~service providers, in an amount to be determined through the appropriations process, for the~~

1 ~~purpose of implementing a wage pass-through program for personal care attendants and home~~
2 ~~health aides assisting long-term care beneficiaries. On or before September 1, 2016, Medicaid-~~
3 ~~funded home health providers seeking to participate in the program shall submit to the secretary,~~
4 ~~for his or her approval, a written plan describing and attesting to the manner in which the~~
5 ~~increased payment rates shall be passed through to personal care attendants and home health~~
6 ~~aides in their salaries or wages less any attendant costs incurred by the provider for additional~~
7 ~~payroll taxes, insurance contributions, and other costs required by federal or state law, regulation,~~
8 ~~or policy and directly attributable to the wage pass-through program established in this section.~~
9 ~~Any such providers contracting with a Medicaid managed care organization shall develop the~~
10 ~~plan for the wage pass-through program in conjunction with the managed care entity and shall~~
11 ~~include an assurance by the provider that the base rate increase is implemented in accordance~~
12 ~~with the goal of raising the wages of the health workers targeted in this subsection. Participating~~
13 ~~providers who do not comply with the terms of their wage pass-through plan shall be subject to a~~
14 ~~clawback, paid by the provider to the state, for any portion of the rate increase administered under~~
15 ~~this section that the secretary deems appropriate.~~ As the state's Medicaid program seeks to assist
16 more beneficiaries requiring long-term services and supports in home and community-based
17 settings, the demand for home care workers has increased, and wages for these workers has not
18 kept pace with neighboring states, leading to high turnover and vacancy rates in the state's home
19 care industry, the EOHHS shall institute a one-time increase in the base-payment rates for home-
20 care service providers to promote increased access to and an adequate supply of highly trained
21 home health care professionals, in amount to be determined by the appropriations process, for the
22 purpose of raising wages for personal care attendants and home health aides to be implemented
23 by such providers: (i) by October 1, 2017, and (ii) in a manner that meets specifications related to
24 implementation and reporting approved by the secretary.

25 (g) The executive office shall implement a long-term care options counseling program to
26 provide individuals, or their representatives, or both, with long-term care consultations that shall
27 include, at a minimum, information about: long-term care options, sources, and methods of both
28 public and private payment for long-term care services and an assessment of an individual's
29 functional capabilities and opportunities for maximizing independence. Each individual admitted
30 to, or seeking admission to a long-term care facility, regardless of the payment source, shall be
31 informed by the facility of the availability of the long-term care options counseling program and
32 shall be provided with long-term care options consultation if they so request. Each individual who
33 applies for Medicaid long-term care services shall be provided with a long-term care consultation.

34 (h) The executive office is also authorized, subject to availability of appropriation of

1 funding, and federal Medicaid-matching funds, to pay for certain services and supports necessary
2 to transition or divert beneficiaries from institutional or restrictive settings and optimize their
3 health and safety when receiving care in a home or the community . The secretary is authorized to
4 obtain any state plan or waiver authorities required to maximize the federal funds available to
5 support expanded access to such home and community transition and stabilization services;
6 provided, however, payments shall not exceed an annual or per person amount.

7 (i) To ensure persons with long-term care needs who remain living at home have
8 adequate resources to deal with housing maintenance and unanticipated housing related costs, the
9 secretary is authorized to develop higher resource eligibility limits for persons or obtain any state
10 plan or waiver authorities necessary to change the financial eligibility criteria for long-term
11 services and supports to enable beneficiaries receiving home and community waiver services to
12 have the resources to continue living in their own homes or rental units or other home-based
13 settings.

14 (j) The executive office shall implement, no later than January 1, 2016, the following
15 home and community-based service and payment reforms:

16 (1) Community-based supportive living program established in 40-8.13-2.12;

17 (2) Adult day services level of need criteria and acuity-based, tiered payment
18 methodology; and

19 (3) Payment reforms that encourage home and community-based providers to provide the
20 specialized services and accommodations beneficiaries need to avoid or delay institutional care.

21 (k) The secretary is authorized to seek any Medicaid section 1115 waiver or state plan
22 amendments and take any administrative actions necessary to ensure timely adoption of any new
23 or amended rules, regulations, policies, or procedures and any system enhancements or changes,
24 for which appropriations have been authorized, that are necessary to facilitate implementation of
25 the requirements of this section by the dates established. The secretary shall reserve the discretion
26 to exercise the authority established under 42-7.2-5(6)(v) and 42-7.2-6.1, in consultation with the
27 governor, to meet the legislative directives established herein.

28 SECTION 4. Section 42-12-29 of the General Laws in Chapter 42-12 entitled
29 "Department of Human Services" is hereby amended to read as follows:

30 **42-12-29. Children's health account.**

31 (a) There is created within the general fund a restricted receipt account to be known as
32 the "children's health account." All money in the account shall be utilized by the ~~department of~~
33 ~~human services~~ executive office of health and human services ("executive office") to effectuate
34 coverage for the following service categories: (1) home health services, which include pediatric

1 private duty nursing and certified nursing assistant services; (2) Cedar comprehensive, evaluation,
2 diagnosis, assessment, referral and evaluation ~~(CEDARR)~~ (CEDAR) services, which include
3 ~~CEDARR~~ family center services, home based therapeutic services, personal assistance services
4 and supports (PASS) and kids connect services and (3) child and adolescent treatment services
5 (CAITS). All money received pursuant to this section shall be deposited in the children's health
6 account. The general treasurer is authorized and directed to draw his or her orders on the account
7 upon receipt of properly authenticated vouchers from the ~~department of human services~~ executive
8 office.

9 (b) Beginning ~~January 1, 2016~~ July 1, 2017, a portion of the amount collected pursuant to
10 42-7.4-3, up to the actual amount expended or projected to be expended by the state for the
11 services described in 42-12-29(a), less any amount collected in excess of the prior year's funding
12 requirement as indicated in 42-12-29(c), but in no event more than the limit set forth in 42-12-
13 29(d) (the "child health services funding requirement"), shall be deposited in the "children's
14 health account." The funds shall be used solely for the purposes of the "children's health
15 account", and no other.

16 (c) The ~~department of human services~~ executive office shall submit to the general
17 assembly an annual report on the program and costs related to the program, on or before February
18 1 of each year. The ~~department~~ executive office shall make available to each insurer required to
19 make a contribution pursuant to 42-7.4-3, upon its request, detailed information regarding the
20 children's health programs described in subsection (a) and the costs related to those programs.
21 Any funds collected in excess of funds needed to carry out the programs shall be deducted from
22 the subsequent year's funding requirements.

23 (d) The total amount required to be deposited into the children's health account shall be
24 equivalent to the amount paid by the ~~department of human services~~ executive office for all
25 services, as listed in subsection (a), but not to exceed ~~seven thousand five hundred dollars~~
26 ~~(\$7,500)~~ twelve thousand five hundred dollars (\$12,500) per child per service per year.

27 (e) The children's health account shall be exempt from the indirect cost recovery
28 provisions of 35-4-27 of the general laws.

29 SECTION 5. Section 15 of Article 5 of Chapter 141 of the Public Laws of 2015 is
30 hereby repealed.

31 ~~A pool is hereby established of up to \$2.5 million to support Medicaid Graduate~~
32 ~~Education funding for Academic Medical Centers with level I Trauma Centers who provide care~~
33 ~~to the state's critically ill and indigent populations. The office of Health and Human Services shall~~
34 ~~utilize this pool to provide up to \$5 million per year in additional Medicaid payments to support~~

1 ~~Graduate Medical Education programs to hospitals meeting all of the following criteria:~~

2 ~~(a) Hospital must have a minimum of 25,000 inpatient discharges per year for all patients~~
3 ~~regardless of coverage.~~

4 ~~(b) Hospital must be designated as Level I Trauma Center.~~

5 ~~(c) Hospital must provide graduate medical education training for at least 250 interns and~~
6 ~~residents per year.~~

7 ~~The Secretary of the Executive Office of Health and Human Services shall determine the~~
8 ~~appropriate Medicaid payment mechanism to implement this program and amend any state plan~~
9 ~~documents required to implement the payments.~~

10 ~~Payments for Graduate Medical Education programs shall be made annually.~~

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

12 ARTICLE 14

13 RELATING TO LICENSING OF HOSPITAL FACILITIES

14 SECTION 1. Section 23-17-38.1 of the General Laws in Chapter 23-17 entitled
15 "Licensing of Health-Care Facilities" is hereby amended to read as follows:

16 **23-17-38.1. Hospitals – Licensing fee.**

17 ~~(a) There is also imposed a hospital licensing fee at the rate of five and eight hundred~~
18 ~~sixty two thousandths percent (5.862%) upon the net patient services revenue of every hospital~~
19 ~~for the hospital's first fiscal year ending on or after January 1, 2014, except that the license fee for~~
20 ~~all hospitals located in Washington County, Rhode Island shall be discounted by thirty seven~~
21 ~~percent (37%). The discount for Washington County hospitals is subject to approval by the~~
22 ~~Secretary of the US Department of Health and Human Services of a state plan amendment~~
23 ~~submitted by the executive office of health and human services for the purpose of pursuing a~~
24 ~~waiver of the uniformity requirement for the hospital license fee. This licensing fee shall be~~
25 ~~administered and collected by the tax administrator, division of taxation within the department of~~
26 ~~revenue, and all the administration, collection and other provisions of chapter 51 of title 44 shall~~
27 ~~apply. Every hospital shall pay the licensing fee to the tax administrator on or before July 11,~~
28 ~~2016 and payments shall be made by electronic transfer of monies to the general treasurer and~~
29 ~~deposited to the general fund. Every hospital shall, on or before June 13, 2016, make a return to~~
30 ~~the tax administrator containing the correct computation of net patient services revenue for the~~
31 ~~hospital fiscal year ending September 30, 2014, and the licensing fee due upon that amount. All~~
32 ~~returns shall be signed by the hospital's authorized representative, subject to the pains and~~
33 ~~penalties of perjury.~~

34 ~~(b)~~(a) There is also imposed a hospital licensing fee at the rate of five and six hundred

1 fifty-two thousandths percent (5.652%) upon the net patient-services revenue of every hospital
2 for the hospital's first fiscal year ending on or after January 1, 2015, except that the license fee for
3 all hospitals located in Washington County, Rhode Island shall be discounted by thirty-seven
4 percent (37%). The discount for Washington County hospitals is subject to approval by the
5 Secretary of the U.S. Department of Health and Human Services of a state plan amendment
6 submitted by the executive office of health and human services for the purpose of pursuing a
7 waiver of the uniformity requirement for the hospital license fee. This licensing fee shall be
8 administered and collected by the tax administrator, division of taxation within the department of
9 revenue, and all the administration, collection and other provisions of chapter 51 of title 44 shall
10 apply. Every hospital shall pay the licensing fee to the tax administrator on or before July 10,
11 2017, and payments shall be made by electronic transfer of monies to the general treasurer and
12 deposited to the general fund. Every hospital shall, on or before June 14, 2017, make a return to
13 the tax administrator containing the correct computation of net patient-services revenue for the
14 hospital fiscal year ending September 30, 2015 and the licensing fee due upon that amount. All
15 returns shall be signed by the hospital's authorized representative, subject to the pains and
16 penalties of perjury.

17 (b) There is also imposed a hospital licensing fee at the rate of five and six hundred fifty-
18 two thousandths percent (5.652%) upon the net patient-services revenue of every hospital for the
19 hospital's first fiscal year ending on or after January 1, 2016, except that the license fee for all
20 hospitals located in Washington County, Rhode Island shall be discounted by thirty-seven percent
21 (37%). The discount for Washington County hospitals is subject to approval by the Secretary of
22 the U.S. Department of Health and Human Services of a state plan amendment submitted by the
23 executive office of health and human services for the purpose of pursuing a waiver of the
24 uniformity requirement for the hospital license fee. This licensing fee shall be administered and
25 collected by the tax administrator, division of taxation within the department of revenue, and all
26 the administration, collection and other provisions of chapter 51 of title 44 shall apply. Every
27 hospital shall pay the licensing fee to the tax administrator on or before July 10, 2018, and
28 payments shall be made by electronic transfer of monies to the general treasurer and deposited to
29 the general fund. Every hospital shall, on or before June 14, 2018, make a return to the tax
30 administrator containing the correct computation of net patient-services revenue for the hospital
31 fiscal year ending September 30, 2016 and the licensing fee due upon that amount. All returns
32 shall be signed by the hospital's authorized representative, subject to the pains and penalties of
33 perjury.

34 (c) For purposes of this section the following words and phrases have the following

1 meanings:

2 (1) "Hospital" means the actual facilities and buildings in existence in Rhode Island,
3 licensed pursuant to § 23-17-1 et seq. on June 30, 2010, and thereafter any premises included on
4 that license, regardless of changes in licensure status pursuant to chapter 17.14 of title 23
5 (hospital conversions) and §23-17-6(b) (change in effective control), that provides short-term
6 acute inpatient and/or outpatient care to persons who require definitive diagnosis and treatment
7 for injury, illness, disabilities, or pregnancy. Notwithstanding the preceding language, the
8 negotiated Medicaid managed care payment rates for a court-approved purchaser that acquires a
9 hospital through receivership, special mastership or other similar state insolvency proceedings
10 (which court-approved purchaser is issued a hospital license after January 1, 2013) shall be based
11 upon the newly negotiated rates between the court-approved purchaser and the health plan, and
12 such rates shall be effective as of the date that the court-approved purchaser and the health plan
13 execute the initial agreement containing the newly negotiated rate. The rate-setting methodology
14 for inpatient hospital payments and outpatient hospital payments set for the §§ 40-8-
15 13.4(b)(1)(B)(iii) and 40-8-13.4(b)(2), respectively, shall thereafter apply to negotiated increases
16 for each annual twelve-month (12) period as of July 1 following the completion of the first full
17 year of the court-approved purchaser's initial Medicaid managed care contract.

18 (2) "Gross patient services revenue" means the gross revenue related to patient care
19 services.

20 (3) "Net patient services revenue" means the charges related to patient care services less
21 (i) charges attributable to charity care; (ii) bad debt expenses; and (iii) contractual allowances.

22 (d) The tax administrator shall make and promulgate any rules, regulations, and
23 procedures not inconsistent with state law and fiscal procedures that he or she deems necessary
24 for the proper administration of this section and to carry out the provisions, policy, and purposes
25 of this section.

26 (e) The licensing fee imposed by this section shall apply to hospitals as defined herein
27 that are duly licensed on July 1, ~~2016~~ 2017, and shall be in addition to the inspection fee imposed
28 by § 23-17-38 and to any licensing fees previously imposed in accordance with § 23-17-38.1.

29 SECTION 2. This article shall take effect as of July 1, 2017.

30 **ARTICLE 15**

31 RELATING TO BEHAVIORAL HEALTHCARE, DEVELOPMENTAL DISABILITIES AND
32 HOSPITALS – MAINTENANCE OF EFFORT

33 SECTION 1. Section 40.1-1-13 of the General Laws in Chapter 40.1-1 entitled
34 “Department of Behavioral Healthcare, Developmental Disabilities and Hospitals” is hereby

1 amended to read as follows:

2 **40.1-1-13. Powers and duties of the office.**

3 ~~(a)~~ Notwithstanding any provision of the Rhode Island general laws to the contrary, the
4 department of behavioral healthcare, developmental disabilities and hospitals shall have the
5 following powers and duties:

6 (1) To establish and promulgate the overall plans, policies, objectives, and priorities for
7 state substance-abuse education, prevention, and treatment; provided, however, that the director
8 shall obtain and consider input from all interested state departments and agencies prior to the
9 promulgation of any such plans or policies;

10 (2) Evaluate and monitor all state grants and contracts to local substance-abuse service
11 providers;

12 (3) Develop, provide for, and coordinate the implementation of a comprehensive state
13 plan for substance-abuse education, prevention, and treatment;

14 (4) Ensure the collection, analysis, and dissemination of information for planning and
15 evaluation of substance-abuse services;

16 (5) Provide support, guidance, and technical assistance to individuals, local governments,
17 community service providers, public and private organizations in their substance-abuse education,
18 prevention, and treatment activities;

19 (6) Confer with all interested department directors to coordinate the administration of
20 state programs and policies that directly affect substance-abuse treatment and prevention;

21 (7) Seek and receive funds from the federal government and private sources in order to
22 further the purposes of this chapter;

23 (8) ~~To act for all purposes in the capacity of "state substance abuse authority" as the sole~~
24 ~~designated agency with the sole responsibility for planning, coordinating, managing,~~
25 ~~implementing, and reporting on state substance abuse planning and policy efforts as it relates to~~
26 ~~requirements set forth in pertinent federal substance abuse laws and regulations; To act in~~
27 conjunction with the executive office of health and human services as the state's co-designated
28 agency (§ 42 U.S.C. 300x-30(a)) for administering federal aid and for the purposes of the
29 calculation of the expenditures relative to the substance abuse block grant and federal funding
30 maintenance of effort. The department of behavioral healthcare, developmental disabilities and
31 hospitals, as the state's substance abuse authority, will have the sole responsibility for the
32 planning, policy and implementation efforts as it relates to the requirements set forth in pertinent
33 substance abuse laws and regulations including 42 U.S.C. § 300x-21 et seq.;

34 (9) Propose, review, and/or approve, as appropriate, proposals, policies, or plans

1 involving insurance and managed care systems for substance-abuse services in Rhode Island;

2 (10) To enter into, in compliance with the provisions of chapter 2 of title 37, contractual
3 relationships and memoranda of agreement as necessary for the purposes of this chapter;

4 (11) To license facilities and programs for the care and treatment of substance abusers
5 and for the prevention of substance abuse;

6 (12) To promulgate rules and regulations necessary to carry out the requirements of this
7 chapter;

8 (13) Perform other acts and exercise any other powers necessary or convenient to carry
9 out the intent and purposes of this chapter;

10 (14) To exercise the authority and responsibilities relating to education, prevention, and
11 treatment of substance abuse, as contained in, but not limited to, the following chapters: chapter
12 1.10 of title 23; chapter 10.1 of title 23; chapter 28.2 of title 23; chapter 21.2 of title 16; chapter
13 21.3 of title 16; chapter 50.1 of title 42; chapter 109 of title 42; chapter 69 of title 5 and § 35-4-
14 18;

15 (15) To establish a Medicare Part D restricted-receipt account in the hospitals and
16 community rehabilitation services program to receive and expend Medicare Part D
17 reimbursements from pharmacy benefit providers consistent with the purposes of this chapter;

18 (16) To establish a RICLAS group home operations restricted-receipt account in the
19 services for the developmentally disabled program to receive and expend rental income from
20 RICLAS group clients for group home-related expenditures, including food, utilities, community
21 activities, and the maintenance of group homes;

22 (17) To establish a non-Medicaid, third-party payor restricted-receipt account in the
23 hospitals and community rehabilitation services program to receive and expend reimbursement
24 from non-Medicaid, third-party payors to fund hospital patient services that are not Medicaid
25 eligible; [and](#)

26 (18) To certify recovery housing facilities directly, or through a contracted entity, as
27 defined by department guidelines, which includes adherence to using National Alliance for
28 Recovery Residences (NARR) standards. In accordance with a schedule to be determined by the
29 department, all referrals from state agencies or state-funded facilities shall be to certified houses,
30 and only certified recovery housing facilities shall be eligible to receive state funding to deliver
31 recovery housing services; ~~and.~~

32 ~~(19) To act in conjunction with the executive office of health and human services as the~~
33 ~~state's co-designated agency for administering federal aid and for the purpose of the calculation of~~
34 ~~expenditures relative to the substance abuse block grant and federal funding maintenance of~~

1 ~~effort requirements.~~

2 SECTION 2. Section 42-7.2-2 of the General Laws in Chapter 42-7.2 entitled “Executive
3 Office of Health and Human Services” is hereby amended to read as follows:

4 **42-7.2-2. Executive office of health and human services.**

5 There is hereby established within the executive branch of state government an executive
6 office of health and human services to serve as the principal agency of the executive branch of
7 state government for managing the departments of children, youth and families, health, human
8 services, and behavioral healthcare, developmental disabilities and hospitals. In this capacity, the
9 office shall:

10 (a) Lead the state's four (4) health and human services departments in order to:

11 (1) Improve the economy, efficiency, coordination, and quality of health and human
12 services policy and planning, budgeting, and financing.

13 (2) Design strategies and implement best practices that foster service access, consumer
14 safety, and positive outcomes.

15 (3) Maximize and leverage funds from all available public and private sources, including
16 federal financial participation, grants, and awards.

17 (4) Increase public confidence by conducting independent reviews of health and human
18 services issues in order to promote accountability and coordination across departments.

19 (5) Ensure that state health and human services policies and programs are responsive to
20 changing consumer needs and to the network of community providers that deliver assistive
21 services and supports on their behalf.

22 (6) Administer Rhode Island Medicaid in the capacity of the single state agency
23 authorized under title XIX of the U.S. Social Security act, 42 U.S.C. § 1396a et seq., and exercise
24 such single state agency authority for such other federal and state programs as may be designated
25 by the governor. Except as provided for herein, nothing in this chapter shall be construed as
26 transferring to the secretary the powers, duties, or functions conferred upon the departments by
27 Rhode Island general laws for the management and operations of programs or services approved
28 for federal financial participation under the authority of the Medicaid state agency.

29 ~~(7) To act in conjunction with the department of behavioral healthcare, developmental~~
30 ~~disabilities and hospitals as the state's co-designated agency for administering federal aid and for~~
31 ~~the purpose of the calculation of expenditures relative to the substance abuse block grant and~~
32 ~~federal funding maintenance of effort requirements.~~ To act in conjunction with the department of
33 behavioral healthcare, developmental disabilities and hospitals as the state's co-designated
34 agency (42 U.S.C. § 300x-30(a)) for administering federal aid and for the purposes of the

1 [calculation of expenditures relative to the substance abuse block grant and federal funding](#)
2 [maintenance of effort.](#)

3 SECTION 3. This article shall take effect upon passage.

4 **ARTICLE 16**

5 RELATING TO DEBT MANAGEMENT ACT JOINT RESOLUTIONS

6 SECTION 1. This article consists of joint resolutions that is submitted pursuant to Rhode
7 Island General Law § 35-18-1, et seq.

8 SECTION 2. *Information Technology Improvements.*

9 WHEREAS, the 2012 General Assembly approved borrowing of twenty-five million
10 dollars (\$25.0 million) for the Division of Taxation to modernize its technology through the
11 acquisition of a modern integrated tax system; and

12 WHEREAS, the Division of Taxation desires to implement phase 2 enhancements to the
13 new Integrated Tax System, to include improved cash transaction management by replacing
14 manual cash, check and credit card payments and allowing for reconciliation and to provide
15 management with dashboard and real time statistical reporting tools, as well as meet audit
16 requirements; and

17 WHEREAS, the Department of Administration desires to replace the computer system
18 that currently supports the payroll function for the entirety of state government that has been in
19 place for 30 years and does not allow for interfacing with other systems, including the scheduling,
20 time, leave and attendance system currently being developed and due for completion in 2017; and

21 WHEREAS, the Department of Health desires replace a twenty-five (25) year old records
22 platform with a new statewide vital statistics system, which would provide electronic recording
23 for death registrations, marriage and civil unions, and termination of pregnancies, and ensure
24 compliance with federal agencies and protect the health, welfare, and safety of the public; and

25 WHEREAS, the State is in need of hospital information systems, electronic medical
26 records platform, and patient case management tracking systems for the Departments of
27 Behavioral Healthcare, Developmental Disabilities and Hospitals, Corrections, and Human
28 Services to support the administrative, financial, and clinical function of the agencies; and

29 WHEREAS, the project costs associated with these information technology
30 improvements are estimated to be sixteen million one hundred thousand dollars (\$16.1 million).
31 The total financing obligation of the State of Rhode Island would be approximately sixteen
32 million two hundred thousand dollars (\$16.2 million), with sixteen million one hundred thousand
33 dollars (\$16.1) million deposited in the project fund and one hundred thousand dollars (\$100,000)
34 allocated to pay the associated costs of financing. Total payments on the State's obligation over

1 ten (10) years on the sixteen million two hundred thousand dollars (\$16.2 million) issuance are
2 projected to be twenty one million dollars (\$21.0 million) assuming an average interest rate of
3 five percent (5.0%). The payments would be financed within the Department of Administration
4 from general revenue appropriations; now, therefore, be it

5 RESOLVED, that this General Assembly hereby approves financing in an amount not
6 to exceed sixteen million two hundred thousand dollars (\$16.2 million) for the provision of funds
7 for information technology improvements, including one hundred thousand dollars (\$100,000) to
8 pay costs of financing; that two million dollars (\$2.0 million) be made available from the project
9 fund for the second phase of the integrated tax system within the Division of Taxation; that two
10 million five hundred thousand dollars (\$2.5 million) be made available for a health vital records
11 system; that eight million one hundred thousand dollars (\$8.1 million) be made available for a
12 new hospital information tracking and electronic medical records and patient case management
13 system; and that three million five hundred thousand dollars (\$3.5 million) be provided for a new
14 statewide payroll system; provided that a surcharge on vital records will be established by the
15 Department of Health through rules and regulations to support the cost of financing the health
16 vital records system portion of this financing; be it further

17 RESOLVED, that this joint resolution shall take effect immediately upon its passage by
18 the General Assembly.

19 SECTION 3. *Energy Improvements in State Facilities.*

20 WHEREAS, Executive Order 15-17 sets robust energy reduction targets and clean energy
21 goals for state agencies; and

22 WHEREAS, the Office of Energy Resources (OER) is requesting funding to support
23 implementation of comprehensive, cost-effective energy efficiency measures and renewable
24 energy installations at state-owned facilities; and

25 WHEREAS, funding will support clean energy projects that advance the following goals:

26 Support the Governor's "Lead by Example" initiative, as well as broader state economic,
27 energy and environmental policy goals that include clean energy industry and job growth;
28 significantly reduce state facility operating and on-going maintenance costs, and reduce energy
29 costs across state government; shrink state government's carbon footprint by reducing overall
30 energy demand and adopting renewable energy resources; provide a strategic opportunity to
31 leverage other funding sources to expand the pool of capital available to implement cost-effective
32 clean energy projects; and leverage other funding sources and improve state facility
33 infrastructure, while improving building comfort; and

34 WHEREAS, funding will allow the state to leverage other funding sources, including

1 funds allocated by the Office of Energy Resources from the state's participation in the Regional
2 Greenhouse Gas Initiative (RGGI) and financial incentives made possible by utility-administered
3 energy efficiency programs supported by the Systems Benefit Charge (SBC), to increase the pool
4 of capital available to support clean energy projects; and

5 WHEREAS, the Office of Energy Resources will collaborate with the various divisions
6 of the Department of Administration, other State Agencies and National Grid to integrate clean
7 energy investments within existing capital asset maintenance projects and to develop a steady
8 pipeline of energy-specific projects that achieve the aforementioned goals; and

9 WHEREAS, projects would include, but not be limited to energy efficient and renewable
10 energy projects related to improvements to lighting and HVAC systems within Group Homes, the
11 Powers Building, the Cannon Building, the State House, Capitol Hill Parking, the DOT State
12 Office Building, the Department of Corrections' Pastore complex properties, the Chapin Health
13 Lab, other Department of Administration buildings and other miscellaneous state buildings; and

14 WHEREAS, the project costs associated with these improvements are estimated to be
15 eleven million nine hundred thousand dollars (\$11.9 million). The total financing obligation of
16 the State of Rhode Island would be approximately twelve million dollars (\$12.0 million), with
17 eleven million nine hundred thousand dollars (\$11.9 million) deposited in the project fund and
18 one hundred thousand dollars (\$100,000) allocated to pay the associated costs of financing. Total
19 payments on the State's obligation over ten (10) years on the twelve million dollars (\$12.0
20 million) issuance are projected to total fifteen million two hundred thousand dollars (\$15.2
21 million) assuming an average interest rate of five percent (5.0%). The payments would be
22 financed through energy efficiency savings, and will allow the state to leverage other funding
23 sources, including funds allocated by Office of Energy Resources from the state's participation in
24 the Regional Greenhouse Gas Initiative (RGGI) and financial incentives made possible by utility-
25 administered energy efficiency programs supported by the Systems Benefit Charge (SBC), to
26 increase the pool of capital available to support clean energy projects; now, therefore, be it

27 RESOLVED, that this General Assembly hereby approves financing in an amount not to
28 exceed twelve million dollars (\$12.0 million) for the provision of funds for energy efficiency
29 projects and that projects undertaken by the Office of Energy Resources will be structured so that,
30 at a minimum, the annual principal and interest resulting from the debt issuance would be
31 completely offset by the energy savings resulting from the projects as verified by the Office of
32 Management and Budget; and be it further

33 RESOLVED, that this joint resolution shall take effect immediately upon its passage by
34 the General Assembly.

1 SECTION 4. Confined Aquatic Dredged Material Disposal Cells.

2 WHEREAS, over the past year the Army Corps of Engineers has approached the Coastal
3 Resources Management Council to act as the local sponsor to the federal action of maintaining
4 the depths of the Providence River and Harbor Shipping Channel; and

5 WHEREAS, the Providence River and Shipping Channel was last maintained in 2003;
6 and

7 WHEREAS, the project will include dredging and removal of sediments not suitable for
8 ocean disposal, and thus will require the construction of a new Confined Aquatic Disposal (CAD)
9 Cell to dispose and sequester those sediments; and

10 WHEREAS, CAD cells are constructed in aquatic environments to reduce the
11 environmental risk from sediments not suitable for ocean disposal by storing these sediments in a
12 depression in the bottom of the aquatic system; and

13 WHEREAS, CAD cells offer a major economic value, as a significant cost of disposing
14 dredged materials is in the transportation of the dredged material to a disposal location; and

15 WHEREAS, having CAD cells located within hundreds of feet from a dredging operation
16 saves local port operators millions of dollars over the 10-year life of those cells; and

17 WHEREAS, the Coastal Resources Management Council seeks to build additional
18 capacity in the CAD Cells beyond that required only for this specific project, in order to account
19 for the many port, maritime, and marina facilities that also have the need to dredge material at
20 their facilities, which may not be suitable for ocean disposal, thereby saving these entities
21 significant cost, in both sediment testing and transportation of the material to other locations, due
22 to the fact that the existing CAD cells in the river have reached their useful ten-year design life;
23 and

24 WHEREAS, with the approval by the voters of the 2016 Rhode Island Port Infrastructure
25 Bond referendum, the need to maintain the viability of port and maritime operations, the state's
26 marine trades industry, and the increase economic value of ProvPort, increased disposal
27 capacities from new CAD cells are needed; and

28 WHEREAS, the Army Corps of Engineers expects to begin maintenance of the
29 Providence River and Harbor Shipping Channel in the fall of 2018, the total cost share of the
30 local sponsor are required by the end of FY 2018; and

31 WHEREAS, the project is considered a federal maintenance project, the State is required
32 to pay for the creation of the CAD cell only at an up-front cost share of thirty five percent (35%);
33 and

34 WHEREAS, the project costs associated with this project is estimated to be eleven

1 million dollars (\$11.0 million), with five hundred thousand dollars (\$500,000) derived from the
2 Coastal Resources Management Council Dredge Fund. The total financing obligation of the State
3 of Rhode Island would be approximately ten million five hundred thousand dollars (\$10.5
4 million), with ten million four hundred thousand dollars (\$10.4 million) deposited in the project
5 fund and one hundred thousand dollars (\$100,000) allocated to pay the associated costs of
6 financing. Total payments on the State’s obligation over ten (10) years on the ten million five
7 hundred thousand dollars (\$10.5 million) issuance are projected to be thirteen million six hundred
8 thousand dollars (\$13.6 million) assuming an average interest rate of five percent (5.0%). A
9 portion of the annual principal and interest payments would be financed from an increase in fees
10 charged to marine operators to deposit their dredged materials into CAD cells and with general
11 revenue appropriations to supplement the cost; now, therefore, be it

12 RESOLVED, that this General Assembly hereby approves financing in an amount not to
13 exceed ten million five hundred thousand dollars (\$10.5 million) for the provision of funds for the
14 Confined Aquatic Disposal Cells project, including one hundred thousand dollars (\$100,000) to
15 pay costs of financing.

16 SECTION 5. *Energy Performance Contract – University of Rhode Island – Phase 3*

17 WHEREAS, the Council on Postsecondary Education and the University of Rhode
18 Island, hereby referred to as “the University,” are proposing projects that involve the
19 implementation of professionally guided capital investments in energy efficiency improvements
20 to University buildings and infrastructure that will pay for themselves through cost avoidance,
21 while reducing long-term energy consumption associated with operations; and

22 WHEREAS, the University presently manages over three hundred twenty four (324)
23 buildings, with associated utility infrastructure, containing over four million eight hundred fifty
24 thousand (4,850,000) square feet of space, a majority of which was constructed over thirty years
25 ago. Energy efficiency has become a vital feature of the institution’s fiscal responsibility; and

26 WHEREAS, energy performance contracting has been significantly enhanced and
27 refined, and many examples exist of programs successfully employed around the country that are
28 prudent from both a fiscal management and an environmental stewardship perspective; and

29 WHEREAS, various private sector companies, hereinafter referred to as energy service
30 companies or “ESCOs”, are willing to guarantee the performance of the improvements yielding
31 energy savings to pay for the cost of the replacement of antiquated and inefficient equipment,
32 including boilers, heating and air conditioning, lighting and other building systems and
33 equipment; and

34 WHEREAS, the higher education system has successfully participated with the state

1 department of administration in a request for proposal process to enter into an energy
2 performance contract with ESCO to provide investment grade energy audit evaluations, design,
3 installation, and maintenance services, as well as assistance in securing rebate resources and the
4 guarantee of the energy or water saving performance of the installed retrofit measures; and

5 WHEREAS, the evaluations of an energy service company further affirms the significant
6 opportunity to implement energy conservation improvements on a building-by-building basis that
7 pay for themselves through operating budget savings within a fifteen year period; and

8 WHEREAS, tax exempt financing via “certificates of participation,” with associated debt
9 service supported for the financing term by energy cost avoidance (i.e., by redirecting dollars that
10 would have paid for utility consumption, but with the improvements can be redeployed to repay
11 the financing) is the most cost effective means of supporting the investment in energy efficiency
12 improvements under this program; and

13 WHEREAS, the University is seeking to undertake energy performance contracts to
14 replace obsolete equipment with new equipment and infrastructure components employing high
15 energy efficient technologies, to employ insulation and weatherization measures, and to deploy
16 measures that sustain the highest performance levels for these improvements; and

17 WHEREAS, the estimated cost of such contracts are for the University, an amount not to
18 exceed eleven million six hundred thousand dollars (\$11.6 million), with the request to the state
19 to have with ten million five hundred thousand dollars (\$10.5 million) deposited into the
20 construction fund, six hundred ninety-six thousand dollars (\$696,000) deposited in a capitalized
21 interest fund, and four hundred thirty thousand dollars (\$430,000) to pay associated costs of
22 financing. Total payments on the state’s obligation over fifteen (15) years on the eleven million
23 six hundred thousand dollars (\$11.6 million) issuance are projected to be sixteen million eight
24 hundred thousand dollars (\$16.8 million), assuming an average effective interest rate of five
25 percent (5.0%), the payments would be derived by the University from energy savings; now,
26 therefore, be it

27 RESOLVED, that the University is authorized to proceed with the aforementioned
28 projects in the amounts specified above; and be it further

29 RESOLVED, that these contracts will be structured so that, at a minimum, the annual
30 principal, interest and service and maintenance costs resulting from these contracts would be fully
31 offset by the cumulative annual energy savings derived from energy efficiency improvements, the
32 performance of which being guaranteed by the ESCOs; and be it further

33 RESOLVED, that these contracts would be multi-year contracts of up to a term of fifteen
34 (15) years. In addition to saving energy and helping to protect the University from future energy

1 cost increases, these contracts would aid in reducing maintenance costs by providing new,
2 efficient equipment and technology that outperforms older higher energy consuming systems; and
3 be it further

4 RESOLVED, that this joint resolution shall take effect immediately upon its passage.

5 SECTION 6. *White Horn Brook Apartments – University of Rhode Island.*

6 WHEREAS, the Rhode Island Council on Postsecondary Education is proposing a project
7 which involves the construction of a new residence hall on the west bank of the White Horn
8 Brook located in the northwest corner of the Kingston campus of the University of Rhode Island
9 in the Town of South Kingstown, Rhode Island; and

10 WHEREAS, the growth of undergraduate student enrollment is critical to the fiscal health
11 of the University; and

12 WHEREAS, there is high undergraduate student demand for apartment style on campus
13 housing; and

14 WHEREAS, the University is committed to providing adequate and appropriate housing
15 opportunities for its students; and

16 WHEREAS, the University continues to undertake significant improvements to existing
17 dormitory style housing facilities and has built new units that offer both suite style and apartment
18 living options with the goal of providing over fifty percent (50%) of its undergraduate students on
19 campus housing in keeping with its peer institutions; and

20 WHEREAS, apartment style housing units are critical for the on campus retention of
21 third and fourth year students that often seek alternative housing off campus; and

22 WHEREAS, a recent market study has demonstrated that the market demand for
23 additional, apartment style campus housing indicates that this project will be fully occupied upon
24 completion and into the future; and

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

29 WHEREAS, the design and construction of the project will be financed through Rhode
30 Island Health and Educational Building (RIHEBC) revenue bonds, with an expected term of
31 thirty (30) years; and

32 WHEREAS, the total project costs associated with the completion of the project and
33 proposed financing method would be supported approximately ninety-five percent (95%) by
34 auxiliary fee revenues for URI Housing and Residential Life for the apartment building and

1 approximately five percent (5%) by University general funds for site enabling facility relocation,
2 utility and hardscape and landscape infrastructure and site work; and

3 WHEREAS, the project is currently in design and targeting a total project financing cost
4 of eighty eight million seven hundred and eighty seven thousand dollars (\$88,787,000) in
5 RIHEBC bonds, with a request to have seventy eight million four hundred forty thousand dollars
6 (\$78,440,000) deposited into a construction fund, eight million thirty seven thousand dollars
7 (\$8,037,000) deposited in a capitalized interest fund, and two million three hundred ten thousand
8 dollars (\$2,310,000) to pay associated cost of financing, and with an assumed interest rate of five
9 percent (5%) debt service repayments will not exceed one hundred seventy three million two
10 hundred seventy one thousand and six hundred fifty three dollars (\$173,271,653); and

11 WHEREAS, the University has been advised by its architectural and project management
12 firms to anticipate potential additional escalation of construction costs leading up to the final
13 pricing of the construction of this project; now, therefore, be it

14 RESOLVED, that the General Assembly hereby approves financing in an amount not to
15 exceed total debt service payments of one hundred seventy three million two hundred seventy one
16 thousand and six hundred fifty three dollars (\$173,271,653) for construction of a new apartment
17 style residence facility on the University of Rhode Island Kingston Campus, with the not-to-
18 exceed amount to be financed determined by the actual financing interest rate at the time of the
19 bond issuance; and be it further

20 RESOLVED, that this joint resolution shall take effect immediately upon its passage.

21 SECTION 6. This resolution shall apply to financing obligations issued within four (4)
22 years of the date of passage of this resolution.

23 SECTION 7. This article shall take effect upon passage.

24 **ARTICLE 17**

25 **RELATING TO LEASE AGREEMENT FOR LEASED OFFICE AND OPERATING SPACE**

26 SECTION 1. This article consists of a Joint Resolution that is submitted pursuant to
27 Rhode Island General Laws §37-6-2, et seq., authorizing a lease agreement to rent parking space
28 for the Rhode Island Nursing Education Center project.

29 SECTION 2. *Parking Space for Rhode Island Nursing Education Center Project.*

30 WHEREAS, on June 16, 2014, the Rhode Island Board of Education approved a lease
31 agreement between the Rhode Island Board of Education and Commonwealth Ventures South
32 Street Landing Master Tenant, LLC; and

33 WHEREAS, during the 2014 General Assembly session, the General Assembly approved
34 the proposed lease agreement for a term not to exceed seventeen (17) years; and

1 WHEREAS, on October 14, 2015 the Rhode Island Board of Education approved
2 Amendments to the Lease including a State Unit Parking Sublease Agreement between CV SSL
3 Garage LLC & South Street Landing LLC that provides for the construction of an eight level,
4 approximately 744 parking space garage; and

5 WHEREAS, the State Unit Parking Sublease Agreement grants the State Premises the
6 right to the parking of two hundred (200) automobiles in the Parking Garage; and

7 WHEREAS, additional parking spaces are needed to accommodate the projected number
8 of University and College students enrolled in classes offered at the Rhode Island Nursing
9 Education Center (“the RINEC”); and

10 WHEREAS, a draft transportation and parking analysis was conducted to identify
11 potential parking facilities that would accommodate a minimum of four hundred (400)
12 automobiles in the vicinity of within one mile of the RINEC; and

13 WHEREAS, the off-site parking facilities will be comprised of no greater than two (2)
14 locations, with a minimum number of one hundred and fifty (150) spaces in one of the two
15 locations; and

16 WHEREAS, the parking surface will be paved and all spaces shall be striped, if not
17 already available in an existing garage or parking lot. The perimeter of the lot will be fenced or
18 otherwise cordoned off from adjacent properties and the street. Entrances and exits will provide a
19 means to control access and egress during the school operating hours. On-site security will be
20 provided including a security guard during operating hours; and

21 WHEREAS, shuttle service will be required to transport students to and from the RINEC
22 to and from the parking facility(s) and space will be provided in the off-site parking facilities for
23 loading and unloading; and

24 WHEREAS, the Department of Administration is soliciting proposals from qualified
25 firms to provide aforementioned off-site parking facilities; and

26 WHEREAS, the solicitation of proposals requires an initial contract period of five years
27 with two (2) consecutive two-year options available; and

28 WHEREAS, the estimated annual parking costs as presented in the draft analysis is five
29 hundred thousand dollars (\$500,000) per year, exclusive of estimated shuttle service; and

30 WHEREAS, Rhode Island General Law 37-6-2(d) requires that the General Assembly
31 approve any lease agreement that carries a term of five (5) years or longer, where the state is
32 tenant and the aggregate rent of the terms exceeds five hundred thousand dollars (\$500,000);
33 now, therefore, be it

34 RESOLVED, that this General Assembly hereby approves the financing of the off-site

1 parking facilities currently estimated at five hundred thousand dollars (\$500,000) annually, but
2 will be later informed by the final lease for off-site parking facilities for the RINEC, which will
3 be approved by the Council on Postsecondary Education and the State Properties Committee; and
4 be it further

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

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

11 SECTION 3. This article shall take effect upon passage.

12 ARTICLE 18

13 RELATING TO EDUCATION AID

14 SECTION 1. Section 16-7.2-6 of the General Laws in Chapter 16-7.2 entitled "The
15 Education Equity and Property Tax Relief Act" is hereby amended to read as follows:

16 **16-7.2-6. Categorical programs, state funded expenses.**

17 In addition to the foundation education aid provided pursuant to § 16-7.2-3, the
18 permanent foundation education-aid program shall provide direct state funding for:

19 (a) *Excess costs associated with special education students.* Excess costs are defined
20 when an individual special education student's cost shall be deemed to be "extraordinary".
21 Extraordinary costs are those educational costs that exceed the state-approved threshold based on
22 an amount above five times the core foundation amount (total of core-instruction amount plus
23 student success amount). The department of elementary and secondary education shall prorate the
24 funds available for distribution among those eligible school districts if the total approved costs for
25 which school districts are seeking reimbursement exceed the amount of funding appropriated in
26 any fiscal year; and the department of elementary and secondary education shall also collect data
27 on those educational costs that exceed the state-approved threshold based on an amount above
28 four (4) times the core-foundation amount.

29 (b) Career and technical education costs to help meet initial investment requirements
30 needed to transform existing, or create new, comprehensive, career and technical education
31 programs and career pathways in critical and emerging industries and to help offset the higher-
32 than-average costs associated with facilities, equipment maintenance and repair, and supplies
33 necessary for maintaining the quality of highly specialized programs that are a priority for the
34 state. The department shall develop criteria for the purpose of allocating any and all career and

1 technical education funds as may be determined by the general assembly on an annual basis. The
2 department of elementary and secondary education shall prorate the funds available for
3 distribution among those eligible school districts if the total approved costs for which school
4 districts are seeking reimbursement exceed the amount of funding available in any fiscal year;

5 (c) Programs to increase access to voluntary, free, high-quality pre-kindergarten
6 programs. The department shall recommend criteria for the purpose of allocating any and all early
7 childhood program funds as may be determined by the general assembly;

8 (d) Central Falls, Davies, and the Met Center Stabilization Fund is established to assure
9 that appropriate funding is available to support their students. Additional support for Central Falls
10 is needed due to concerns regarding the city's capacity to meet the local share of education costs.
11 This fund requires that education aid calculated pursuant to § 16-7.2-3 and funding for costs
12 outside the permanent foundation education-aid formula, including, but not limited to,
13 transportation, facility maintenance, and retiree health benefits shall be shared between the state
14 and the city of Central Falls. The fund shall be annually reviewed to determine the amount of the
15 state and city appropriation. The state's share of this fund may be supported through a reallocation
16 of current state appropriations to the Central Falls school district. At the end of the transition
17 period defined in § 16-7.2-7, the municipality will continue its contribution pursuant to § 16-7-24.
18 Additional support for the Davies and the Met Center is needed due to the costs associated with
19 running a stand-alone high school offering both academic and career and technical coursework.
20 The department shall recommend criteria for the purpose of allocating any and all stabilization
21 funds as may be determined by the general assembly; and

22 (e) Excess costs associated with transporting students to out-of-district non-public
23 schools and within regional school districts. (1) This fund will provide state funding for the costs
24 associated with transporting students to out-of-district non-public schools, pursuant to chapter
25 21.1 of title 16. The state will assume the costs of non-public out-of-district transportation for
26 those districts participating in the statewide system; and (2) This fund will provide direct state
27 funding for the excess costs associated with transporting students within regional school districts,
28 established pursuant to chapter 3 of title 16. This fund requires that the state and regional school
29 district share equally the student transportation costs net any federal sources of revenue for these
30 expenditures. The department of elementary and secondary education shall prorate the funds
31 available for distribution among those eligible school districts if the total approved costs for
32 which school districts are seeking reimbursement exceed the amount of funding available in any
33 fiscal year.

34 (f) Public school districts that are regionalized shall be eligible for a regionalization

1 bonus as set forth below.

2 (1) As used herein, the term "regionalized" shall be deemed to refer to a regional school
3 district established under the provisions of chapter 3 of title 16 including the Chariho Regional
4 School district.

5 (2) For those districts that are regionalized as of July 1, 2010, the regionalization bonus
6 shall commence in FY 2012. For those districts that regionalize after July 1, 2010, the
7 regionalization bonus shall commence in the first fiscal year following the establishment of a
8 regionalized school district as set forth in chapter 3 of title 16, including the Chariho Regional
9 School District.

10 (3) The regionalization bonus in the first fiscal year shall be two percent (2.0%) of the
11 state's share of the foundation education aid for the regionalized district as calculated pursuant to
12 §§ 16-7.2-3 and 16-7.2-4 in that fiscal year.

13 (4) The regionalization bonus in the second fiscal year shall be one percent (1.0%) of the
14 state's share of the foundation education aid for the regionalized district as calculated pursuant to
15 §§ 16-7.2-3 and 16-7.2-4 in that fiscal year.

16 (5) The regionalization bonus shall cease in the third fiscal year.

17 (6) The regionalization bonus for the Chariho regional school district shall be applied to
18 the state share of the permanent foundation education aid for the member towns.

19 (7) The department of elementary and secondary education shall prorate the funds
20 available for distribution among those eligible regionalized school districts if the total, approved
21 costs for which regionalized school districts are seeking a regionalization bonus exceed the
22 amount of funding appropriated in any fiscal year.

23 (g) *Additional state support for English learners (EL).* ~~For FY 2017 only, the~~ The amount
24 to support EL students shall be determined by multiplying an EL factor of ten percent (10%) by
25 the core-instruction per-pupil amount defined in § 16-7.2-3(a)(1) and applying that amount of
26 additional state support to EL students identified using widely adopted, independent standards
27 and assessments identified by the Commissioner. All categorical funds distributed pursuant to this
28 subsection must be used to provide high-quality, research-based services to EL students and
29 managed in accordance with requirements set forth by the commissioner of elementary and
30 secondary education. The department of elementary and secondary education shall collect
31 performance reports from districts and approve the use of funds prior to expenditure. The
32 department of elementary and secondary education shall ensure the funds are aligned to activities
33 that are innovative and expansive and not utilized for activities the district is currently funding.
34 The department of elementary and secondary education shall prorate the funds available for

1 distribution among eligible recipients if the total calculated costs exceed the amount of funding
2 available in any fiscal year.

3 (h) Categorical programs defined in (a) through (f) shall be funded pursuant to the
4 transition plan in § 16-7.2-7.

5 SECTION 2. This article shall take effect as of July 1, 2017.

6 **ARTICLE 19**

7 **RELATING TO ELECTRIC VEHICLE REBATE PROGRAM**

8 SECTION 1. Title 42 of the General Laws entitled "State Affairs and Government" is
9 hereby amended by adding thereto the following chapter:

10 CHAPTER 42-140.5

11 DRIVING RHODE ISLAND TO VEHICLE ELECTRICIFICATION PROGRAM

12 **42-140.5-1. Purpose.**

13 The purpose of this chapter is to promote and increase the deployment of light-duty
14 electric vehicles; reduce long-term consumer fuel costs; and reduce greenhouse gas emissions in
15 the transportation sector.

16 **42-140.5-2. Definitions.**

17 When used in this chapter, the following terms shall have the following meanings:

18 (1) "Applicant" means an individual who files an application to receive a rebate in
19 connection with the purchase of an electric vehicle;

20 (2) "Application form" means a form to be submitted to and reviewed by the office of
21 energy resources for the purposes of determining whether an applicant is eligible to receive an
22 electric vehicle rebate;

23 (3) "Commissioner" means the commissioner of the office of energy resources.

24 (4) "Consumer information" means program literature, notifications, and other program
25 information that is provided by the office of energy resources to consumers, auto dealerships, and
26 other program stakeholders;

27 (5) "Office" means the office of energy resources established pursuant to § 42-140-2;

28 (6) "Program" means the electric vehicle rebate program established pursuant to § 42-
29 140.5-3.

30 (7) "State" means the State of Rhode Island and Providence Plantations

31 **42-140.5-3. Establishment of program.**

32 There is hereby established an electric vehicle rebate program to be administered by the
33 office for the purpose of providing rebates to eligible applicants in connection with the purchase
34 or lease of an electric vehicle as defined in regulation. The program shall begin in fiscal year

1 2018 and expire at the conclusion of fiscal year 2022. For fiscal year 2018, two hundred and fifty
2 thousand dollars (\$250,000) shall be appropriated to the office for the purpose of paying out
3 rebates for the program. For each fiscal year thereafter, additional sums shall be appropriated to
4 the office for the purpose of paying out rebates until expiration of the program.

5 **42-140.5-4. Rules and regulations.**

6 The office shall establish, by rule and regulations adopted in accordance with chapter 35
7 of title 42, standards which shall determine the amount of electric vehicle rebates per vehicle
8 make and model, eligibility criteria for applicants, whether circumstances exist that require an
9 applicant to forfeit and/or return a rebate payment, and other necessary program criteria as
10 determined by the office. The rules and regulations established by the office shall make
11 incentives available to drivers licensed in the state and/or individuals who, in accordance with
12 regulation, can sufficiently demonstrate residency in the state. The office may amend the rules in
13 accordance with chapter 35 of title 42.

14 **42-140.5-5. Rebate Program Limitations.**

15 Rebates granted through the program shall only be available in connection with the
16 purchase or lease of an electric vehicle sold within the state, unless otherwise determined by the
17 office pursuant to § 42-140.5-4. Payment of rebates granted to applicants through the program are
18 subject to the availability of funds and the total amount of rebate payments shall not exceed the
19 sum that has been appropriated through the state budget to the office for the purpose of paying
20 out rebates. At any time funds become unavailable, the office shall notify all pending applicants
21 and suspend the program until funds become available.

22 **42-140.5-6. Forms of application.**

23 The office shall develop and make available to the public program guidance and
24 application forms to enable consumer participation in the program. At a minimum, the
25 application form shall contain the following:

26 (i) Proof of purchase or lease, which may include an executed vehicle sales or lease
27 agreement, or other appropriate documentation as determined by the office;

28 (ii) The cost of the electric vehicle;

29 (iii) The make and model of the electric vehicle;

30 (iv) Identification of the auto dealership that sold or leased the electric vehicle;

31 (v) Relevant applicant information, including name and contact information, a copy of a
32 valid drivers license, and proof of residency as defined in regulation; and

33 (vi) Any other documentation required by program rules and regulations established by
34 the office pursuant to § 42-140.5-4.

1 (f) Commencing January 1, 2014, the minimum wage is eight dollars (\$8.00) per hour.

2 (g) Commencing January 1, 2015, the minimum wage is nine dollars (\$9.00) per hour.

3 (h) Commencing January 1, 2016, the minimum wage is nine dollars and sixty cents
4 (\$9.60) per hour.

5 (i) Commencing October 1, 2017, the minimum wage is ten dollars and fifty cents
6 (\$10.50) per hour.

7 SECTION 2. This article shall take effect upon passage.

8 **ARTICLE 21**

9 RELATING TO DEPARTMENT OF LABOR AND TRAINING FEES AND FINES

10 SECTION 1. Section 5-6-24 of the General Laws in Chapter 5-6 entitled "Electricians" is
11 hereby amended to read as follows:

12 **5-6-24. Apprentices – Registration Fee.**

13 (a) This chapter does not forbid the employment of one properly limited registered
14 apprentice electrician working with and under the direct personal supervision of a licensed
15 journeyman electrician. Additionally, this chapter does not forbid the employment of: (1) one
16 properly registered apprentice oil burnerperson working with and under the direct personal
17 supervision of a licensed oil burnerperson; (2) one properly registered apprentice fire alarm
18 installer working with and under the direct personal supervision of a licensed fire alarm installer;
19 or (3) two (2) properly registered apprentice electrical sign installer working with and under the
20 direct personal supervision of a licensed electrical sign installer; (4) one properly registered
21 apprentice maintenance electrician working with and under the direct personal supervision of a
22 valid Class C or Class D license holder; or (5) one properly registered apprentice lightning
23 protection installer working with and under the direct personal supervision of a licensed lightning
24 protection installer (LPI). ~~Apprentices are required to register with the division of professional
25 regulation initially upon payment of a fee of twenty dollars (\$20.00) per year.~~ Apprentices are
26 required to register with the division of professional regulation immediately upon employment
27 with a properly licensed electrical contractor or lightning protection contractor.

28 (b) Indentured apprentice electricians are required to work a minimum of eight thousand
29 (8,000) hours over a period of time of not less than four (4) years and successfully complete one
30 hundred forty-four (144) hours of related instruction per year in an indentured apprenticeship
31 program approved by the Rhode Island department of labor and training, to qualify for the
32 journeyman "B" electrician examination; provided, however, apprentices may receive credit for
33 one hundred forty-four (144) hours of classroom training gained in a vocational school authorized
34 by the board of regents for elementary and secondary education and approved by the Rhode

1 Island department of labor and training apprenticeship council. Provided, that the test applicant
2 has possessed for at least four (4) years prior to the filing of the application a certificate of
3 registration in full force and effect from the department of labor and training of Rhode Island
4 specifying the person as an indentured apprentice, and the application of an applicant is
5 accompanied by an affidavit or affidavits of his or her employer or former employers or other
6 reasonably satisfactory evidence showing that the applicant has been actually engaged in
7 electrical work as an apprentice in Rhode Island during those four (4) years, or the application is
8 accompanied by an affidavit or other reasonably satisfactory evidence showing that the applicant
9 has successfully completed a course of study in a recognized college or university and has
10 pursued a course of electrical technology for at least two (2) academic years or is the recipient of
11 an associate degree in electrical technology, and has thereafter been indentured by the department
12 of labor and training as an apprentice for at least two (2) years and employed as an indentured
13 apprentice by a duly licensed electrician master in this state for a period of two (2) years, or a
14 showing that the applicant possesses a certificate of license issued under the laws of another state.
15 Limited registered apprentice electricians shall be required to work a minimum of four thousand
16 (4,000) hours over a period of time of not less than two (2) years.

17 (c) Indentured apprentice maintenance electricians are required to work a minimum of six
18 thousand (6,000) hours over a period of time of not less than three (3) years and successfully
19 complete a one hundred forty-four (144) hours of related instruction per year in an indentured
20 apprenticeship program approved by the Rhode Island department of labor and training, to qualify
21 for the journeyman "M" electrician examination. Provided, however, that the test applicant has
22 possessed for at least three (3) years prior to the filing of the application a certificate of
23 registration in full force and effect from the department of labor and training of Rhode Island
24 specifying the person as an indentured apprentice, and the application of an applicant is
25 accompanied by an affidavit or affidavits of his or her employer or former employers or other
26 reasonably satisfactory evidence showing that the applicant has been actually engaged in
27 electrical work as an apprentice in Rhode Island during those three (3) years. Class M
28 journeyman electricians may qualify to take the journeyman "B" electrician examination
29 upon registering as a fourth year apprentice and becoming employed by a properly licensed Class
30 A electrical contractor for that period of time.

31 (d) Apprentice lightning protection installers are required to work a minimum of four
32 thousand (4,000) hours over a period of time of not less than two (2) years to qualify for the
33 lightning protection installer (LPI) examination. Provided, that the test applicant has possessed
34 for at least two (2) years prior to the filing of the application a certificate of registration in full

1 force and effect from the department of labor and training of Rhode Island specifying the person
2 as an apprentice lightning protection installer, and the application of an applicant is accompanied
3 by an affidavit or affidavits of his or her employer or former employers or other reasonably
4 satisfactory evidence showing that the applicant has been actually engaged in lightning protection
5 work as an apprentice during those two (2) years.

6 SECTION 2. Section 5-20-25 of the General Laws in Chapter 5-20 entitled "Plumbers,
7 Irrigators and Water System Installers" is hereby amended to read as follows:

8 **5-20-25. Registration of Apprentices.**

9 (a) Any person who has agreed to work a minimum of eight thousand (8,000) hours over
10 a period of time of not less than five (5) years under the direct supervision and instruction of a
11 master plumber or journeyman plumber as an apprentice to learn the plumbing business, and
12 that agreement is approved by the division of professional regulation, shall be registered ~~for an~~
13 ~~initial period of one year, with renewal on the applicant's birthday,~~ by the director of the
14 department of labor and training and have issued to him or her ~~upon the payment of a fee of~~
15 ~~twenty dollars (\$20.00)~~ a certificate showing that person to be a registered apprentice. ~~Every~~
16 ~~person who continues to work as an apprentice after the initial one year registration is required to~~
17 ~~register again as an apprentice and pay the fee.~~

18 (b) Any person who has agreed to work a minimum of two thousand (2,000) hours over a
19 period of time of not less than one year under the direct supervision and instruction of a master
20 irrigator or a journeyman irrigator as an apprentice to learn the irrigation business, and that
21 agreement is approved by the division of professional regulation, shall be registered ~~for an initial~~
22 ~~period of one year, with renewal on the applicant's birthday,~~ by the director of the department of
23 labor and training and have issued to him or her ~~upon the payment of a fee of twenty dollars~~
24 ~~(\$20.00)~~ a certificate showing that person to be a registered apprentice. ~~Every person who~~
25 ~~continues to work as an apprentice after the initial one year registration is required to register~~
26 ~~again as an apprentice and pay the fee.~~

27 (c) Any person who has agreed to work a minimum of two thousand (2,000) hours over a
28 period of time of not less than one year, under the direct supervision and instruction of a master
29 water-filtration/treatment-system installer or a journeyman water-filtration/treatment-system
30 installer, as an apprentice to learn the water-filtration/treatment business, and that agreement is
31 approved by the division of professional regulation, shall be registered ~~for an initial period of one~~
32 ~~year, with renewal on the applicant's birthday,~~ by the director of the department of labor and
33 training and have issued to them, ~~upon the payment of a fee of twenty dollars (\$20.00),~~ a
34 certificate showing that person to be a registered apprentice. ~~Every person who continues to work~~

1 ~~as an apprentice after the initial one year registration is required to register again as an apprentice~~
2 ~~and pay the fee.~~

3 SECTION 3. Section 28-27-18 of the General Laws in Chapter 28-27 entitled
4 “Mechanical Trades” is hereby amended to read as follows:

5 **28-27-18. Registration of Apprentices.**

6 (a) Any person who has agreed to work under the supervision of a licensed pipefitter,
7 refrigeration/air conditioning, sprinkler fitter or sheet metal master under a state sanctioned
8 apprenticeship program shall be registered by the director of labor and training ~~upon the payment~~
9 ~~of a twenty four dollar (\$24.00) annual fee~~ and be issued a certificate of apprenticeship. ~~A~~
10 ~~renewal certificate shall also be issued for twenty four dollars (\$24.00) for each succeeding~~
11 ~~twelve (12) month period.~~

12 (b) The minimum formal training period for a P.J.F. limited class II license shall be one
13 hundred sixty (160) hours of classroom and/or laboratory technical training, approved by the
14 department of labor and training. The fee schedules for the P.J.F. limited license are detailed in §
15 28-27-5.2. All other sections of this chapter shall remain in full force and effect.

16 SECTION 4. Sections 28-45-9.1 and 28-45-13.1 of the General Laws in Chapter 28-45
17 entitled “Apprenticeship Programs in Trade and Industry” are hereby repealed.

18 **~~28-45-9.1. Apprenticeship programs — Fees.~~**

19 ~~—A fee of one hundred twenty dollars (\$120) shall be paid by each program sponsor,~~
20 ~~except those sponsors who are in registered school to career apprenticeship programs only,~~
21 ~~and/or those sponsors who are licensed masters/contractors with the department of labor and~~
22 ~~training, division of professional regulation, requesting authorization as an approved sponsor~~
23 ~~from the state apprenticeship council. All state approved sponsors' certificates issued by the~~
24 ~~division of professional regulation, except those sponsors who are registered in school to career~~
25 ~~apprenticeship programs only, and/or those sponsors who are licensed masters/contractors with~~
26 ~~the department of labor and training, division of professional regulation, shall become due for~~
27 ~~annual renewal upon payment of a renewal fee of one hundred twenty dollars (\$120). Those fees~~
28 ~~shall be deposited as general revenues.~~

29 **~~28-45-13.1. Apprenticeship registration — Fees.~~**

30 ~~A fee of twenty four dollars (\$24.00) shall be paid by each indentured apprentice, except~~
31 ~~those apprentices who are registered in school to career apprenticeship programs only, not~~
32 ~~registered as an apprentice with the division of professional regulation of the department of labor~~
33 ~~and training, except those apprentices who are registered in school to career apprenticeship~~
34 ~~programs only, requesting approval and registration with the department of labor and training. All~~

1 ~~state approved apprentice certificates that are not registered and renewable through the division of~~
2 ~~professional regulation of the department of labor and training shall become due for renewal~~
3 ~~annually for a renewal fee of twenty four dollars (\$24.00). All apprenticeship certificates issued~~
4 ~~by the division of professional regulation of the department of labor and training shall expire on~~
5 ~~the indentured date of the individual qualifying for the certificate.~~

6 SECTION 5. Section 5-6-32 of the General Laws entitled "Electricians" is hereby
7 amended to read as follows:

8 **5-6-32. Authority of director to assess penalty.**

9 (a) The director may assess an administrative penalty on any person, firm, or corporation
10 for any violation of the provisions of this chapter, after notice and a hearing, before and upon the
11 recommendation of the board of examiners of electricians in the amount of ~~five hundred dollars~~
12 ~~(\$500)~~ one thousand five hundred dollars (\$1,500) for the first violation and ~~nine hundred fifty~~
13 ~~dollars (\$950)~~ two thousand dollars (\$2,000) for a subsequent violation. All funds collected by
14 the labor and training department under this section shall be placed in the restricted receipts
15 account created pursuant to § 28-22-1.1. This section is in addition to any other action provided
16 by law for violations of this chapter.

17 (b) The chief of the section shall act as an investigator with respect to the enforcement of
18 all the provisions of law relative to the licensing of electricians and, to this effect, whenever a
19 complaint is made by the chief of the section to the director of the department of labor and
20 training or his or her designee that the provisions of this chapter are being violated, the director of
21 the department of labor and training or his or her designee may issue an order to cease and desist
22 from that violation and may impose the above penalties against the violator and against the
23 contractor.

24 SECTION 6. Chapter 28-14 of the General Laws entitled "Payment of Wages" is hereby
25 amended by adding thereto the following section:

26 **28-14-17.1. Administrative Assessment.**

27 (a) Any employer found to have violated the provisions of this chapter upon final
28 determination by the department of labor and training, including claims settled
29 via settlement agreement and administrative hearing shall be assessed an administrative
30 penalty equal to fifteen percent (15%) to twenty five percent (25%) of the amount of back wages
31 ordered to be paid for a first violation within a three (3) year period. For subsequent violations
32 within a three (3) year period the assessment shall equal twenty five percent (25%) to fifty
33 percent (50%) of the amount of back wages ordered to be paid.

34 (b) In determining the amount of any penalty imposed under this section, the director or

1 [his or her designee shall consider the good faith of the employer, the gravity of the violation, the](#)
2 [history of previous violations and whether or not the violation was an innocent mistake or willful](#)
3 [violation.](#)

4 SECTION 7. Section 28-14-19.1 of the General Laws entitled “Payment of Wages” is
5 hereby amended to read as follows:

6 **28-14-19.1. Misclassification of employees.**

7 (a) The misclassification of a worker whether performing work as a natural person,
8 business, corporation or entity of any kind, as an independent contractor when the worker should
9 be considered and paid as an employee shall be considered a violation of this chapter.

10 (b) In addition to any other relief in which any department or an aggrieved party may be
11 entitled for such a violation, the employer shall be liable for a civil penalty in an amount not less
12 than ~~five hundred dollars (\$500)~~ [one thousand five hundred dollars \(\\$1,500\)](#) and not greater than
13 three thousand (\$3,000) dollars for each misclassified employee for a first offense and up to five
14 thousand dollars (\$5,000) for each misclassified employee for any subsequent offense, which
15 shall be shared equally between the department and the aggrieved party.

16 (c) In determining the amount of any penalty imposed under this section, the director or
17 his or her designee shall consider the size of the employer’s business, the good faith of the
18 employer, the gravity of the violation, the history of previous violations, and whether or not the
19 violation was an innocent mistake or willful.

20 (d) A violation of this section may be adjudicated under § 28-14-19 and consolidated
21 with any labor standards violation or under §§ 37-13-14.1 and 15 and consolidated with any
22 prevailing wage violation.

23 (e) A violation of this section may be brought or adjudicated by any division of the
24 department of labor and training.

25 (f) The department shall notify the contractor’s registration board and the tax
26 administrator of any violation of this section.

27 SECTION 8. Sections 28-42-38.1, 28-42-64, 28-42-65 and 28-42-66 of the General
28 Laws in Chapter 28-42 entitled “Employment Security – General Provisions” are hereby amended
29 to read as follows:

30 **28-42-38.1. Quarterly wage reports.**

31 (a)(1) The department of labor and training is designated and constituted the agency
32 within this state charged with the responsibility of collecting quarterly wage information, as
33 required by 42 U.S.C. § 1302b-7. Each employer shall be required to submit a detailed wage
34 report to the director, for all calendar quarters within thirty (30) days after the end of each quarter

1 in a form and manner prescribed by the director, listing each employee's name, social security
2 account number, the total amount of wages paid to each employee, and any other information that
3 the director deems necessary. All reports shall be in addition to those now required by the
4 department.

5 (2) The department will utilize the quarterly wage information that it collects from
6 employers to establish an individual's eligibility for unemployment insurance benefits and to
7 determine the amount and duration of benefits for all new claims filed.

8 (3) Notwithstanding any provisions of chapters 42 – 44 of this title to the contrary, the
9 department may utilize employee quarterly wage information submitted by employers to measure
10 the progress of the state in meeting the performance measures developed in response to United
11 States Public Law 105-220, the Workforce Investment Act of 1998 (see 29 U.S.C. § 2801 et seq.),
12 further provided however, that the department may verify certain employee quarterly wage
13 information for the local workforce investment board and provide it with the verified data under
14 procedures established by rules and regulations promulgated by the director. The director shall
15 also make the quarterly wage information available, upon request, to the agencies of other states
16 in the performance of their public duties under the Workforce Investment Act of 1998 in that
17 state. This information shall be made available only to the extent required by the Secretary of
18 Labor and necessary for the valid administrative needs of the authorized agencies, and all
19 agencies requesting this data shall protect it from unauthorized disclosure. The department shall
20 be reimbursed by the agencies requesting the information for the costs incurred in providing the
21 information.

22 (4) Notwithstanding any provisions of chapters 42 – 44 of this title to the contrary, the
23 department may provide quarterly wage information to the United States Census Bureau for the
24 purpose of participating in a joint local employment dynamics program with the United States
25 Census Bureau and the Bureau of Labor Statistics.

26 (5) Notwithstanding any provisions of chapter 42-44 of this title to the contrary, the
27 department may provide employee quarterly wage information to the department's designated
28 research partners for the purpose of its workforce data quality and workforce innovation fund
29 initiatives. The provision of these records will be done in accordance with an approved data-
30 sharing agreement between the department and its designated research partners that protects the
31 security and confidentiality of these records and through procedures established by protocols,
32 rules and/or regulations as determined necessary by the director and appropriately established or
33 promulgated.

34 (b) Notwithstanding any inconsistent provisions of chapters 42 – 44 of this title, an

1 employer who fails to file a detailed wage report in the manner and at the times required by
2 subsection (a) of this section for any calendar quarter shall pay a penalty of twenty-five dollars
3 (\$25.00) for each failure or refusal to file. An additional penalty of twenty-five dollars (\$25.00)
4 shall be assessed for each month the report is delinquent; provided, that this penalty shall not
5 exceed ~~one hundred and fifty dollars (\$150)~~ two hundred dollars (\$200.00) for any one report.
6 This penalty shall be paid into the employment security tardy account fund and if any employer
7 fails to pay the penalty, when assessed, it shall be collected by civil action as provided in § 28-43-
8 18.

9 **28-42-64. Failure to make contributions or reports.**

10 Any individual, or employing unit or its agent, who knowingly fails or refuses to make
11 any contribution or other payment required of an employing unit under chapters 42 – 44 of this
12 title, or who knowingly fails or refuses to make any contribution or report at the time and in the
13 manner required by the regulations adopted as prescribed in these chapters, shall upon conviction
14 be punished by a fine of not less than ~~ten dollars (\$10.00)~~ twenty-five dollars (\$25.00) nor more
15 than ~~one hundred dollars (\$100)~~ two hundred dollars (\$200.00), or by imprisonment not longer
16 than sixty (60) days, or by both the fine and imprisonment, and each day of that failure or refusal
17 shall constitute a separate and distinct offense. If the employer in question is a corporation, every
18 officer of the corporation who knowingly participates in any violation specified in this section
19 shall be subject to these penalties.

20 **28-42-65. Pecuniary penalty for failure to file reports or pay contributions.**

21 An employer who fails to file any reports required under chapters 42 – 44 of this title, or
22 who fails or refuses to pay any contributions required under those chapters in the manner and at
23 the times as required by the law and regulations or as the director may, in accordance with these
24 chapters, prescribe, shall pay a penalty of ~~ten dollars (\$10.00)~~ twenty-five dollars (\$25.00) for
25 each failure or refusal to file, and where any contribution is due, shall pay an additional penalty of
26 ten percent (10%) of the amount due. The foregoing penalties shall be paid into the employment
27 security tardy account fund, and shall be in addition to contributions and interest required to be
28 paid as provided in chapters 42 – 44 of this title. If any employer fails to pay a penalty, when
29 assessed, it shall be collected by civil action as provided in § 28-43-18.

30 **28-42-66. Penalty for violations generally.**

31 Any violation of any provision of chapters 42 – 44 of this title or of any order, rule, or
32 regulation of the board of review after consultation with the director, for which a penalty is
33 neither prescribed above nor provided by any other applicable statute, shall be punished by a fine
34 of not less than ~~twenty dollars (\$20.00)~~ twenty-five dollars (\$25.00) nor more than ~~fifty dollars~~

1 ~~(\$50.00)~~ two hundred dollars (\$200.00), or by imprisonment not longer than thirty (30) days, or
2 by both the fine and imprisonment.

3 SECTION 9. This article shall take effect as of July 1, 2017.

4 ARTICLE 22

5 RELATING TO LEAD POISONING PREVENTION PROGRAMS

6 SECTION 1. Chapter 42-128.1 of the General Laws entitled "Lead Hazard Mitigation" is
7 hereby repealed in its entirety.

8 ~~42-128.1-1. Short title.~~

9 ~~This chapter may be cited and shall be known as the "Lead Hazard Mitigation Act."~~

10 ~~42-128.1-2. Legislative findings.~~

11 ~~The general assembly finds and declares that:~~

12 ~~(1) Rhode Island's rental housing stock is older and lead hazards are widespread;~~

13 ~~(2) There has been an insufficient level of lead hazard abatement in Rhode Island's rental~~
14 ~~housing stock;~~

15 ~~(3) Children in Rhode Island, especially in older urban communities, have been victims~~
16 ~~of lead poisoning at disproportionately high rates;~~

17 ~~(4) During the 1990's meeting department of health lead hazard abatement standards has~~
18 ~~ranged between seven thousand dollars (\$7,000) and fifteen thousand dollars (\$15,000) per unit;~~

19 ~~(5) The combination of the high cost of meeting the abatement standards and the system~~
20 ~~of incentives available for rental property owners in Rhode Island resulted in few properties being~~
21 ~~improved to state standards as a consequence of voluntary activity by property owners; and~~

22 ~~(6) The US Department of Housing and Urban Development has promulgated regulations~~
23 ~~for lead hazard control that apply to housing that is federally assisted and require inspections with~~
24 ~~dust testing.~~

25 ~~42-128.1-3. Legislative purposes.~~

26 ~~In order to promote the prevention of childhood lead poisoning in Rhode Island, it is the~~
27 ~~purpose of this chapter:~~

28 ~~(1) To increase the supply of rental housing in Rhode Island in which lead hazards are, at~~
29 ~~a minimum, mitigated;~~

30 ~~(2) To improve public awareness of lead issues and to educate both property owners and~~
31 ~~tenants about practices that can reduce the incidence of lead poisoning;~~

32 ~~(3) To resolve disjointed insurance practices arising from lead liabilities exclusions.~~

33 ~~42-128.1-4. Definitions.~~

34 ~~The following definitions shall apply in the interpretation and enforcement of this~~

1 ~~chapter:~~

2 ~~(1) "At risk occupant" means a person under six (6) years of age, or a pregnant woman,~~
3 ~~who has been a legal inhabitant in a dwelling unit for at least thirty (30) days; provided, however,~~
4 ~~that a guest of any age shall not be considered an occupant for the purposes of this chapter.~~

5 ~~(2) "Designated person" means either: (i) A property owner, or the agent of the property~~
6 ~~owner, who has completed a housing resources commission approved awareness seminar on lead~~
7 ~~hazards and their control; or (ii) A person trained and certified as either a lead hazard mitigation~~
8 ~~inspector, an environmental lead inspector, or a lead hazard inspection technician.~~

9 ~~(3) "Dwelling" or "dwelling unit" means an enclosed space used for living and sleeping~~
10 ~~by human occupants as a place of residence, including, but not limited to: a house, an apartment,~~
11 ~~or condominium, but, for the purpose of this chapter, shall not include hotels or "temporary~~
12 ~~housing".~~

13 ~~(4) "Elderly housing" means a federal, state, or local program that is specifically designed~~
14 ~~and operated to assist elderly persons, sixty two (62) years of age, or older, as set forth in a~~
15 ~~regulatory agreement or zoning ordinance.~~

16 ~~(5) "Environmental lead poisoning level" means a confirmed, venous blood lead level as~~
17 ~~defined pursuant to § 23-24.6-4.~~

18 ~~(6) "Lead abated" means a dwelling and premises that are lead free or lead safe, as those~~
19 ~~terms are defined in chapter 24.6 of title 23.~~

20 ~~(7) "Lead Free" means that a dwelling, dwelling unit, or premises contains no lead, or~~
21 ~~contains lead in amounts less than the maximum acceptable environmental lead levels established~~
22 ~~by regulation by the Rhode Island department of health.~~

23 ~~(8) "Lead hazard mitigation standards" means standards adopted by the housing~~
24 ~~resources commission for a dwelling unit and associated common areas that provide for:~~

25 ~~(i) A continuing and ongoing responsibility for lead hazard control that includes: (A)~~
26 ~~Repair of deteriorated paint; (B) Correction of dust generating conditions, such as friction or~~
27 ~~impact areas; (C) Provision of cleanable surfaces to eliminate harmful dust loading; (D)~~
28 ~~Correction of soil lead hazards; (E) Safe work practices;~~

29 ~~(ii) At unit turnover: (A) The provision of information on lead hazards and their~~
30 ~~avoidance and control to tenants; (B) Documentation of lead hazard mitigation compliance; (C)~~
31 ~~An explicit process for notification by tenants to property owners of instances of deterioration in~~
32 ~~conditions effecting lead hazards; and~~

33 ~~(iii) Maintenance of "lead hazard control." "Lead hazard control" means those portions of~~
34 ~~the lead hazard mitigation standard pertaining to repair of deteriorating paint; correction of dust-~~

1 ~~generating conditions; provision of cleanable surfaces; and correction of soil lead hazards that can~~
2 ~~be identified by visual inspection as provided for in subdivision (9)(ii) or through inspections~~
3 ~~conducted in accordance with chapter 24.2 of title 45, "Minimum Housing Standards", and~~
4 ~~chapter 24.3 of title 45, "Housing Maintenance and Occupancy Code".~~

5 ~~(9) "Lead hazard mitigation compliance" means an independent, clearance inspection and~~
6 ~~certificate, as specified in this subdivision, undertaken to determine whether the lead hazard~~
7 ~~mitigation measures have been completed. Said inspection shall be valid for two (2) years, or~~
8 ~~until the next turnover of the dwelling unit, whichever period is longer. The requirements for a~~
9 ~~clearance review inspection shall be met either by an independent clearance inspection or a visual~~
10 ~~inspection as set forth in this subdivision:~~

11 ~~(i) An "independent clearance inspection" means an inspection performed by a person~~
12 ~~who is not the property owner or an employee of the property owner and who is authorized by the~~
13 ~~housing resources commission to conduct independent clearance inspections, which shall include:~~
14 ~~(A) A visual inspection to determine that the lead hazard controls have been met, and (B) Dust~~
15 ~~testing in accordance with rules established by the department of health and consistent with~~
16 ~~federal standards. A certificate of conformance shall be issued by the person who conducted the~~
17 ~~inspection on the passage of the visual inspection and the required dust testing. An independent~~
18 ~~clearance inspection shall be required at unit turnover or once in a twenty-four month (24) period,~~
19 ~~whichever period is the longer. If the tenancy of an occupant is two (2) years or greater, the~~
20 ~~certificate of conformance shall be maintained by a visual inspection as set forth in paragraph (ii)~~
21 ~~of this subdivision.~~

22 ~~(ii) A "visual inspection" means a visual inspection by a property owner or designated~~
23 ~~person to determine that the lead hazard controls have been met. If the designated person~~
24 ~~concluded that the lead hazard controls specified in this chapter have been met, the designated~~
25 ~~person may complete an Affidavit of Completion of Visual Inspection. The affidavit shall be~~
26 ~~valid upon its being notarized within thirty (30) days after the completion of the visual inspection~~
27 ~~and shall set forth:~~

28 ~~(A) The date and location that the designated person took the lead hazard control~~
29 ~~awareness seminar;~~

30 ~~(B) The date and findings of the lead hazard evaluation;~~

31 ~~(C) The date and description of the lead hazard control measures undertaken;~~

32 ~~(D) The date of the visual inspection; and~~

33 ~~(E) The name and signature of the designated person and date of the Affidavit of~~
34 ~~Completion of Visual Inspection.~~

1 ~~An Affidavit of Completion of Visual Inspection shall be valid for two (2) years after the~~
2 ~~date it was notarized, or until unit turnover, whichever time period is the longer, and shall be kept~~
3 ~~by the property owner for a minimum of five (5) years.~~

4 ~~(iii) Presumptive compliance. A property owner of ten (10) or more dwelling units shall~~
5 ~~be eligible to obtain a certificate of presumptive compliance from the housing resources~~
6 ~~commission provided that the following conditions are met:~~

7 ~~(A) The dwelling units were constructed after 1960 or after 1950 on federally owned or~~
8 ~~leased lands;~~

9 ~~(B) There are no major, outstanding minimum housing violations on the premises;~~

10 ~~(C) The property owner has no history of repeated lead poisonings; and~~

11 ~~(D) Independent clearance inspections have been conducted on at least five percent (5%)~~
12 ~~of the dwelling units, not less than two (2) dwelling units and at least ninety percent (90%) of the~~
13 ~~independent clearance inspections were passed. "Repeated lead poisoning", for purposes of this~~
14 ~~paragraph, shall mean a lead poisoning rate of less than one half percent (.5%) per dwelling unit~~
15 ~~year, with dwelling unit years being calculated by multiplying the number of dwelling units~~
16 ~~owned by the property owner by the number of years of ownership since 1992. Major minimum~~
17 ~~housing violations shall be defined by rule by the housing resources commission. The housing~~
18 ~~resources commission shall not arbitrarily withhold its approval of applications for presumptive~~
19 ~~compliance. A certificate of presumptive compliance shall be deemed to be satisfactory for~~
20 ~~purposes of demonstrating compliance with the requirements of this chapter. If a unit qualifies for~~
21 ~~a presumptive compliance certificate, by itself having passed an independent clearance inspection~~
22 ~~at least once, that unit's compliance may be maintained by a visual inspection as set forth in this~~
23 ~~chapter.~~

24 ~~(10) "Lead hazard mitigation inspector" means either a person approved by the housing~~
25 ~~resources commission to perform independent clearance inspections under this chapter or~~
26 ~~inspections required by 24 C.F.R., Part 35, Subpart M [24 C.F.R. 35.1200 et seq.], or approved by~~
27 ~~the department of health to conduct inspections pursuant to chapter 24.6 of title 23.~~

28 ~~Lead hazard mitigation inspectors performing independent clearance inspections shall~~
29 ~~not have any interest, financial or otherwise, direct or indirect, or engage in any business or~~
30 ~~employment with regards to:~~

31 ~~(a) The dwelling unit that is the subject of an independent clearance inspection; or~~

32 ~~(b) The contractor performing lead hazard control work in the dwelling unit; or~~

33 ~~(c) The laboratory that is used to analyze environmental lead samples for the independent~~
34 ~~clearance inspection unless the lead hazard mitigation inspector discloses his or her relationship~~

1 ~~with the laboratory to the person requesting the inspection and on the inspection report.~~

2 ~~Employees of public agencies and quasi-public agencies that hold a financial interest in~~
3 ~~the property may perform independent clearance inspections.~~

4 ~~(11) "Lead poisoned" means a confirmed venous blood lead level established by the~~
5 ~~department of health pursuant to § 23-24.6-4(1).~~

6 ~~(12) "Lead Safe" means that a dwelling, dwelling unit, or premises has undergone~~
7 ~~sufficient, lead hazard reduction to ensure that no significant, environment lead hazard is present~~
8 ~~and includes, but is not limited to, covering and encapsulation and is evidenced by a lead safe~~
9 ~~certificate issued by the department of health.~~

10 ~~(13) "Property owner" means any person who, alone or jointly or severally with others:~~

11 ~~(i) Shall have legal title to any dwelling, dwelling unit, or structure, with or without~~
12 ~~accompanying actual possession of it; or~~

13 ~~(ii) Shall have charge, care, or control of any dwelling, dwelling unit, or structure as~~
14 ~~owner or agent of the owner, or an executor, administrator, trustee, or guardian of the estate of the~~
15 ~~owner. Any person representing the actual owner shall be bound to comply with the provisions of~~
16 ~~this chapter, and of rules and regulations adopted pursuant to this chapter, to the same extent as if~~
17 ~~that person were the owner.~~

18 ~~(iii) Notwithstanding the foregoing, no holder of a mortgage or other lien holder who, in~~
19 ~~enforcing a security interest, acquires title by foreclosure or deed in lieu of foreclosure shall be~~
20 ~~considered a property owner for purposes of this chapter, if the holder transfers the title within~~
21 ~~one year after the date the title is acquired; provided, however, if the mortgagee or lien holder,~~
22 ~~subsequent to acquiring title, is notified of a lead hazard under chapter 24.6 of title 23 or § 42-~~
23 ~~128.1-8(a)(5), then and in that event, the mortgagee or lien holder shall take any steps to reduce~~
24 ~~the lead hazard that shall be required under the provisions of chapter 24.6 of title 23 or this~~
25 ~~chapter, as applicable.~~

26 ~~(14) "Temporary housing" means any seasonal place of residence that is rented for no~~
27 ~~more than one hundred (100) days per calendar year to the same tenant, where no lease renewal~~
28 ~~or extension can occur, and any emergency shelter intended for night to night accommodation.~~

29 ~~(15) "Tenant turnover" means the time at which all existing occupants vacate a unit and~~
30 ~~all new occupants move into the unit.~~

31 ~~**42-128.1-5. Housing resources commission — Powers and duties with respect to lead**~~
32 ~~**hazard mitigation.**~~

33 ~~(a) General powers and duties. The housing resources commission shall implement and~~
34 ~~put into full force and effect the powers, duties, and responsibilities assigned to it by this chapter,~~

1 ~~and shall serve as the lead state agency for lead hazard mitigation, planning, education, technical~~
2 ~~assistance, and coordination of state projects and state financial assistance to property owners for~~
3 ~~lead hazard mitigation.~~

4 ~~(b) Regulatory guidelines. In developing and promulgating rules and regulations as~~
5 ~~provided for in this chapter, the housing resources commission shall consider, among other~~
6 ~~things: (1) the effect on efforts to reduce the incidence of lead poisoning, (2) the ease and cost of~~
7 ~~implementation, (3) the impact on the ability to conduct real estate transactions fairly and~~
8 ~~expeditiously, (4) consistency with federal standards, such that the differences between basic~~
9 ~~federal standards and Rhode Island standards for lead hazard mitigation are, to the extent~~
10 ~~practicable, minimized, and (5) the direction of effort to locations and housing types, which due~~
11 ~~to age, condition, and prior history of lead poisoning are more likely to the location of lead~~
12 ~~poisoning. Said regulations shall include a definition of "turnover" of a dwelling unit and a means~~
13 ~~for tenants to voluntarily notify property owners of the legal tenancy of an "at risk" occupant.~~

14 ~~(c) Comprehensive strategic plan. In order to establish clear goals for increasing the~~
15 ~~availability of housing in which lead hazards have been mitigated, to provide performance~~
16 ~~measures by which to assess progress toward achieving the purposes of this chapter, and to~~
17 ~~facilitate coordination among state agencies and political subdivisions with responsibilities for~~
18 ~~housing and housing quality for lead poisoning reduction and for the availability of insurance~~
19 ~~coverage described in this chapter, the housing resources commission established by chapter 128~~
20 ~~of this title shall adopt by April 1, 2003, a four (4) year, comprehensive strategic plan for~~
21 ~~reducing the incidence of childhood lead poisoning, for increasing the supply of lead safe~~
22 ~~housing, and for assuring that pre-1978 in rental housing throughout the state lead hazards have~~
23 ~~been mitigated.~~

24 ~~(1) Plan elements. The plan as a minimum shall include elements pertaining to:~~

25 ~~(i) Educating people with regard to lead hazards and how they can be avoided, mitigated,~~
26 ~~and/or abated;~~

27 ~~(ii) Programs to assist low and moderate income owners of property to eliminate lead~~
28 ~~hazards and to achieve lead safe conditions;~~

29 ~~(iii) Coordination of the enforcement of laws pertaining to lead hazard control, mitigation~~
30 ~~and abatement including the Lead Poisoning Prevention Act, chapter 24.6 of title 23, and~~
31 ~~minimum housing codes and standards;~~

32 ~~(iv) Coordination of efforts with local governments and other agencies to improve~~
33 ~~housing conditions;~~

34 ~~(v) Financing lead abatement efforts in Rhode Island, including, but not limited to,~~

1 ~~assistance to low and moderate income property owners, education and outreach, and~~
2 ~~enforcement by state and local officials;~~

3 ~~(vi) An assessment of the availability of insurance for lead hazard liability, which shall be~~
4 ~~designed and implemented in cooperation with the department of business regulation.~~

5 ~~(2) Implementation program. The comprehensive strategic plan shall include an~~
6 ~~implementation program, which shall include performance measurers and a program of specific~~
7 ~~activities that are proposed to be undertaken to accomplish the purposes of this chapter and to~~
8 ~~achieve goals and elements set forth by the plan. The implementation program shall be updated~~
9 ~~annually according to a schedule set forth in the plan.~~

10 ~~(3) Reporting. The commission shall report annually to the governor and the general~~
11 ~~assembly, no later than March of each year, on the progress made in achieving the goals and~~
12 ~~objectives set forth in the plan, which report may be integrated with or issued in conjunction with~~
13 ~~the report of the commission on environmental lead submitted pursuant to § 23-24.6-6.~~

14 ~~**42-128.1-6. Education.**~~

15 ~~(a) In order to achieve the purposes of this chapter, a statewide, multifaceted, ongoing~~
16 ~~educational program designed to meet the needs of tenants, property owners, realtors and real~~
17 ~~estate agents, insurers and insurance agents, local building officials, and health providers and~~
18 ~~caregivers is hereby established.~~

19 ~~(b) The governor, in conjunction with the department of health and the housing resources~~
20 ~~commission, shall sponsor a series of public service announcements on radio, television, and print~~
21 ~~media about the nature of lead hazards, the importance of lead hazard control and mitigation, and~~
22 ~~the purposes and responsibilities set forth in this chapter. In developing and coordinating this~~
23 ~~public information initiative the sponsors shall seek the participation and involvement of private~~
24 ~~industry organizations, including those involved in real estate, insurance, mortgage banking, and~~
25 ~~pediatrics.~~

26 ~~(c) Within sixty (60) days after the regulations set forth in § 42-128.1-7 for lead hazard~~
27 ~~control and mitigation go into effect, the housing resources commission in conjunction with the~~
28 ~~department of health shall:~~

29 ~~(1) Create culturally and linguistically appropriate material outlining the rights and~~
30 ~~responsibilities of parties affected by this chapter;~~

31 ~~(2) Establish guidelines and a trainer's manual for a not more than three (3) hours lead~~
32 ~~hazard control awareness seminar for rental property owners or designated persons, which shall~~
33 ~~be forwarded to all public and private colleges and universities in Rhode Island, to other~~
34 ~~professional training facilities, and to professional associations and community organizations~~

1 ~~with a training capacity, with the stipulation this seminar be offered for a maximum fee of fifty~~
2 ~~dollars (\$50.00) per participant. The housing resources commission shall approve the proposals to~~
3 ~~offer the seminar from institutions, provided those proposals are consistent with the guidelines.~~
4 ~~An electronic version of this awareness seminar shall be created and approved by the housing~~
5 ~~resources commission for computer Internet access. Said awareness seminar shall also be~~
6 ~~produced and made available in both VHS and DVD format for rental or purchase at a reasonable~~
7 ~~cost not to exceed five dollars (\$5.00) for the rental version and fifteen dollars (\$15.00) for the~~
8 ~~purchased version. Said seminar shall be available to tenants, property owners and other~~
9 ~~interested parties.~~

10 ~~(3) Adopt rules for the dissemination of information about the requirements of this~~
11 ~~chapter to all prospective owners of pre 1978 dwellings during the real estate transaction,~~
12 ~~settlement, or closing;~~

13 ~~(4) Solicit requests, to the extent that these partnerships are not already established, to~~
14 ~~enter into ongoing, funded partnerships, to provide specific counseling information services to~~
15 ~~tenants and affected parties on their rights and responsibilities with regard to lead hazards and~~
16 ~~lead poisoning.~~

17 ~~(d) The department of business regulation shall, with regard to its responsibilities for the~~
18 ~~profession of real estate brokers and salespersons, adopt rules, with the concurrence of the~~
19 ~~housing resources commission and the department of health which shall be effective not later than~~
20 ~~June 30, 2004: (1) requiring proof of reasonable familiarity with the knowledge of duties and~~
21 ~~responsibilities under the provisions of the Lead Poisoning Prevention Act, chapter 24.6 of title~~
22 ~~23, and this chapter, for the licensure or renewal of licenses of real estate brokers and~~
23 ~~salespersons in accordance with § 5-20.5-6 after July 1, 2004; and (2) providing, pursuant to § 5-~~
24 ~~20.5-18, an educational program for real estate brokers and salespersons regarding such duties~~
25 ~~and responsibilities.~~

26 ~~(e) The housing resources commission, in conjunction with the department of health, is~~
27 ~~hereby authorized to develop, offer, engage in, contract for and/or provide any other educational~~
28 ~~or informational programs that they may deem necessary to accomplish the purposes of this~~
29 ~~chapter, including, but not limited to: programs to assist families to find housing that is lead-free,~~
30 ~~lead-safe or lead hazard mitigated or abated; to train lead hazard mitigation inspectors and local~~
31 ~~building officials and persons engaged in renovating and/or improving housing about controlling~~
32 ~~or mitigating lead hazards in pre-1978 housing. Said programs shall provide information about~~
33 ~~lead hazard mitigation requirements at retail hardware and paint stores and home improvement~~
34 ~~centers, including, as a minimum, signs of sufficient size with large enough lettering to be easily~~

1 ~~seen and read, which contains the following language:~~

2 ~~WARNING~~

3 ~~Use of abrasive material (sandpaper, steel wool, drill disks and pads, etc.) in your home~~
4 ~~to remove paint may increase the risk of childhood lead poisoning. For more information please~~
5 ~~contact the Rhode Island housing resources commission or department of health.~~

6 ~~**42-128.1-7. Lead hazard mitigation.**~~

7 ~~The housing resources commission shall adopt, no later than April 1, 2003, rules:~~

8 ~~(1) For housing constructed prior to 1978, which require property owners to certify at the~~
9 ~~time of transfer that the dwelling and/or premises meet the requirements for lead hazard~~
10 ~~mitigation or lead hazard abatement, or that the party or parties acquiring the property are notified~~
11 ~~of the potential lead hazards, and at the time of rental of units that the requirements for meeting~~
12 ~~the appropriate standards have been met;~~

13 ~~(2) For a lead hazard mitigation standard;~~

14 ~~(3) For any training, certification or licensing necessary to carry out the provisions of this~~
15 ~~chapter; and~~

16 ~~(4) For a process to receive, investigate, and decide whether the correction of a lead~~
17 ~~hazard, pursuant to § 42-128.1-8(a)(3) and (d) was satisfactory. These rules shall establish an~~
18 ~~expeditious procedure to determine whether the allegation of unsatisfactory correction has merit.~~
19 ~~The process may be integrated with or make use of the technical assistance service provided for~~
20 ~~in § 42-128.1-13.~~

21 ~~(5) For a process to grant a variance to subsections 42-128.1-8(a)(3), (a)(5), and (b),~~
22 ~~where there exists a hardship as to financing lead hazard mitigation, or where materials,~~
23 ~~personnel, or weather delays the mitigation completion.~~

24 ~~**42-128.1-8. Duties of property owners of pre-1978 rental dwellings.**~~

25 ~~(a) Property owners of pre-1978 rental dwellings, which have not been made lead safe or~~
26 ~~have not been lead hazard abated shall comply with all the following requirements:~~

27 ~~(1) Learn about lead hazards by taking a lead hazard awareness seminar, himself or~~
28 ~~herself or through a designated person;~~

29 ~~(2) Evaluate the dwelling unit and premises for lead hazards consistent with the~~
30 ~~requirements for a lead hazard control evaluation;~~

31 ~~(3) Correct identified lead hazards by meeting and maintaining the lead hazard mitigation~~
32 ~~standard;~~

33 ~~(4) Provide tenants: (i) basic information about lead hazard control; (ii) a copy of the~~
34 ~~independent clearance inspection; and (iii) information about how to give notice of deteriorating~~

1 ~~conditions;~~

2 ~~(5) Correct lead hazards within thirty (30) days after notification from the tenant of a~~
3 ~~dwelling unit with an at risk occupant, or as provided for by § 34-18-22.~~

4 ~~(b) New property owners of a pre-1978 rental dwelling that is occupied by an at risk~~
5 ~~occupant shall have up to sixty (60) days to meet requirements for lead hazard mitigation, if those~~
6 ~~requirements were not met by the previous owner at the time of transfer, provided that the new~~
7 ~~property owner has the property visually inspected within thirty (30) business days after assuming~~
8 ~~ownership to determine conformity with the lead hazard control standard.~~

9 ~~(c) The requirements for lead hazard mitigation shall apply to the first change in~~
10 ~~ownership or tenancy after November 1, 2005; provided further, that unless requested and agreed~~
11 ~~to by an at risk occupant, meeting the lead hazard mitigation standard shall not be construed to~~
12 ~~authorize a property owner to compel or cause a person, who is in tenancy on January 1, 2004,~~
13 ~~and remains in tenancy continuously thereafter, to vacate a rental unit temporarily or otherwise.~~

14 ~~(d) If the tenant receives no response to the notification to the property owner of~~
15 ~~deteriorating conditions affecting lead hazards, if the response is in the tenant's opinion~~
16 ~~unsatisfactory, or if the remedy performed is in the tenant's opinion unsatisfactory, the tenant may~~
17 ~~request a review of the matter by the housing resources commission. After its review of the~~
18 ~~matter, the housing resources commission shall either send notice to the property owner in which~~
19 ~~notice shall be issued in a manner substantially similar to a notice of violation issued by the~~
20 ~~director pursuant to the Housing Maintenance Code, chapter 24.3 of title 45, or promptly inform~~
21 ~~the tenant of the reasons why the notice is not being issued.~~

22 ~~(e) Notwithstanding the foregoing, the provisions of this chapter shall not apply to~~
23 ~~common areas in condominium complexes that are owned and operated by condominium~~
24 ~~associations, or to pre-1978 rental dwelling units that are:~~

25 ~~(1) Lead safe or lead free; or~~

26 ~~(2) Temporary housing; or~~

27 ~~(3) Elderly housing; or~~

28 ~~(4) Comprised of two (2) or three (3) units, one of which is occupied by the property~~
29 ~~owner; or~~

30 ~~The department of health shall report to the legislature annually on the number of~~
31 ~~children who are lead poisoned in any of the exempted dwelling units as referred to in subdivision~~
32 ~~(e)(4) of this section.~~

33 ~~Nothing contained herein shall be construed to prevent an owner who is seeking to obtain~~
34 ~~lead liability insurance coverage in the policy from complying with the provisions of this chapter,~~

1 ~~by securing and maintaining a valid and in force letter of compliance or conformance in force.~~

2 ~~**42-128.1-9. Insurance coverage.**~~

3 ~~(a) The department of business regulation shall, by January 1, 2003, establish a uniform~~
4 ~~policy with regard to exclusion for lead poisoning and shall adopt any rules and requirements that~~
5 ~~may be necessary to assure the availability of insurance coverage for losses and damages caused~~
6 ~~by lead poisoning, in accordance with the provisions of this chapter, which policy and rules shall~~
7 ~~apply to liability coverage available to property owners. The department of business regulation~~
8 ~~shall have the authority and is empowered, consistent with the requirements of chapter 35 of this~~
9 ~~title, to promulgate rules and regulations, which shall enable it to compile and analyze data and to~~
10 ~~make determinations with regard to the availability of and rates for lead liability coverage.~~

11 ~~(b) Except as otherwise provided by this chapter, no insurance company licensed or~~
12 ~~permitted by the department of business regulation to provide liability coverage to rental property~~
13 ~~owners shall exclude, after October 31, 2005, coverage for losses or damages caused by lead~~
14 ~~poisoning. The department of business regulation shall not permit, authorize or approve any~~
15 ~~exclusion for lead poisoning, except as specifically provided for by this chapter, that was not in~~
16 ~~effect as of January 1, 2000, and all previously approved exclusions shall terminate October 31,~~
17 ~~2005. As of November 1, 2005, coverage for lead poisoning shall be included in the policy or~~
18 ~~offered by endorsement, as set forth in this section.~~

19 ~~(c) All insurers issuing commercial lines insurance policies and personal lines insurance~~
20 ~~policies covering pre-1978 rental housing in compliance with: (i) the requirements of this chapter~~
21 ~~for lead hazard mitigation; (ii) with the requirements of chapter 24.6 of title 23 for lead safe~~
22 ~~housing, within the state of Rhode Island; or (iii) relying on a valid certificate of compliance or~~
23 ~~conformance shall, effective November 1, 2005, include in the policy coverage for liability for~~
24 ~~injury, damage, or death resulting from occurrences of lead poisoning in an amount equal to and~~
25 ~~no less than the underlying policy limits for personal injury/bodily injury coverage provided~~
26 ~~under the policy so issued to a residential rental property owner. The property owner shall, if~~
27 ~~requested by the insurer, present to the insurance company, either: (1) proof of certificate of~~
28 ~~compliance of an independent clearance inspection and of any affidavit of visual inspection~~
29 ~~required to maintain the validity of the independent clearance inspection; (2) proof of meeting the~~
30 ~~mitigation standard in the form of a clearance exam showing that lead hazards are mitigated; or~~
31 ~~(3) proof of abatement. This proof shall be prima facie evidence of compliance with the~~
32 ~~requirements of this chapter. In any subsequent renewal, the insurer may require any continuing~~
33 ~~proof whenever the certificate is expiring, has expired, or is otherwise invalidated.~~

34 ~~(d) For residential rental properties that have not been brought into compliance with the~~

1 ~~requirements for lead hazard mitigation pursuant to this chapter or for lead hazard reduction~~
2 ~~pursuant to chapter 24.6 of title 23 or which do not have a valid certificate of compliance or~~
3 ~~conformance, effective November 1, 2005, for residential rental property owners who own or~~
4 ~~owned a substantial legal or equitable interest in one property and have had no more than one un-~~
5 ~~remediated dwelling unit at which a child was poisoned prior to November 1, 2005, and for~~
6 ~~residential property owners who own or owned more than one property and have had no more~~
7 ~~than two (2) un-remediated dwelling units at which a child was poisoned prior to November 1,~~
8 ~~2005, an insurance company, which provides liability insurance to a residential rental property~~
9 ~~owner, shall either offer lead liability coverage for bodily injury, which shall be equal to the~~
10 ~~underlying limits of liability coverage for the property, by endorsement, or shall assist the insured~~
11 ~~in placing lead liability coverage through the program commonly known as the Rhode Island~~
12 ~~FAIR Plan either directly or through one of the insurance company's agents or brokers, and the~~
13 ~~Rhode Island FAIR Plan shall make available liability coverage for damages caused by lead~~
14 ~~poisoning to the class of property owners described in this subsection. If the insured seeks lead~~
15 ~~liability coverage with the FAIR Plan, the FAIR Plan may use reasonable underwriting~~
16 ~~guidelines, as approved by the department of business regulation, to underwrite the property. Any~~
17 ~~property owner, who fails to remediate a property, after a notice of violation subsequent to~~
18 ~~October 31, 2005, and any property which is not remediated after notice of a violation subsequent~~
19 ~~to October 31, 2005, shall not be eligible to receive an offer of coverage and shall be subject to~~
20 ~~cancellation and non-renewal of that coverage if the property is not found to be in compliance~~
21 ~~with the lead law within ninety (90) days of the date of issuance of the notice by the director, or~~
22 ~~the housing resources commission, as applicable.~~

23 ~~(e) Rates for lead poisoning liability coverage, as specified in subsections (c) and (d) of~~
24 ~~this section, shall be approved by the department of business regulation, notwithstanding any~~
25 ~~limits on rate approval authority established by the provisions of chapter 65 of title 27 and subject~~
26 ~~to the provisions of §§ 27-44-6 and 27-44-7, using the following standards:~~

- 27 ~~(1) That they are not excessive, inadequate, or unfairly discriminatory;~~
- 28 ~~(2) That consideration is given to:~~
 - 29 ~~(i) Past and prospective loss experience within the state of Rhode Island;~~
 - 30 ~~(ii) A reasonable margin for profits and contingencies;~~
 - 31 ~~(iii) Past and prospective expenses specifically applicable to the state of Rhode Island;~~
 - 32 ~~(iv) Any other data, including data compiled in other states, especially regarding~~
33 ~~experience data for lead liability coverage, that the department may deem necessary; and~~
 - 34 ~~(v) Past history of the owner with regard to lead poisoning or any associated violations.~~

1 ~~(f) The department of business regulation shall have the authority and is empowered,~~
2 ~~consistent with the requirements of chapter 35 of this title, to promulgate rules and regulations to~~
3 ~~enable it to compile and analyze data and to make determinations with regard to the availability~~
4 ~~of and rates for lead liability coverage. In order to effect the purposes of this section insurers shall~~
5 ~~file, on or before October 1, 2004, the proposed language of endorsements for lead liability~~
6 ~~coverage and the proposed rates for that coverage with the department.~~

7 ~~(g) All endorsements, rates, forms and rules for lead liability coverage approved by the~~
8 ~~department of business regulation to be effective on or after July 1, 2004 are hereby extended to~~
9 ~~be effective November 1, 2005. Prior to November 1, 2005, insurers and advisory organizations~~
10 ~~shall continue to utilize all endorsements, rates, forms and rules in effect on June 30, 2004 for~~
11 ~~lead liability coverage. The department shall not approve any new endorsements, rates, forms or~~
12 ~~rules for lead liability coverage in pre 1978 residential rental properties unless the filings are~~
13 ~~submitted in accordance with the provisions of this act. The department is hereby authorized to~~
14 ~~promulgate reasonable rules and regulations to carry out the provisions of this section.~~

15 ~~**42-128.1-10. Right to housing where lead hazards are corrected.**~~

16 ~~(a) Pregnant women and families with children under six (6) years of age shall be deemed~~
17 ~~to have a right to housing in which lead hazards have been mitigated or abated.~~

18 ~~(b) Injunctive Relief. Effective November 1, 2005, if the property owner of a rental~~
19 ~~dwelling fails to comply with such standards for lead hazard mitigation, or abatement, as~~
20 ~~applicable, a right of private action shall exist that allows households that include an at risk~~
21 ~~occupant to seek injunctive relief from a court with jurisdiction against the property owner in the~~
22 ~~form of a court order to compel compliance with requirements for lead hazard control or~~
23 ~~mitigation. A person who prevails is entitled to an award of the costs of the litigation and~~
24 ~~reasonable attorneys' fees in an amount to be fixed by the court. Cases brought before the court~~
25 ~~under this section shall be granted an accelerated hearing.~~

26 ~~**42-128.1-11. Enforcement.**~~

27 ~~(a) The standards for lead hazard control and for lead hazard mitigation in pre 1978~~
28 ~~housing shall be considered basic housing standards and shall be enforceable through the~~
29 ~~provisions of this chapter and through procedures established in chapter 24.2 of title 45 and~~
30 ~~chapter 24.3 of title 45.~~

31 ~~(b) Minimum Housing Standards and Housing Maintenance and Occupancy Code. In~~
32 ~~order to establish consistency between state and local programs pertaining to enforcement of~~
33 ~~standards for housing and housing occupancy and to provide for broadly available, multiple~~
34 ~~means of identifying instances of noncompliance with this chapter and enforcing the requirements~~

1 of this chapter, the following provisions regarding Minimum Housing Standards and Housing
2 Maintenance and Occupancy Code shall be effective:

3 (1) ~~The ordinances, rules, and regulations for "Minimum Housing Standards" adopted~~
4 ~~pursuant to § 45-24.2-3 shall, on or before November 1, 2005, include provisions for lead hazard~~
5 ~~control.~~

6 (2) ~~The Housing Maintenance and Occupancy Code, established by chapter 24.3 of title~~
7 ~~23, shall, effective November 1, 2005, include provisions consistent with a continuing and~~
8 ~~ongoing responsibility for lead hazard mitigation as required by the department of health~~
9 ~~standards.~~

10 ~~**42-128.1-12. Independent evaluation.**~~

11 ~~In order to assure the effectiveness of the lead hazard awareness mitigation program~~
12 ~~established by this chapter and to recommend any changes, which may be necessary to~~
13 ~~appropriate, the auditor general shall:~~

14 (1)(i) ~~Conduct a performance audit for the period ending December 31, 2003, of the~~
15 ~~duties and responsibilities assigned to the state agencies and to political subdivisions by this~~
16 ~~chapter and by the Lead Poisoning Prevention Act, chapter 24.6 of title 23, and of the~~
17 ~~effectiveness of this chapter in meeting its purposes. The auditor general may contract with~~
18 ~~independent firms and organizations with expertise in lead poisoning prevention and lead hazard~~
19 ~~mitigation to assist with the evaluation of matters set forth in this subsection.~~

20 (ii) ~~The auditor general's report shall be submitted to the governor, the speaker of the~~
21 ~~house, the president of the senate, the chairperson of the housing resources commission and the~~
22 ~~director of health, on or before March 31, 2005, and shall contain, as appropriate,~~
23 ~~recommendations: (A) to make the programs established by this chapter and by the Lead~~
24 ~~Poisoning Prevention Act more effective in achieving their respective purposes; and (B) to~~
25 ~~address any unreasonable hardships caused by this chapter or likely to be caused by this chapter~~
26 ~~with its full implementation July 1, 2005.~~

27 (iii) ~~The performance audit required by this subdivision shall, in addition to the~~
28 ~~examination of effectiveness of administration and the efficiency and adequacy of state agencies~~
29 ~~and political subdivisions in the performance of their duties under this chapter and the Lead~~
30 ~~Poisoning Prevention Act, include consideration of the following matters:~~

31 (A) ~~The number and type and date of public service announcements required by § 42-~~
32 ~~128.1-6(1);~~

33 (B) ~~The availability and distribution of education materials specified by § 42-128.1-~~
34 ~~6(2)(i);~~

1 ~~(C) The number, date and location of lead hazard awareness seminars and the number of~~
2 ~~persons who have participated in those seminars;~~

3 ~~(D) The number of "mitigation inspectors," average length of time necessary to conduct~~
4 ~~the inspections, the cost of meeting standards per inspection, and the availability of inspectors to~~
5 ~~conduct the inspections, at a reasonable cost needed in the various geographic areas of the state;~~

6 ~~(E) The availability of programs to assist property owners, especially low and moderate~~
7 ~~income property owners;~~

8 ~~(2) Conduct a performance audit for the period ending June 30, 2007, of the duties and~~
9 ~~responsibilities, as assigned by this chapter, to state agencies and political subdivisions and of the~~
10 ~~effectiveness of this chapter in meeting its purposes, especially with regard to increasing the~~
11 ~~supply of housing in which lead hazards have been mitigated and in reducing the incidence and~~
12 ~~severity of lead poisoning in Rhode Island. The auditor general may contract with independent~~
13 ~~firms and organizations with expertise in lead poisoning prevention and lead hazard mitigation to~~
14 ~~assist with the evaluation of matters set forth in this chapter. The auditor general's report shall be~~
15 ~~submitted to the governor, the speaker of the house, the president of the senate, the chairperson of~~
16 ~~the housing resources commission and the director of health, on or before January 1, 2008, and~~
17 ~~shall contain, as appropriate, recommendations:~~

18 ~~(i) to make the programs established by this chapter more effective in achieving the~~
19 ~~respective purposes; and~~

20 ~~(ii) to redress any unreasonable hardships caused by this chapter or likely to be caused by~~
21 ~~this chapter.~~

22 ~~**42-128.1-13. Rhode Island lead hazard technical assistance service.**~~

23 ~~(a) Establishment and purposes. (1) The Rhode Island housing resources commission~~
24 ~~shall establish a "Rhode Island lead hazard technical assistance service" program for the purposes~~
25 ~~of providing technical assistance to property owners to achieve compliance with this chapter and~~
26 ~~the Lead Poisoning Prevention Act, chapter 24.6 of title 23.~~

27 ~~(2) The services of the program shall subject to appropriation, include, but shall not be~~
28 ~~limited to: evaluation of the need for lead hazard mitigation in a dwelling; review of independent~~
29 ~~inspection results; identification of and arranging funding for conduction lead hazard abatement~~
30 ~~and mitigation, and supplying any materials, assistance, and services that may be needed by~~
31 ~~property owners to achieve compliance with this chapter and the Lead Poisoning Prevention Act~~
32 ~~in an affordable manner.~~

33 ~~(b) Historic properties. On or before November 1, 2005, the housing resources~~
34 ~~commission, in conjunction with the historic preservation and heritage Commission, shall initiate~~

1 ~~the following activities to assist owners of historic properties to comply with the provisions of~~
2 ~~this chapter: (i) provide technical assistance; (ii) identify financial resources available for~~
3 ~~compliance; and (iii) seek additional resources for this purpose.~~

4 ~~(c) Cooperation with Rhode Island housing and mortgage finance corporation. The~~
5 ~~housing resources commission is hereby authorized to cooperate with the Rhode Island housing~~
6 ~~and mortgage finance corporation in putting the provisions of this section into effect, and the~~
7 ~~Rhode Island housing and mortgage finance corporation is hereby authorized to exercise its~~
8 ~~powers under § 42-55-5.1 to provide for the implementation of this section.~~

9 ~~(d) Exercise of powers. The housing resources commission is hereby expressly~~
10 ~~authorized to exercise any or all of its general powers set forth in § 42-128-7 to accomplish the~~
11 ~~purpose of this section.~~

12 SECTION 2. Section 5-20.5-6 in of the General Laws in Chapter 20.5-6 entitled “Real
13 Estate Brokers and Salespersons” is hereby amended to read as follows:

14 **5-20.5-6. Duration of licenses – Rules and regulations – Suspension or revocation of**
15 **licenses.**

16 (a) If the director is satisfied that the applicant is competent and trustworthy and is
17 reasonably familiar with the statutes and law relating to real estate, he or she shall issue to the
18 applicant a license to act as a real estate broker or a real estate salesperson. The director shall
19 promulgate rules and regulations mandating the term of license for each category of license
20 issued pursuant to this chapter. No license shall remain in force for a period in excess of three (3)
21 years. Any fee for the initial issuance of a license or for renewal of a license issued pursuant to
22 this chapter is determined by multiplying the current annual fee by the term of years of the license
23 or renewal. The fee for the total number of years of the initial license or of the renewal shall be
24 paid in full prior to the issuance of the respective license. The license shall be renewed upon
25 payment of the renewal fee, and proof of completion of any continuing education requirements as
26 set forth in the rules and regulations issued by the department of business regulation. Any license
27 issued or renewed may be suspended or revoked by the director, for cause, prior to the expiration
28 date. The director shall issue reasonable rules and regulations with the consent of the majority of
29 the Rhode Island real estate commission governing the conduct of licensed real estate brokers and
30 salespersons, these rules and regulations shall be designed to implement the laws and policies of
31 this state and to protect the interests of the public.

32 (b) Any rules or regulations promulgated with regard to the requirement of continuing
33 education for the renewal of any real estate broker's and/or salesperson's license whose
34 application for an initial broker's and/or salesperson's license is approved within one hundred

1 eighty (180) days of the expiration date of his or her initial license is not subject to the continuing
2 education requirement at the time of his or her first renewal. The director, after a due and proper
3 hearing, may suspend, revoke, or refuse to renew any license upon proof that it was obtained by
4 fraud or misrepresentation or that the holder of the license has been guilty of fraud or
5 misrepresentation or criminal acts in the performance of his or her functions, or upon proof that
6 the holder of the license has violated this statute or any rule or regulation issued pursuant to this
7 statute.

8 (c) The director shall, for licenses issued or renewed after July 1, 2004, require proof of,
9 reasonable familiarity with and knowledge of duties and responsibilities established by the Lead
10 Poisoning Prevention Act, chapter 24.6 of title 23 of the general laws, ~~and the Lead Hazard~~
11 ~~Mitigation Act, chapter 128.1 of title 42 of the general laws.~~ Notwithstanding the provisions of
12 subsection (b) above, the requirements of this subsection shall apply to first renewals when
13 licenses were initially issued before July 1, 2004. This subsection shall be put into force and
14 effect by the director in the manner set forth in ~~chapter 128.1 of title 42~~ [24.6 of title 23](#) and with
15 the advice of the Rhode Island Real Estate Commission.

16 SECTION 3. Section 5-20.8-11 of the General Laws in Chapter 20.8-11 entitled “Real
17 Estate Sales Disclosures” is hereby amended to read as follows:

18 **5-20.8-11. Lead inspection requirement.**

19 (a) Every contract for the purchase and sale of residential real estate (1-4 family) built
20 prior to 1978 located in the state shall provide that potential purchasers be permitted a ten (10)
21 day period, unless the parties mutually agree upon a different period of time, to conduct a risk
22 assessment or inspection for the presence of lead exposure hazards before becoming obligated
23 under the contract to purchase.

24 (b) Failure to include the provision required in subsection (a) of this section in the
25 purchase and sale agreement for residential real estate does not create any defect in title;
26 provided, that each violation of this section by the seller or his or her agent is subject to a civil
27 penalty of not less than one hundred dollars (\$100) nor more than five hundred dollars (\$500).

28 (c) Failure to provide inspection results and/or educational materials pursuant to
29 department regulations required by § 23-24.6-16(a) does not create any defect in title; provided,
30 that each violation of this section by the seller or his or her agent is subject to a civil penalty of
31 not less than one hundred dollars (\$100) nor more than five hundred dollars (\$500).

32 (d) Failure to include the purchase and sale agreement provision required in subsection
33 (a) of this section, failure to provide inspection results pursuant to § 23-24.6-16(a), or inspection
34 results which show a lead exposure hazard as defined at § 23-24.6-4~~(12)~~[\(13\)](#) entitle the purchaser

1 to void the purchase and sale agreement by providing notice, in writing, to the seller prior to the
2 transfer of the title at closing.

3 SECTION 4. Sections 23-24.6-2, 23-24.6-3, 23-24.6-4, 23-24.6-5, 23-24.6-6, 23-24.6-7,
4 23-24.6-11, 23-24.6-14, 23-24.6-15, 23-24.6-16, 23-24.6-17, 23-24.6-18, 23-24.6-20, 23-24.6-23,
5 23-24.6-26, and 23-24.6-27 of the General Laws in Chapter 23-24.6 entitled "Lead Poisoning
6 Prevention Act" are hereby amended to read as follows:

7 **23-24.6-2. Legislative findings.**

8 The general assembly finds, upon the report of the environmental lead task force and the
9 reports, hearings, and records of its own committees and of federal agencies including the
10 environmental protection agency and centers for disease control, that:

11 (1) Environmental exposures to even low levels of lead increase a child's risks of
12 developing permanent learning disabilities, reduced concentration and attentiveness and behavior
13 problems, problems which may persist and adversely affect the child's chances for success in
14 school and life.

15 (2) Childhood lead poisoning is caused by environmental exposure to lead. The most
16 significant sources of environmental lead are lead based paint in older housing and house dust
17 and soil contaminated by this paint.

18 (3) Childhood lead poisoning is completely preventable.

19 (4) Rhode Island does not currently have ~~a comprehensive strategy~~ a centralized authority
20 in place for preventing childhood lead poisoning. As a result, ~~tens of~~ thousands of Rhode Island's
21 children are poisoned by lead at levels believed to be harmful ~~with most of these poisoned~~
22 ~~children going undiagnosed and untreated.~~

23 (5) Childhood lead poisoning is dangerous to the public health, safety, and general
24 welfare of the people and necessitates excessive and disproportionate expenditure of public funds
25 for health care and special education, causing a drain upon public revenue.

26 (6) There has been an insufficient level of lead hazard abatement in Rhode Island's rental
27 housing stock.

28 (7) A consolidated approach under the department of health combined with current
29 financing options for property owners will increase compliance and reduce the incidents of
30 childhood lead poisoning.

31 (8) The US Department of Housing and Urban Development has promulgated regulations
32 for lead hazard control that apply to housing that is federally assisted and require inspections with
33 dust testing.

34 ~~(6)~~(9) The enactment and enforcement of this chapter is essential to the public interest. It

1 is intended that the provisions of this chapter be liberally construed to effectuate its purposes.

2 ~~(7)~~(10) The magnitude of the childhood lead poisoning in Rhode Island's older homes
3 and urban areas is a result of approved use of lead based materials over an extended period in
4 public buildings and systems and private housing that a comprehensive approach is necessary to
5 alleviate the cause, identify and treat the children, rehabilitate the affected housing where young
6 children reside, and dispose of the hazardous material. Rhode Island presently does not have the
7 public or the private resources to handle the total problem, requiring prioritizing on a need basis.

8 **23-24.6-3. Declaration of purposes.**

9 The purposes of this chapter are:

10 (1) to protect the public health and public interest by establishing a comprehensive
11 program to reduce exposure to environmental lead and prevent childhood lead poisoning, the
12 most severe environmental health problem in Rhode Island; and

13 (2) to establish rigorous, systematic enforcement of requirements for the reduction of lead
14 hazards in properties where children have been lead poisoned; and

15 (3) to increase the supply of housing stock in Rhode Island which is at a minimum lead
16 safe, and

17 (4) to resolve disjointed insurance practices arising from lead liabilities exclusions; and

18 ~~(3)~~(5) to define the role of the department of health as the lead state agency charged with:
19 (i) defining lead poisoning, (ii) establishing programs for screening persons, especially children
20 under the age of six (6) years, who are at risk of lead poisoning, (iii) setting standards for
21 eliminating and reducing lead hazards in buildings and premises, including dwellings where a
22 child under the age of six (6) years who has been lead poisoned resides, (iv) providing
23 information to the public and segments thereof about the risks of lead poisoning, and (v) initiating
24 enforcement actions against persons who violate the provisions of this chapter or regulations
25 promulgated pursuant to this chapter. The goal of this chapter is to reduce the incidence of
26 childhood lead poisoning in Rhode Island to the greatest extent feasible.

27 **23-24.6-4. Definitions.**

28 For the purposes of this chapter:

29 (1) "At-risk occupant" means a person under six (6) years of age, or a pregnant woman,
30 who has been a legal inhabitant in a dwelling unit for at least thirty (30) days; provided, however,
31 that a guest of any age shall not be considered an occupant for the purposes of this chapter.

32 (2) "Childhood lead poisoning" means a confirmed venous blood lead level, measured in
33 micrograms of lead per deciliter of whole blood, established by rule by the Rhode Island
34 department of health based on the best available information about the effects of elevated blood

1 lead levels.

2 ~~(2)~~(3) "Comprehensive environmental lead inspection" means the inspection of any
3 structure or premises for the presence of lead in various media and includes sampling as may be
4 necessary or expedient in order to determine compliance in the structure or premises with
5 standards for being lead safe or lead free.

6 ~~(3)~~(4) "Department" means the state department of health.

7 ~~(4)~~(5) "Director" means the director of health.

8 ~~(5)~~(6) "Dwelling" means any enclosed space which is wholly or partly used or intended
9 to be used for living or sleeping by human occupants.

10 ~~(6)~~(7) "Dwelling unit" means any room or group of rooms located within a dwelling and
11 forming a single habitable unit with facilities which are used or intended to be used for living,
12 sleeping, cooking, and eating.

13 (8) "Housing for the elderly or persons with disabilities" means any residential housing
14 which is either reserved for persons sixty-two (62) years of age or older or persons with
15 disabilities at the time of initial occupancy.

16 ~~(7)~~(9) "Environment intervention blood lead level" means a confirmed concentration, in a
17 person under six (6) years of age, of lead in whole blood ~~of greater than or equal to twenty (20)~~
18 ~~micrograms per deciliter for a single test or for fifteen (15) to nineteen (19) micrograms per~~
19 ~~deciliter for two (2) tests taken at least three (3) months apart or as defined by the department~~ the
20 reference level defined by the department's regulations consistent with regulations adopted by the
21 U.S. Department of Housing and Urban Development.

22 ~~(8)~~(10) "Environmental lead hazard reduction" means activities undertaken by or on
23 behalf of a property owner in order to achieve lead free or lead safe status pursuant to the
24 requirements of this chapter.

25 ~~(9)~~(11) "Inspection" means the inspection, other than a comprehensive environmental
26 lead inspection, of any structure or premises undertaken to determine compliance with the
27 requirements of this chapter or with orders issued pursuant to this chapter.

28 ~~(10)~~(12) "Insurer" means every medical service corporation, hospital service corporation,
29 health maintenance organization, or other insurance company offering and/or insuring health
30 services; the term includes any entity defined as an insurer under § 42-62-4.

31 ~~(11)~~(13) "Lead contractor" means any person or entity engaged in lead hazard reduction
32 as a business ~~includes consultants who design, perform, oversee, or evaluate lead hazard~~
33 ~~reduction projects undertaken pursuant to the requirements of this chapter.~~ and licensed pursuant
34 to the department's regulations.

1 ~~(12)~~(14) "Lead exposure hazard" means a condition that presents a clear and significant
2 health risk to occupants of the dwelling, dwelling unit, or premises, particularly where there are
3 children under the age of six (6) years.

4 ~~(13)~~(15) "Lead free" means ~~that a dwelling, dwelling unit, or premises~~ a medium either
5 contains no lead or contains lead in amounts less than the maximum acceptable environmental
6 lead levels established by department's ~~of health~~ rules and regulations.

7 ~~(14)~~(16) "Lead hazard reduction" means ~~any action or actions designed to reduce~~
8 ~~exposure to toxic levels of lead which impose an unacceptable risk of exposure in any dwelling or~~
9 ~~dwelling unit, where a child under the age of six (6) years, with environmental intervention blood~~
10 ~~lead level or greater resides, or on any premises and may include, but is not limited to: repair,~~
11 ~~enclosure, encapsulation, or removal of lead-based paint and/or lead-contaminated dust, soil or~~
12 ~~drinking water; relocation of occupants; and cleanup measures or ongoing maintenance measures,~~
13 ~~which may include activities and/or measures that do not present an undue risk to children under~~
14 ~~age six (6) and can be performed by, or on behalf of, the property owner, without the person~~
15 ~~performing such activities being licensed or certified~~ lead abatement, interim controls, or a
16 combination of the two, intended to correct lead hazards identified in a lead inspection report or
17 standard treatments to remove lead-based paint and/or minimize lead exposure, which may
18 include measures to reduce the concentration of lead in paint, dust, soil, or drinking water, using
19 approved treatments and work methods specified in the department's rules and regulations.

20 ~~(15)~~(17) "Lead safe" means ~~that a dwelling, dwelling unit, or premises~~ a medium has
21 undergone sufficient lead hazard reduction to ensure that no significant environmental lead
22 hazard is present and includes but is not limited to covering and encapsulation.

23 ~~(16)~~(18) "Occupant" means any person who legally resides in, or regularly uses, a
24 dwelling, dwelling unit, or structure; provided, however, that a guest of any age shall not be
25 considered an occupant for the purposes of this chapter.

26 ~~(17)~~(19) "Owner" means any person who, alone or jointly or severally with others:

27 (i) Shall have legal title to any dwelling or dwelling unit with or without accompanying
28 actual possession of it, or

29 (ii) Shall have charge, care, or control of any dwelling or dwelling unit as owner or agent
30 of the owner, or an executor, administrator, trustee, or guardian of the estate of the owner. Any
31 person representing the actual owner shall be bound to comply with the provisions of this chapter
32 and with rules and regulations adopted pursuant to this chapter to the same extent as if that person
33 were the owner. An agent of the owner excludes real estate and property management functions
34 where the agent is only responsible for the property management and does not have authority to

1 fund capital and/or major property rehabilitation on behalf of the owner.

2 (iii) For purposes of publicly owned property only, the owner shall be defined to be the
3 chief executive officer of the municipal or state agency which owns, leases, or controls the use of
4 the property.

5 ~~(18)~~(20) "Person" means any individual, firm, corporation, association, or partnership and
6 includes municipal and state agencies.

7 ~~(19)~~(21) "Premises" means a platted lot or part thereof or unplatted lot or parcel of land,
8 or plot of land, occupied by a dwelling or structure and includes any building, accessory structure,
9 or other structure thereon which is or will be frequently used by children under the age of six (6)
10 years.

11 ~~(20)~~(22) "Program" means the comprehensive environmental lead program established by
12 this chapter.

13 ~~(21)~~(23) "State inspector" means the director, his or her designee, or any inspector
14 employed by the department ~~of health~~ who is authorized by the director to conduct
15 comprehensive environmental lead inspections and/or other inspections for the department.

16 (24) "Temporary housing" means any place of residence that is rented for no more than
17 one hundred (100) consecutive days per calendar year to the same tenant, where no lease renewal
18 or extension can occur, and any emergency shelter intended for night-to-night accommodation.

19 **23-24.6-5. Environmental lead program.**

20 (a) There is established within the department ~~of health~~ an environmental lead program
21 which shall be responsible for creating a coordinated and comprehensive program for lead
22 poisoning prevention, including screening and detection, education, lead hazard reduction, and
23 enforcement. The program shall exercise any and all authorities of the department which may be
24 necessary and appropriate, including but not limited to promulgating and enforcing regulations,
25 which regulations shall set forth a general framework for actions to be taken in response to
26 childhood lead poisoning at different blood lead levels.

27 (b) The department shall develop an educational program regarding environmental lead
28 exposures ~~and~~, lead poisoning, and strategies for lead hazard reduction.

29 (c) The department shall promulgate regulations for acceptable environmental lead levels
30 in dwellings, where a child under the age of six (6) years with environmental intervention blood
31 lead level or greater resides, and in buildings or properties frequently used by children under the
32 age of six (6) years, including standards for lead on painted surfaces and surface coatings,
33 drinking water, household dusts, and soil.

34 **23-24.6-6. Interagency coordinating council coordination on environmental lead.**

1 (a) ~~There is established an~~ The department is authorized to oversee interagency
2 coordination activities ~~coordinating council~~ on environmental lead; ~~by the department of health~~
3 ~~shall include: consisting of six (6) members.~~

4 (b) The purpose of ~~the council~~ which shall be as follows:

5 (1) To coordinate the activities of its member agencies with respect to: (i) environmental
6 lead policy; (ii) the development of educational materials; (iii) drafting regulations which have as
7 their purpose reducing or preventing lead poisoning; and (iv) enforcement of laws, regulations,
8 and ordinances pertaining to lead poisoning and lead poisoning prevention.

9 (2) To recommend the adoption of policies with regard to the detection and elimination of
10 the hazards to the public posed by exposure to lead in the environment;

11 (3) To recommend the adoption of policies with regard to the screening and treatment of
12 individuals suffering from elevated exposures to environmental lead; and

13 (4) To report on or before March 1 of each year to the governor, speaker of the house and
14 the president of the senate on both the progress of the comprehensive environmental lead program
15 and recommendations for any needed changes in legislation, which report shall at a minimum: (i)
16 provide by city and town, the incidence and levels of lead poisoning; (ii) describe educational
17 programs; (iii) summarize regulations adopted pursuant to the provisions of this chapter ~~and~~
18 ~~chapter 128.1 of title 42~~, and state the number of enforcement actions pursuant to this chapter
19 initiated, the number completed or closed due to successful remediation of lead hazards, the
20 number completed or closed for other reasons (which reasons shall be explained), and the number
21 that remain open (including information on how long such actions have been open and the
22 reasons they have not been completed).

23 ~~(c) The members of the council shall be as follows:~~

24 ~~(1) There shall be five (5) ex officio members: the director, the director of environmental~~
25 ~~management, the director of human services, the attorney general, and the executive director of~~
26 ~~the housing resources commission or their designees.~~

27 ~~(2) There shall be one local government official, who shall have knowledge of lead~~
28 ~~hazard reduction programs at the local level, appointed by the president of the Rhode Island~~
29 ~~League of Cities and Towns.~~

30 ~~(3) [Deleted by P.L. 2002, ch. 187, § 2 and by P.L. 2002, ch. 188, § 2.]~~

31 ~~(d) The members shall elect from among their members a chairperson, a vice chairperson,~~
32 ~~and secretary.~~

33 ~~(e) The council shall meet at the call of the chairperson, but not less than quarterly. The~~
34 ~~director shall provide any meeting and hearing rooms and secretarial staff that the council may~~

1 ~~require.~~

2 **23-24.6-7. Screening by health care providers.**

3 (a) The department shall promulgate regulations establishing the means by which and the
4 intervals at which children under six (6) years of age shall be screened for lead poisoning. The
5 department is also authorized to require screening for lead poisoning in other high risk groups.

6 (b) Each physician registered or licensed by Rhode Island or any agency of Rhode Island
7 shall screen children under six (6) years of age for lead poisoning at the intervals and using the
8 methods specified in the regulations adopted pursuant to subsection (a). Each licensed, registered
9 or approved health care facility serving children under six (6) years of age, including but not
10 limited to hospitals, clinics, and health maintenance organizations, shall take appropriate steps to
11 ensure that their patients receive screening for lead poisoning at the intervals and using the
12 methods specified in these regulations.

13 (c) All health care programs funded in whole or in part with state money and having child
14 health components shall include, require, and/or provide for screening children under six (6)
15 years of age for lead poisoning at the intervals and using the methods specified in the regulations
16 promulgated under this section.

17 (d) The provisions of this section shall not apply if the parents of the child object to the
18 child undergoing blood lead screening on the grounds that the screening conflicts with their
19 religious tenets and practices.

20 (e) All blood samples taken by physicians or other health care providers licensed in
21 Rhode Island or by licensed, registered, or approved health care facilities in Rhode Island from
22 children under the age of six (6) years for the purpose of screening for blood lead level shall be
23 sent ~~the state laboratory in~~ to a laboratory certified, licensed, and/or approved by the department
24 ~~of health~~ for laboratory analysis.

25 (f) The department shall, at least annually, analyze and summarize all of the lead
26 screening information provided by physicians, health care facilities, and laboratories and provide
27 this information to all other local and state agencies involved with case management and lead
28 hazard reduction. An analysis and summary of the data shall also be made available, at least
29 annually, to the health care community, to the general assembly, and the general public in a
30 format that is easily understandable to non-technical readers.

31 **23-24.6-10. Lead screening restricted receipt account.**

32 The director shall establish procedures for lead screening, laboratory testing, and
33 reimbursement. The state laboratory services shall be billed to and reimbursed by insurers. Fees
34 shall be set based upon the rates paid by the insurers to private laboratories for blood lead

1 analysis. All reimbursement fees paid to the department shall be deposited into the general fund.

2 ~~General revenue appropriations~~ Appropriations for the lead screening program shall be used for:

3 (1) Administration of the comprehensive environmental lead program, including
4 performance of environmental lead inspections by state inspectors for enforcement purposes, and
5 development, administration, and coordination of a comprehensive educational program on
6 environmental lead exposures and lead poisoning;

7 (2) Provision of comprehensive environmental lead inspections and technical assistance
8 on appropriate environmental lead hazard reduction to families of significantly lead poisoned
9 Rhode Island children and to families of uninsured and underinsured lead poisoned Rhode Island
10 children on a priority basis by blood lead level; regulations clearly identifying the blood lead
11 level corresponding to significant lead poisoning and the mechanism for prioritizing by blood
12 lead level shall be promulgated;

13 (3) Provision of comprehensive environmental lead inspections and technical assistance
14 on appropriate environmental lead hazard reduction to preschools, day care facilities, nursery
15 schools, public and private elementary schools, and foster homes and shelters serving children
16 under the age of six (6) years;

17 (4) Provision of funds to the department of environmental management for enforcement
18 of fugitive dust regulations designed to reduce or eliminate the hazards caused by removal of
19 leaded paint from the exterior of structures;

20 (5) Administration of a childhood blood lead testing program by the department's
21 division of laboratories, including processing, analyzing, and reporting childhood blood lead
22 samples;

23 (6) Provision of the necessary blood lead screening and follow up blood lead testing for
24 uninsured and underinsured preschool children in Rhode Island; and

25 (7) Development of a data management system which can be used to track cases of lead
26 poisoning to ensure that they receive timely and appropriate medical treatment, to monitor homes
27 for environmental lead inspections and lead hazard reduction, and to investigate the extent of
28 childhood lead poisoning in Rhode Island.

29 **23-24.6-11. Reporting of cases of lead poisoning.**

30 Any physician ~~registered or licensed by Rhode Island or any agency of Rhode Island or~~
31 ~~any employee of a licensed, registered, or approved health care facility~~ or employee of a licensed
32 health care facility acting within the scope of his/her practice in making the diagnosis of
33 childhood lead poisoning shall report that diagnosis to the ~~director~~ department within ten (10)
34 business days of the diagnosis.

1 **23-24.6-14. Inspection of child care facilities.**

2 The director shall promulgate regulations requiring that as a condition of licensure all
3 ~~preschools, day care facilities, nursery schools,~~group family child care homes, family child care
4 homes, child care centers, residential facilities, and public and private elementary schools ~~and~~
5 ~~schoolyards, and public playgrounds, and shelters and foster homes~~ serving children under the
6 age of six (6) years in Rhode Island:

7 (1) Receive comprehensive environmental lead inspections at specified intervals; and

8 (2) Demonstrate that they are either lead free or lead safe.

9 ~~(b) The director, shall, using state inspectors, conduct comprehensive environmental lead~~
10 ~~inspections for all these facilities at the specified intervals.~~

11 **23-24.6-15. Inspections of rental property.**

12 (a) The director shall, ~~in conjunction with the housing resources commission,~~ promulgate
13 regulations to certify lead safe compliance for all residential rental units and permit state lead
14 ~~inspectors~~ or licensed by the department to conduct such lead inspections as may be appropriate
15 in response to any complaint to the department ~~or the housing resources commission,~~ by an
16 occupant or the parent or guardian of any child under the age of six (6) years who is an occupant
17 renting or leasing a dwelling, dwelling unit, or premises of the existence of a lead exposure
18 hazard for a child under the age of six (6) years in that dwelling, dwelling unit, or premises.
19 These regulations will allow for response to the complaints to be prioritized based upon the age of
20 the structure and the nature and degree of hazard present.

21 (b) Whenever a comprehensive environmental lead inspection or other inspection has
22 been performed either pursuant to a complaint or otherwise, the owner and/or any real estate
23 agent or property manager involved in renting or leasing the dwelling, dwelling unit, or premises
24 shall provide the results of the inspection to occupants pursuant to regulations promulgated by the
25 department, as follows:

26 (1) Those persons occupying the dwelling, dwelling unit, or premises at the time the
27 inspection is performed shall be notified of the results within ~~five (5) business~~ seven (7) calendar
28 days after the owner receives the results;

29 (2) All persons who are prospective occupants shall be notified of the inspection results if
30 a significant lead hazard exists, before any lease is signed or before occupancy begins in cases
31 where no lease is signed;

32 (3) ~~This notice provision terminates with the~~ Upon performance of the necessary lead
33 reduction actions required to reach at least the "lead safe" level, the ~~department~~ lead inspector
34 shall provide the owner with a ~~certification of lead reduction~~ lead safe certificate for the dwelling.

1 (c) Failure to provide inspection results and/or educational materials pursuant to this
2 chapter shall subject the lessor or his or her agent to a civil penalty of not less than one hundred
3 dollars (\$100) nor more than five hundred dollars (\$500) for each violation.

4 **23-24.6-16. Notice prior to residential property transfer.**

5 (a) The department shall issue regulations for the disclosure of lead exposure hazards and
6 potential lead exposure hazards in a residential dwelling, dwelling unit, or premise that is offered
7 for sale or lease. These regulations, at the minimum, shall incorporate the requirements of § 1018
8 of the federal Residential Lead-Based Paint Hazard Reduction Act of 1992 (PL 102-550), 42
9 U.S.C. § 4852d, ~~shall not be inconsistent with the requirements for lead hazard mitigation~~
10 ~~established pursuant to the provisions of chapter 128.1 of title 42,~~ and shall additionally require
11 an owner of a residential dwelling, dwelling unit, or premise offered for sale or lease to provide
12 copies of any outstanding notice of violation and of results of any lead inspection performed in
13 the dwelling, dwelling unit, or premise and copies of educational materials developed by the
14 department, including information about the requirements of this section and programs that
15 provide financial assistance for comprehensive environmental lead inspections or lead hazard
16 reduction.

17 (b) The department shall prepare written materials concerning environmental lead
18 exposures and lead hazards which shall be made available to real estate brokers and agents. The
19 materials shall also be made available to the general public by the department.

20 (c) The department of business regulation shall, with regard to its responsibilities for the
21 profession of real estate brokers and salespersons, adopt rules, with the concurrence of the
22 department: (1) requiring proof of reasonable familiarity with the knowledge of duties and
23 responsibilities under the provisions of this chapter for the licensure or renewal of licenses of real
24 estate brokers and salespersons in accordance with § 5-20.5-6; and (2) providing, pursuant to § 5-
25 20.5-18, an educational program for real estate brokers and salespersons regarding such duties
26 and responsibilities.

27 ~~(d)~~ (d) The duties required under this section are not exclusive and do not replace or alter
28 any duty imposed upon the owner to perform lead hazard reduction as required by this chapter.

29 ~~(e)~~ (e) In no instance shall the receipt of the disclosures required by this section operate as
30 or be construed as a bar to relief or in any manner be used as an affirmative defense for an owner,
31 operator, or real estate agent in any statutory or common law action.

32 ~~(f)~~ (f) The department shall establish and maintain a registry of ~~real estate for which a~~
33 ~~comprehensive environmental lead inspection has been performed.~~ lead safe certificates. The
34 registry shall be cross-indexed by the owners' name, street address, as well as the assessor's lot

1 and plat number for the applicable city or town.

2 **23-24.6-17. Lead hazard reduction.**

3 (a) The director shall promulgate lead hazard reduction regulations. These regulations
4 shall:

5 (1) Specify the circumstances under which owners of dwellings, dwelling units, or
6 premises must undertake lead hazard reduction in order to remedy conditions that present a clear
7 and significant health risk to occupants of the dwelling, dwelling unit, or premises;

8 (2) Define lead hazard reduction with respect to both the sources of lead that must be
9 treated and acceptable and unacceptable treatment methods;

10 (3) Require owners to make all reasonable efforts to ensure that occupants are not present
11 during the lead hazard reduction; variances may be granted according to regulations; provided,
12 that the owners are not responsible for providing alternative housing. If the occupants refuse to
13 vacate the premises after all reasonable efforts by the owner to ensure compliance within this
14 section, then the owners are exempt from any liability arising out of the occupants'
15 noncompliance. If the occupants are required to vacate the premises for a three (3) day period or
16 longer, there shall be a pro-rata adjustment or abatement of the rent during the period of lead
17 hazard reduction;

18 (4) Specify containment and clean up measures to be taken as part of lead hazard
19 reduction activities;

20 (5) Contain measures to protect the occupational safety and health of lead inspectors,
21 contractors, supervisors, workers, and other persons who perform lead hazard reduction which
22 may be more, but not less, stringent than applicable federal standards; and

23 (6) Specify the circumstances under which owners of dwellings, dwelling units, or
24 premises must undertake lead hazard reduction or control to at least the lead safe level ~~of~~ to
25 protect occupants and neighbors.

26 ~~(b)(1) Until November 1, 2005, the owner of any dwelling, dwelling unit, or premises~~
27 ~~shall be considered as an "innocent owner", and liability as to lead poisoning is limited to the~~
28 ~~reduction of any lead hazard as determined by a comprehensive environmental lead inspection~~
29 ~~within the requirements of the Housing Maintenance and Occupancy Code, chapter 24.3 of title~~
30 ~~45. The "innocent owner" provision will cease upon the owner's unreasonable failure to correct~~
31 ~~any lead paint violation within ninety (90) days of notice as provided in that chapter. Provided,~~
32 ~~any owner who has received notices on three (3) or more properties shall be presumed to be an~~
33 ~~unreasonable failure to correct.~~

34 ~~(2) "Innocent owner" status, and the limits on liability set forth in this subsection, shall~~

~~not apply to any incident of childhood lead poisoning reported to the department on or after November 1, 2005, and liability for lead poisonings after November 1, 2005, but shall include such correction of lead hazards as may be required by this chapter.~~

(b) The owner of any dwelling, dwelling unit, or premises who fails to provide for lead hazard reduction as required by department regulations shall be issued a notice of violation by the director in the manner provided by the Housing Maintenance and Occupancy Code, chapter 24.3 of title 45. In addition to any other enforcement authority granted under this chapter, the department shall have the authority to utilize pertinent provisions of that code in enforcing this section in the same manner as an enforcing officer under the code, including but not limited to the provisions of §§ 45-24.3-17 – 45-24.3-21, except that the director or his or her designee may provide a reasonable time up to ninety (90) days for the correction of any violation alleged and, except where there exists a hardship as to financing the lead hazard reduction, or where material, personnel, or weather delays the reduction completion. Except as herein provided, if after ninety (90) days following the date of issuance of a notice of violation by the department, the owner has failed to correct the lead hazards, the department shall issue a second notice of violation.

(c)(1) One or more lead paint waste depositories shall be established and be in operation by January 1, 1993. The department of environmental management shall work with the solid waste management corporation to promulgate regulations governing these lead paint waste depositories.

(2) Each lead paint waste depository may set fees to cover the costs of lead paint waste storage, reduction, consolidation, incineration, and/or out of state disposal.

23-24.6-18. Revisions to Minimum Housing Standards and Housing Maintenance and Occupancy Code.

(a) The standards for lead compliance in pre-1978 housing shall be considered basic housing standards and shall be enforceable through the provisions of this chapter and through procedures established in chapter 24.2 of title 45 and chapter 24.3 of title 45.

(b) Minimum Housing Standards and Housing Maintenance and Occupancy Code. In order to establish consistency between state and local programs pertaining to enforcement of standards for housing and housing occupancy and to provide for broadly available, multiple means of identifying instances of noncompliance with this chapter and enforcing the requirements of this chapter, the following provisions regarding Minimum Housing Standards and Housing Maintenance and Occupancy Code shall be effective:

(1) The ordinances, rules, and regulations for "Minimum Housing Standards" adopted

1 [pursuant to § 45-24.2-3 shall include provisions for lead hazard reduction.](#)

2 [\(2\) The Housing Maintenance and Occupancy Code, established by chapter 24.3 of title](#)
3 [45, shall include provisions consistent with a continuing and ongoing responsibility for lead](#)
4 [compliance as required by the department's standards.](#)

5 [\(c\) The rules and regulations for the state building code promulgated pursuant chapter](#)
6 [27.3 of title 23, shall not conflict with the requirements in this chapter regarding the construction,](#)
7 [rehabilitation, or maintenance of existing buildings.](#)

8 [\(d\) Nothing in this chapter shall alter the responsibilities of owners and occupants, or the](#)
9 [authority of enforcing officers, under the Housing Maintenance and Occupancy Code, chapter](#)
10 [24.3 of title 45.](#)

11 **23-24.6-20. Licensure of ~~environmental~~ lead inspectors and lead contractors,**
12 **supervisors, and workers.**

13 (a) The department shall provide for the certification of training programs for
14 ~~environmental~~ lead inspectors and for lead contractors, supervisors, workers, and other persons
15 engaged in ~~environmental~~ lead-hazard reduction pursuant to the provisions of this chapter. The
16 department shall establish standards and specifications for training courses including, at a
17 minimum, the required length of different training programs, mandatory topics of instruction, and
18 required qualifications for training programs and instructors. Hands on instruction shall be a
19 component of the required training.

20 (b) The department shall establish procedures and issue regulations requiring the
21 licensure of ~~environmental~~ lead inspectors, lead contractors, supervisors, workers, and other
22 persons engaged in ~~environmental~~—lead inspection and/or hazard reduction pursuant to the
23 provisions of this chapter. These regulations:

24 (1) Shall prescribe the requirements for licensure and the conditions and restrictions
25 governing the renewal, revocation, and suspension of licenses. Requirements for licensure and for
26 renewal of licensure shall include, but not be limited to, the following:

27 (i) Compliance with the lead-hazard reduction regulations in § 23-24.6-17; and

28 (ii) Required training of ~~environmental~~ lead inspectors and of lead contractors,
29 supervisors, workers, and other persons engaged in ~~environmental~~ lead-hazard reduction in
30 subjects including, but not limited to, safe work practices, instruction in health risks,
31 precautionary measures, protective equipment, and other practices, including practices to prevent
32 contamination of the residential premises, ambient discharges and ground contamination,
33 respiratory protection, new lead-hazard reduction techniques and technologies, applicable federal
34 and state regulation, and hands-on instruction for equipment and techniques to be used; a

1 minimum of twenty (20) hours of training shall be required as a condition of licensure for
2 workers; additional hours of training shall be required for supervisors and contractors; a refresher
3 training course shall also be required;

4 (2) May provide for Rhode Island to reciprocally license persons certified and/or licensed
5 by other states with comparable requirements.

6 (c) No person shall enter into, engage in, or conduct comprehensive ~~environmental~~ lead
7 inspections or ~~environmental~~ lead-hazard reduction activities covered by department regulations
8 without having successfully completed a certified training program and without having been
9 licensed by the department. Each trained and licensed person shall be issued a photo identity card.

10 (d) The department shall, ~~in conjunction with the housing resources commission,~~ develop
11 and periodically update lists of all licensed inspectors, contractors, supervisors, workers', and
12 other persons who perform ~~environmental~~ lead-hazard reduction in Rhode Island and make those
13 lists available to interested parties and the public.

14 (e)(1) The department shall enforce the provisions of this section as appropriate and shall
15 have all necessary powers for enforcement.

16 (2) The department may revoke, suspend, cancel, or deny any license, at any time, in
17 accordance with chapter 35 of title 42 if it believes that the terms or conditions of these are being
18 violated, or that the holder of, or applicant for, license has violated any regulation of the
19 department or any other state law or regulation. Any person aggrieved by a determination by the
20 department to issue, deny, revoke, or suspend any license may request an adjudicatory hearing.

21 (3) When any person violates the terms or conditions of any license issued under this
22 section or any state law or regulation, the director shall have the power by written notice to order
23 the violator to cease and desist immediately. The department may file a written complaint with
24 the district court in the jurisdiction in which the violation occurred. Punishment by an
25 administrative fine pursuant to § 23-24.6-27 may be in addition to the suspension of any license.

26 (4) Any state inspector may issue an immediate cease-work order to any person who
27 violates the terms or conditions of any license issued under this section, or any provision of this
28 chapter, or any regulation or order issued under this chapter, if the violation will endanger or
29 materially impair the health or well-being of any occupant, any ~~environmental~~ lead inspector, or
30 any contractor, supervisor, worker, or other person engaged in ~~environmental~~ lead-hazard
31 reduction.

32 (f) Nothing in this section shall be construed to limit the authority of the department of
33 health, the department of labor and training, or the department of environmental management
34 under the provisions of any other law.

1 **23-24.6-23. Compliance and enforcement.**

2 (a) Except as provided in this chapter, the inspection, enforcement, and penalties for
3 violations of the provisions of this chapter shall be in accordance with the provisions and
4 procedures set forth in §§ 23-1-19 – 23-1-25. In addition to the provisions for enforcement of this
5 section found elsewhere in this chapter, there shall be the following powers of enforcement,
6 which shall be in addition to other provisions of the general laws pertaining to enforcement of the
7 laws of this state and shall not be deemed to limit or replace such other provisions. The provisions
8 of this section shall be liberally construed and shall be considered an essential responsibility of
9 the state to protect public health and welfare.

10 (b) The department shall establish a comprehensive integrated enforcement program,
11 which shall be designed: (1) to assure that enforcement is certain, predictable, and effective as a
12 means of reducing the incidence of childhood lead poisoning; (2) to direct enforcement efforts to
13 places, areas, and types of structures where there is a high incidence of childhood lead poisoning;
14 and (3) to identify and give priority to addresses where there are multiple instances of childhood
15 lead poisoning and to identify and as consistent with law to provide for the prosecution of persons
16 at whose properties there have been multiple instances of childhood lead poisoning and lead
17 hazards have not been corrected. In order to effectuate the provisions of this subsection, the
18 department ~~of health~~: (i) shall maintain a list as a public document of the addresses of properties
19 that are not lead safe and in which more than three (3) children lived at the time their blood was
20 tested for lead concentration and at least two (2) of these children were lead poisoned, (ii) shall
21 maintain a database with the names and addresses of owners of rental housing at the time any
22 child residing in the rental housing was tested positive for lead poisoning for which a second
23 notice of violation has been issued and lead hazards have not been corrected as required pursuant
24 to the provisions of this chapter, which database shall be public and provided to government and
25 nonprofit agencies that are attempting to prevent lead poisoning or to enforce lead poisoning
26 regulations, and (iii) shall notify the attorney general of all second notices of violation, issued
27 pursuant to the provisions of § 23-24.6-17, to which there has not been a response meeting the
28 requirements of law within thirty (30) days after the notice.

29 (c) The attorney general shall maintain an office of lead advocate, which office shall
30 have, in addition to any other powers that the attorney general may assign to it, the power:

31 (1) To investigate any alleged failures to comply with the lead hazard reduction, to
32 initiate either a civil or criminal cause of action, or both, to compel compliance via injunctive
33 relief and/or impose penalties and fines, as appropriate;

34 (2) To bring any actions that may be necessary or appropriate to secure the performance

1 by state agencies and political subdivisions the duties assigned to them by this section;

2 (3) To notify in writing on behalf of the attorney general any person, who has received a
3 second notice of violation issued by the department ~~of health~~ and has not responded consistent
4 with the requirements of law within thirty (30) days, of the person's obligations under law and the
5 potential penalties for continued violations; and

6 (4) To establish guidelines to prevent retaliatory actions by property owners against
7 tenants on the basis of complaints or notices of violations arising from this chapter ~~and chapter~~
8 ~~128.1 of title 42~~, or based on the presence of a pregnant woman or child under age six (6) who in
9 any manner seeks to enforce their right to housing in which lead hazards have been corrected in
10 accordance with this chapter ~~or chapter 128.1 of title 42~~. These guidelines shall define retaliatory
11 actions, including, but not limited to, arbitrary termination of tenancy or other form of
12 constructive eviction, arbitrary refusal to renew a lease, or arbitrary and unreasonable increase in
13 rent or decrease in services to which the tenant is entitled, for all tenants, whether or not they
14 have leases or are tenants at will. It shall be unlawful to take retaliatory actions against tenants
15 arising from enforcement of the provisions of this chapter ~~or chapter 128.1 of title 42~~; this
16 prohibition against retaliatory actions applies whether or not the tenant has a lease. Damages and
17 remedies for retaliatory actions under this paragraph shall be as provided for in chapter 18 of title
18 34.

19 (5) No provision of this chapter shall derogate the common law or any statutory authority
20 of the attorney general, nor shall any provision be construed as a limitation on the common law or
21 statutory authority of the attorney general.

22 (d) *Receivership of properties not meeting standards.* Following the second notice of
23 violation, issued by the department ~~of health~~ pursuant to the provisions of § 45-24.3-17(e) for
24 failure to meet the applicable lead hazard reduction for rental dwellings occupied by a pregnant
25 woman or a child under the age of six (6) years unless the violations alleged to exist are corrected
26 or a plan for correction has been approved by the department, the unit may be considered
27 abandoned and a public nuisance, which is a menace to public health, as the term "abandon" or
28 "abandonment" and "public nuisance" defined by § 34-44-2. In those instances the department ~~of~~
29 ~~health~~, the attorney general, a nonprofit corporation as provided for in § 34-44-3, or the city or
30 town in which the unit is located shall have the specific power to request the court to appoint a
31 receiver for the property, the court in such instances may specifically authorize the receiver to
32 apply for loans, grants and other forms of funding necessary to correct lead hazards and meet lead
33 ~~mitigation~~ hazard reduction standards, and to hold the property for any period of time that the
34 funding source may require to assure that the purposes of the funding have been met.

1 ~~(e) High risk premises and dwellings. (1) The department of health shall notify the~~
2 ~~property owner where both the following conditions have been met: (i) there have been three (3)~~
3 ~~or more at risk children under the age of six (6) years with at least environmental intervention~~
4 ~~blood levels and (ii) fifty percent (50%) of children under the age of six (6) years from the~~
5 ~~premises who have been tested have had at least environmental intervention blood lead levels,~~
6 ~~that the premises present a high risk of lead poisoning.~~

7 ~~(2) A property owner who receives notice that the premises are high risk: (i) shall have~~
8 ~~thirty (30) days in which to conduct a comprehensive lead inspection that shows that lead hazards~~
9 ~~have been corrected to the lead safe standard, or (ii) shall present a compliance schedule to the~~
10 ~~department of health to meet the lead safe standard, which compliance schedule shall be subject~~
11 ~~to approval by the department of health and shall provide for achieving the lead hazard reduction~~
12 ~~within ninety (90) days. The requirements of the compliance schedule shall be deemed to have~~
13 ~~been met if a comprehensive lead inspection shows that the lead safe standard has been met at the~~
14 ~~premises.~~

15 ~~(3) A property owner who fails to meet the requirements of subdivision (2) of this~~
16 ~~subsection shall be notified that the premises are declared unsafe for habitation by children under~~
17 ~~six (6). A list of property owners so notified and of addresses of premises for which the notice has~~
18 ~~been given shall be a public record.~~

19 ~~(4) A copy of this notice shall be sent to the town clerk or recorder of deeds in the city or~~
20 ~~town where the property is located, to be recorded pursuant to the provisions of chapter 13 of title~~
21 ~~34. The property owner, so notified, shall post and maintain a warning at the primary entrance to~~
22 ~~the premises and to each dwelling unit therein declaring that the unit is unsafe for children under~~
23 ~~six (6) years of age. If the property owner shall fail to make or maintain the posting herein~~
24 ~~required, the department of health shall post the premises as provided for in § 23-24.6-12(2).~~

25 ~~(5) Any property owner who receives notice that a dwelling unit is high risk and who~~
26 ~~fails to abate lead hazards in accordance with a compliance schedule as provided in subdivision~~
27 ~~(2) of this subsection and there is a subsequent instance of an at risk occupant with an~~
28 ~~environmental intervention blood lead level, which is attributable in whole or in part to conditions~~
29 ~~in the dwelling unit, shall be deemed to have committed a criminal offense and may be punished~~
30 ~~by imprisonment for not more than five (5) years and/or by a fine of not more than twenty~~
31 ~~thousand dollars (\$20,000).~~

32 ~~(6) Any property owner who receives notice that a dwelling unit is high risk and who has~~
33 ~~substantially completed the required remediation as determined by the department may become~~
34 ~~reclassified from "high risk" to "abatement in progress" contingent upon adherence to the~~

1 ~~approved compliance schedule for the remaining remediation efforts.~~

2 (e) Pregnant women and families with children under six (6) years of age shall be deemed
3 to have a right to lead safe housing.

4 (f) Injunctive Relief. If the property owner of a rental dwelling fails to comply with such
5 standards for lead hazard reduction, or abatement, as applicable, a right of private action shall
6 exist that allows households that include an at-risk occupant to seek injunctive relief from a court
7 with jurisdiction against the property owner in the form of a court order to compel compliance
8 with requirements for lead hazard reduction. A person who prevails is entitled to an award of the
9 costs of the litigation and reasonable attorneys' fees in an amount to be fixed by the court. Cases
10 brought before the court under this section shall be granted an accelerated hearing.

11 (g) Nothing in this section shall be deemed to limit or impair the existing rights of parties
12 to take action to compel property owners to improve or maintain property under common law or
13 pursuant to any of the general laws of the state of Rhode Island.

14 **23-24.6-26. Rules and regulations.**

15 The director is authorized to adopt, modify, or repeal and promulgate rules and
16 regulations as are in accord with the purposes of §§ 23-24.6-1 – 23-24.6-~~27~~28, and shall be
17 subject to the Administrative Procedures Act, chapter 35 of title 42. All rules and regulations
18 promulgated by the director shall provide for the use of "lead safe" reduction as the preferred
19 method where possible to meet the requirements of this chapter. The rules shall provide for
20 notification, pursuant to the provisions of § 23-24.6-12, to occupants of a premise, of lead-
21 hazards following a comprehensive environmental lead inspection at the premises when there is a
22 reasonable likelihood that given the age, type, and condition of the premises that significant lead-
23 hazards are present in other dwelling units. The rules shall also specify the required frequency for
24 all refresher training courses.

25 **23-24.6-27. Administrative fines.**

26 (a) In addition to any other enforcement authority granted under this chapter, whenever
27 on the basis of any information, the department determines that a person has violated, or is in
28 violation of § 23-24.6-12, 23-24.6-13, 23-24.6-14, 23-24.6-15, 23-24.6-15.1 or 23-24.6-17
29 regarding lead hazard reduction, or § 23-24.6-20 regarding licensure, any rule or regulation
30 promulgated pursuant to any of these sections, or any orders issued under any of these sections,
31 rules, or regulations, the director may issue an order fining the person an amount not to exceed
32 five thousand dollars (\$5,000) per day for each current or past violation, requiring compliance
33 immediately or within a specified time period, or both. Each day of continued violation may be
34 considered a separate violation. Each violation in any premises may be considered a separate

1 violation.

2 (b) In addition to any other enforcement authority granted under this chapter, whenever
3 on the basis of any information, the department determines that a person has violated, or is in
4 violation of, § 23-24.6-15 or § 23-24.6-15.1 regarding inspections, any rule or regulation
5 promulgated pursuant to that section, or any orders issued under that section's rules or
6 regulations, the director may issue an order civilly fining the person one hundred dollars (\$100)
7 per day for any current or past violation, requiring compliance immediately or within a specified
8 time period, or both. Each day of continued violation may be considered a separate violation.
9 Each violation in any premises may be considered a separate violation.

10 (c) Within thirty (30) days after any order issued pursuant to this section is served, the
11 order shall become final unless the person or persons named in the order request a hearing. Upon
12 that request, the director shall conduct a hearing as soon as reasonably possible.

13 (d) In connection with any proceeding under this section, the director may issue
14 subpoenas for attendance and testimony of witnesses and the production of papers, books,
15 documents, and other materials.

16 (e) If any person liable to pay any civil fine neglects or refuses to pay after demand, the
17 amount, together with interest and any other costs that may accrue, shall be a lien in favor of the
18 state upon only the real property of the person that is subject to the order only after the lien has
19 been entered and recorded in the city/town in which the property is situated.

20 (f) In determining the amount of any civil fine pursuant to this section, the director shall
21 consider the willfulness of the violation; the circumstances and severity of the violation; the
22 ability of the violator to comply; damage or injury to public health and welfare including elevated
23 blood levels of impacted children, environmental damage to the premises and neighborhood,
24 possible economic benefits realized by the violator; the costs incurred by the state; and any other
25 relevant factors.

26 (g) The director shall issue regulations to implement this section. At a minimum, the
27 regulations shall set forth how long after receiving any order from the director or any other notice
28 of a violation a person has to comply with the law before civil fines will be assessed, the
29 circumstances in which no grace period will apply, the circumstances in which any grace period
30 may be extended, and the procedure and times frames to request an extension. The regulations
31 shall also include a penalty matrix to be used as a guide in the calculation of a fine levied
32 pursuant to this section.

33 (h) Any fines levied pursuant to this section shall be done in lieu of any civil penalties
34 issued pursuant to § 45-24.3-18(a), and no housing authority shall issue any civil penalty for the

1 same violation.

2 SECTION 5. Chapter 23-24.6 of the General Laws entitled "Lead Poisoning Prevention
3 Act" is hereby amended by adding thereto the following sections:

4 **23-24.6-15.1. Duties of rental property owners.**

5 (a) Property owners of pre-1978 rental dwellings, shall comply with all the following
6 requirements:

7 (1) Dwelling units must be inspected by a licensed lead inspector;

8 (2) All painted surfaces must be assumed to contain lead unless determined otherwise by
9 a licensed lead inspector. Disturbing lead paint for any reason must be done in accordance with
10 the requirements set in regulation by the department;

11 (3) At rental unit turnover provide tenants with:

12 (i) Basic information about lead exposure hazards;

13 (ii) A copy of any inspection report and compliance certificate;

14 (iii) Information about how to give notice of deteriorating conditions; and

15 (iv) Contact information provided by the department.

16 (4) Correct lead hazards within thirty (30) days after notification from the tenant of a
17 dwelling unit with an at-risk occupant, or as provided for by § 34-18-22; and

18 (5) Maintain lead safe standards in dwelling units.

19 (b) New property owners of a pre-1978 rental dwelling that is occupied by an at-risk
20 occupant shall have up to sixty (60) days to meet requirements for lead hazard reduction, if those
21 requirements were not met by the previous owner at the time of transfer, provided that the new
22 property owner has the property visually inspected within thirty (30) business days after assuming
23 ownership to determine conformity with the lead hazard control standard.

24 (c) Notwithstanding the foregoing, the provisions of this section shall not apply to pre-
25 1978 rental dwelling units that are:

26 (1) Temporary housing;

27 (2) Housing for the elderly or persons with disabilities; or

28 (3) Zero-bedroom units.

29 (d) Nothing contained herein shall be construed to prevent an owner who is seeking to
30 obtain lead liability insurance coverage in the policy from complying with the provisions of this
31 chapter, by securing and maintaining a valid and in force letter of compliance or conformance in
32 force.

33 **23-24.6-28. Insurance coverage.**

34 (a) The department of business regulation shall have the authority and is empowered,

1 consistent with the requirements of chapter 35 of title 42, to promulgate rules and regulations,
2 which shall enable it to compile and analyze data and to make determinations with regard to the
3 availability of and rates for lead liability coverage.

4 (b) Except as otherwise provided by this chapter, no insurance company licensed or
5 permitted by the department of business regulation to provide liability coverage to rental property
6 owners shall exclude, after October 31, 2005, coverage for losses or damages caused by lead
7 poisoning. The department of business regulation shall not permit, authorize or approve any
8 exclusion for lead poisoning, except as specifically provided for by this chapter, that was not in
9 effect as of January 1, 2000, and all previously approved exclusions shall terminate October 31,
10 2005. As of November 1, 2005, coverage for lead poisoning shall be included in the policy or
11 offered by endorsement, as set forth in this section.

12 (c) All insurers issuing commercial lines insurance policies and personal lines insurance
13 policies covering pre-1978 rental housing in compliance with: (i) the requirements of this chapter
14 for lead hazard reduction; (ii) with the requirements of chapter 24.6 of title 23 for lead safe
15 housing, within the state of Rhode Island; or (iii) relying on a valid certificate of compliance or
16 conformance shall, effective November 1, 2005, include in the policy coverage for liability for
17 injury, damage, or death resulting from occurrences of lead poisoning in an amount equal to and
18 no less than the underlying policy limits for personal injury/bodily injury coverage provided
19 under the policy so issued to a residential rental property owner. The property owner shall, if
20 requested by the insurer, present to the insurance company, either: (1) proof of certificate of
21 compliance of an independent clearance inspection and of any affidavit of visual inspection
22 required to maintain the validity of the independent clearance inspection; (2) proof of meeting the
23 mitigation standard in the form of a clearance exam showing that lead hazards are mitigated; or
24 (3) proof of abatement. This proof shall be prima facie evidence of compliance with the
25 requirements of this chapter. In any subsequent renewal, the insurer may require any continuing
26 proof whenever the certificate is expiring, has expired, or is otherwise invalidated.

27 (d) For residential rental properties that have not been brought into compliance with the
28 requirements for lead hazard reduction pursuant to chapter 24.6 of title 23 or which do not have a
29 valid certificate of compliance or conformance, effective November 1, 2005, for residential rental
30 property owners who own or owned a substantial legal or equitable interest in one property and
31 have had no more than one un-remediated dwelling unit at which a child was poisoned prior to
32 November 1, 2005, and for residential property owners who own or owned more than one
33 property and have had no more than two (2) un-remediated dwelling units at which a child was
34 poisoned prior to November 1, 2005, an insurance company, which provides liability insurance to

1 a residential rental property owner, shall either offer lead liability coverage for bodily injury,
2 which shall be equal to the underlying limits of liability coverage for the property, by
3 endorsement, or shall assist the insured in placing lead liability coverage through the program
4 commonly known as the Rhode Island FAIR Plan either directly or through one of the insurance
5 company's agents or brokers, and the Rhode Island FAIR Plan shall make available liability
6 coverage for damages caused by lead poisoning to the class of property owners described in this
7 subsection. If the insured seeks lead liability coverage with the FAIR Plan, the FAIR Plan may
8 use reasonable underwriting guidelines, as approved by the department of business regulation, to
9 underwrite the property. Any property owner, who fails to remediate a property, after a notice of
10 violation subsequent to October 31, 2005, and any property which is not remediated after notice
11 of a violation subsequent to October 31, 2005, shall not be eligible to receive an offer of coverage
12 and shall be subject to cancellation and non-renewal of that coverage if the property is not found
13 to be in compliance with the lead law within ninety (90) days of the date of issuance of the notice
14 by the director, or the housing resources commission, as applicable.

15 (e) Rates for lead poisoning liability coverage, as specified in subsections (c) and (d) of
16 this section, shall be approved by the department of business regulation, notwithstanding any
17 limits on rate approval authority established by the provisions of chapter 65 of title 27 and subject
18 to the provisions of §§ 27-44-6 and 27-44-7, using the following standards:

19 (1) That they are not excessive, inadequate, or unfairly discriminatory;

20 (2) That consideration is given to:

21 (i) Past and prospective loss experience within the state of Rhode Island;

22 (ii) A reasonable margin for profits and contingencies;

23 (iii) Past and prospective expenses specifically applicable to the state of Rhode Island;

24 (iv) Any other data, including data compiled in other states, especially regarding
25 experience data for lead liability coverage, that the department may deem necessary; and

26 (v) Past history of the owner with regard to lead poisoning or any associated violations.

27 (f) The department of business regulation shall have the authority and is empowered,
28 consistent with the requirements of chapter 35 of title 42, to promulgate rules and regulations to
29 enable it to compile and analyze data and to make determinations with regard to the availability
30 of and rates for lead liability coverage. In order to effect the purposes of this section insurers shall
31 file, on or before October 1, 2004, the proposed language of endorsements for lead liability
32 coverage and the proposed rates for that coverage with the department of business regulation.

33 (g) All endorsements, rates, forms and rules for lead liability coverage approved by the
34 department of business regulation to be effective on or after July 1, 2004 are hereby extended to

1 be effective November 1, 2005. Prior to November 1, 2005, insurers and advisory organizations
2 shall continue to utilize all endorsements, rates, forms and rules in effect on June 30, 2004 for
3 lead liability coverage. The department of business regulation shall not approve any new
4 endorsements, rates, forms or rules for lead liability coverage in pre-1978 residential rental
5 properties unless the filings are submitted in accordance with the provisions of this act. The
6 department of business regulation is hereby authorized to promulgate reasonable rules and
7 regulations to carry out the provisions of this section.

8 SECTION 6. Section 42-14-16 of the General Laws in Chapter 42-14 entitled
9 “Department of Business Regulation” is hereby amended to read as follows:

10 **42-14-16. Insurance – Administrative penalties.**

11 (a) Whenever the director shall have cause to believe that a violation of title 27 and/or
12 chapter 24.6 of title 23 and/or chapters 14, 14.5, or 62 ~~or 128.1~~ of title 42 or the regulations
13 promulgated thereunder has occurred by a licensee, or any person or entity conducting any
14 activities requiring licensure under title 27, the director may, in accordance with the requirements
15 of the Administrative Procedures Act, chapter 35 of this title:

16 (1) Revoke or suspend a license;

17 (2) Levy an administrative penalty in an amount not less than one hundred dollars (\$100)
18 nor more than fifty thousand dollars (\$50,000);

19 (3) Order the violator to cease such actions;

20 (4) Require the licensee or person or entity conducting any activities requiring licensure
21 under title 27 to take such actions as are necessary to comply with title 27 and/or chapters 14,
22 14.5, or 62, ~~or 128.1~~ of title 42, or the regulations thereunder; or

23 (5) Any combination of the above penalties.

24 (b) Any monetary penalties assessed pursuant to this section shall be as general revenues.

25 SECTION 7. Section 44-25-1 of the General Laws in Chapter 44-25 entitled “Real Estate
26 Conveyance Tax” is hereby amended to read as follows:

27 **44-25-1. Tax imposed – Payment – Burden.**

28 (a) There is imposed, on each deed, instrument, or writing by which any lands,
29 tenements, or other realty sold is granted, assigned, transferred, or conveyed to, or vested in, the
30 purchaser or purchasers, or any other person or persons, by his or her or their direction, or on any
31 grant, assignment, transfer, or conveyance or such vesting, by such persons which has the effect
32 of making any real estate company an acquired real estate company, when the consideration paid
33 exceeds one hundred dollars (\$100), a tax at the rate of two dollars and thirty cents (\$2.30) for
34 each five hundred dollars (\$500) or fractional part of it which is paid for the purchase of property

1 or the interest in an acquired real estate company (inclusive of the value of any lien or
2 encumbrance remaining at the time of the sale, grant, assignment, transfer or conveyance or
3 vesting occurs, or in the case of an interest in an acquired real estate company, a percentage of the
4 value of such lien or encumbrance equivalent to the percentage interest in the acquired real estate
5 company being granted, assigned, transferred, conveyed or vested), which tax is payable at the
6 time of making, the execution, delivery, acceptance or presentation for recording of any
7 instrument affecting such transfer grant, assignment, transfer, conveyance or vesting. In the
8 absence of an agreement to the contrary, the tax shall be paid by the grantor, assignor, transferor
9 or person making the conveyance or vesting.

10 (b) In the event no consideration is actually paid for the lands, tenements, or realty, the
11 instrument or interest in an acquired real estate company of conveyance shall contain a statement
12 to the effect that the consideration is such that no documentary stamps are required.

13 (c) The tax administrator shall contribute to the distressed community relief program the
14 sum of thirty cents (\$.30) per two dollars and thirty cents (\$2.30) of the face value of the stamps
15 to be distributed pursuant to § 45-13-12, to the department of health's lead screening restricted
16 receipts account as established in § 23-24.6-10 the sum of five cents (\$.05) per two dollars and
17 thirty cents (\$2.30) of the face value of the stamps, and to the housing resources commission
18 restricted receipts account the sum of ~~thirty~~ twenty-five cents (~~\$.30~~) (\$.25) per two dollars and
19 thirty cents (\$2.30) of the face value of the stamps. Funds will be administered by the office of
20 housing and community development, through the housing resources commission. The state shall
21 retain sixty cents (\$.60) for state use. The balance of the tax shall be retained by the municipality
22 collecting the tax. Notwithstanding the above, in the case of the tax on the grant, transfer,
23 assignment or conveyance or vesting with respect to an acquired real estate company, the tax
24 shall be collected by the tax administrator and shall be distributed to the municipality where the
25 real estate owned by the acquired real estate company is located provided, however, in the case of
26 any such tax collected by the tax administrator, if the acquired real estate company owns property
27 located in more than one municipality, the proceeds of the tax shall be allocated amongst said
28 municipalities in the proportion the assessed value of said real estate in each such municipality
29 bears to the total of the assessed values of all of the real estate owned by the acquired real estate
30 company in Rhode Island. Provided, however, in fiscal years 2004 and 2005, from the proceeds
31 of this tax, the tax administrator shall deposit as general revenues the sum of ninety cents (\$.90)
32 per two dollars and thirty cents (\$2.30) of the face value of the stamps. The balance of the tax on
33 the purchase of property shall be retained by the municipality collecting the tax. The balance of
34 the tax on the transfer with respect to an acquired real estate company, shall be collected by the

1 tax administrator and shall be distributed to the municipality where the property for which interest
2 is sold is physically located. Provided, however, that in the case of any tax collected by the tax
3 administrator with respect to an acquired real estate company where the acquired real estate
4 company owns property located in more than one municipality, the proceeds of the tax shall be
5 allocated amongst the municipalities in proportion that the assessed value in any such
6 municipality bears to the assessed values of all of the real estate owned by the acquired real estate
7 company in Rhode Island.

8 (d) For purposes of this Section, the term "acquired real estate company" means a real
9 estate company that has undergone a change in ownership interest if (i) such change does not
10 affect the continuity of the operations of the company; and (ii) the change, whether alone or
11 together with prior changes has the effect of granting, transferring, assigning or conveying or
12 vesting, transferring directly or indirectly, 50% or more of the total ownership in the company
13 within a period of three (3) years. For purposes of the foregoing subsection (ii) hereof, a grant,
14 transfer, assignment or conveyance or vesting, shall be deemed to have occurred within a period
15 of three (3) years of another grant(s), transfer(s), assignment(s) or conveyance(s) or vesting(s) if
16 during the period the granting, transferring, assigning or conveying or party provides the
17 receiving party a legally binding document granting, transferring, assigning or conveying or
18 vesting said realty or a commitment or option enforceable at a future date to execute the grant,
19 transfer, assignment or conveyance or vesting.

20 (e) A real estate company is a corporation, limited liability company, partnership or other
21 legal entity which meets any of the following:

22 (i) Is primarily engaged in the business of holding, selling or leasing real estate, where
23 90% or more of the ownership of said real estate is held by 35 or fewer persons and which
24 company either (a) derives 60% or more of its annual gross receipts from the ownership or
25 disposition of real estate; or (b) owns real estate the value of which comprises 90% or more of the
26 value of the entity's entire tangible asset holdings exclusive of tangible assets which are fairly
27 transferrable and actively traded on an established market; or

28 (ii) 90% or more of the ownership interest in such entity is held by 35 or fewer persons
29 and the entity owns as 90% or more of the fair market value of its assets a direct or indirect
30 interest in a real estate company. An indirect ownership interest is an interest in an entity 90% or
31 more of which is held by 35 or fewer persons and the purpose of the entity is the ownership of a
32 real estate company.

33 (f) In the case of a grant, assignment, transfer or conveyance or vesting which results in a
34 real estate company becoming an acquired real estate company, the grantor, assignor, transferor,

1 or person making the conveyance or causing the vesting, shall file or cause to be filed with the
2 division of taxation, at least five (5) days prior to the grant, transfer, assignment or conveyance or
3 vesting, notification of the proposed grant, transfer, assignment, or conveyance or vesting, the
4 price, terms and conditions of thereof, and the character and location of all of the real estate assets
5 held by real estate company and shall remit the tax imposed and owed pursuant to subsection (a)
6 hereof. Any such grant, transfer, assignment or conveyance or vesting which results in a real
7 estate company becoming an acquired real estate company shall be fraudulent and void as against
8 the state unless the entity notifies the tax administrator in writing of the grant, transfer,
9 assignment or conveyance or vesting as herein required in subsection (f) hereof and has paid the
10 tax as required in subsection (a) hereof. Upon the payment of the tax by the transferor, the tax
11 administrator shall issue a certificate of the payment of the tax which certificate shall be
12 recordable in the land evidence records in each municipality in which such real estate company
13 owns real estate. Where the real estate company has assets other than interests in real estate
14 located in Rhode Island, the tax shall be based upon the assessed value of each parcel of property
15 located in each municipality in the state of Rhode Island.

16 SECTION 8. Section 45-24.2-7 of the General Laws in Chapter 45-24.2 entitled
17 “Minimum Housing Standards” is hereby amended to read as follows:

18 **45-24.2-7. Penalties – District court jurisdiction – Providence housing court – Lead**
19 **court calendar – Municipal court of the town of North Providence – Review by Supreme**
20 **Court.**

21 (a) Failure to comply with any ordinance, rule, or regulation passed pursuant either to the
22 authority hereof or to any special act governing minimum housing shall constitute a violation, as
23 defined in § 11-1-2, punishable by a fine of not more than five hundred dollars (\$500) for each
24 violation, and each day's failure to comply with any provision shall constitute a separate
25 violation. The district court shall have exclusive original jurisdiction of all violations as provided
26 in § 12-3-1; provided, that in the city of Providence, the Providence housing court shall have
27 jurisdiction to try violations occurring within the city of Providence; provided, further, that in the
28 town of North Providence, the municipal court of the town of North Providence shall have
29 jurisdiction to try violations occurring within the town of North Providence, but only in the event
30 that the city shall by ordinance create a court for the purpose of exercising jurisdiction over
31 minimum housing standards. A party aggrieved by any judgment of the district court imposing a
32 fine pursuant to this section may seek review by the supreme court in accordance with § 12-22-
33 1.1.

34 (b) The city council of the city of Providence may establish within its housing court a

1 separate calendar within the jurisdiction of the housing court to be known and referred to as the
2 "lead court calendar" for the hearing trial and disposition of actions involving lead within
3 buildings and on premises or property in the city of Providence, including, but not limited to,
4 actions brought pursuant to chapters 23-24.6 ("Lead Poisoning Prevention Act") ~~and/or 42-128.1~~
5 ~~("Lead Hazard Mitigation")~~. The jurisdiction of the "lead court calendar" of the Providence
6 housing court shall be concurrent with any other court or entity given jurisdiction to hear such
7 matters under the general laws. A justice of the lead court calendar may defer or order a case
8 removed to another court or forum of competent jurisdiction, including, but not limited to, an
9 appropriate administrative agency, if the judge determines that such other court or forum would
10 be a more appropriate court or forum to hear the matter involved.

11 SECTION 9. Section 45-24.3-10 of the General Laws in Chapter 45-24.3 entitled
12 "Housing Maintenance and Occupancy Code" is hereby amended to read as follows:

13 **45-24.3-10. General requirements relating to the safe and sanitary construction and**
14 **maintenance of parts of dwellings and dwelling units.**

15 No person shall occupy, as owner or occupant, or let to another for occupancy, any
16 dwelling or dwelling unit, for the purpose of living, which does not comply with the following
17 requirements:

18 (1) Every foundation, floor, roof, ceiling, and exterior and interior wall must be
19 reasonably weathertight, watertight, and damp free, and shall be kept in sound condition and good
20 repair. Floors, interior walls, and ceilings must be sound and in good repair. All exterior wood
21 surfaces, other than decay resistant woods, must be protected from the elements and decay by
22 paint or other protective covering or treatment. Potentially hazardous materials will not be used
23 where readily accessible to children. Walls must be capable of affording privacy for the
24 occupants. Every premise must be graded, drained, free of standing water, and maintained in a
25 clean, sanitary, and safe condition.

26 (2) Potentially hazardous material on the interior surfaces of any dwelling unit, rooming
27 house, rooming unit, or facility occupied by children is prohibited. The interior surfaces include,
28 but are not limited to, window sills, window frames, doors, door frames, walls, ceilings, stair-rails
29 and spindles, or other appurtenances.

30 (3) Lead-based substances are prohibited whenever circumstances present a clear and
31 significant health risk to the occupants of the property, as defined by regulations of the
32 department of health. Where required because of the tenancy of an at-risk occupant, lead hazards
33 must be mitigated ~~as provided for in chapter 128.1 of title 42~~ or abated pursuant to chapter 24.6 of
34 title 23.

1 (4) In each instance where there is reason to believe that lead-based substances are
2 present, the enforcing officer shall either ascertain whether the lead hazard mitigation standard
3 has been met, or confirm whether suspect substances are lead-based by arranging for a
4 comprehensive environmental lead inspection which conforms to department of health
5 regulations.

6 (5) In all instances where either compliance with mitigation standards cannot be
7 confirmed by the enforcement officer by review of certifications for the same or where substances
8 are confirmed to be lead-based by an environmental lead inspection, and there exists a lead
9 exposure hazard, the enforcing officer shall identify necessary lead hazard reductions that must be
10 taken pursuant to department of health regulations.

11 (6) In all instances where lead-based substances are identified on a dwelling, a dwelling
12 unit, or premises occupied by a child suffering from "lead poisoning", as defined in the Rhode
13 Island Lead Poisoning Prevention Act, §§ 23-24.6-1 through 23-24.6-~~26~~28, the enforcing officer
14 shall consider these instances under "emergencies", pursuant to § 45-24.3-21.

15 (7) During the portion of the year when there is a need for protection against mosquitoes,
16 flies, and other flying insects, every door, opening directly from a dwelling unit to outside space,
17 must have supplied properly fitting screens having at least sixteen (16) mesh and a self closing
18 device; and every window, door, or other device with openings to outdoor space, used or intended
19 to be used for ventilation, must be supplied with screens.

20 (8) Every window located at or near ground level, used or intended to be used for
21 ventilation, and every other opening located at or near ground level which might provide an entry
22 for rodents, must be supplied with adequate screens or other devices that will effectively prevent
23 their entrance.

24 (9) Every dwelling or accessory structure and the premises upon which they are located
25 shall be rodent-proofed and maintained to prevent rodents' harborage.

26 (10) All openings in the exterior walls, foundations, basement, ground or first floors, and
27 roofs which have a half-inch (1/2") diameter or more opening shall be rat-proofed in an approved
28 manner if they are within forty-eight inches (48") of the existing exterior ground level
29 immediately below those openings, or if they may be reached by rats from the ground by
30 climbing unguarded pipes, wires, cornices, stairs, roofs, and other items as trees or vines or by
31 burrowing.

32 (11) Skirting, lattice, or other non-rat-proofed enclosures displaying evidence of rat
33 harborage under a porch or any portions of a building must be rat-proofed at all locations where
34 evidence of burrowing or gnawing was found.

1 (12) In the event that occupancy usages would result in stacking or piling materials, the
2 materials be arranged to prohibit the creation of a harborage area. This can be accomplished by
3 orderly stacking and elevating so that there is a twelve inch (12") opening between the material
4 and the ground level. No stacking or piling of material shall take place against the exterior walls
5 of the structure.

6 (13) All doors, including swinging, sliding, and folding types, must be constructed so that
7 the space between the lower edge of the door and the threshold does not exceed three-eighths inch
8 (3/8"); provided, further, that the space between sections of folding and sliding doors when
9 closed does not exceed three-eighths inch (3/8").

10 (14) Basement floors and/or the floors and areas in contact with the soil, and located at a
11 maximum depth of four feet (4') or less from the grade line, must be paved with concrete or other
12 rat impervious material.

13 (15) Any materials used for rodent control must be acceptable to the appropriate
14 authority.

15 (16) All fences provided by the owner or agent on the premises, and/or all fences erected
16 or caused to be erected by an occupant, shall be constructed of manufactured metal fencing
17 material, wood, masonry, or other inert material. These fences must be maintained in good
18 condition. Wood materials shall be protected against decay by use of paint or other preservative.
19 The permissible height and other characteristics of all fences must conform to the appropriate
20 statutes, ordinances, and regulations of this state, and the corporate unit. Wherever any egress
21 from the dwelling opens into the fenced area, there must be a means of egress from the premises
22 to any public way adjacent to it.

23 (17) Accessory structures present or provided by the owner, agency, or tenant occupant
24 on the premises must be structurally sound, and maintained in good repair and free from insects
25 and rodents, or the structure shall be removed from the premises. The exterior of the structures
26 shall be made weather resistant through the use of decay-resistant materials or the use of paint or
27 other preservatives.

28 (18) Every plumbing fixture and all water and waste pipes must be properly installed and
29 maintained in good working condition.

30 (19) No owner, operator, or occupant shall cause any service, facility, equipment, or
31 utility, required under this chapter, to be removed from, or shut off from, or discontinued for any
32 occupied dwelling or dwelling unit let or occupied by him or her, except for a temporary
33 interruption that may be necessary while actual repairs or alterations are in process, or during
34 temporary emergencies when discontinuance of service is approved by the appropriate authority.

1 (20) All construction and materials, ways and means of egress, and all installation and
2 use of equipment must conform to applicable state and local laws dealing with fire protection.

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

4 **ARTICLE 23**

5 **RELATING TO BEHAVIORAL HEALTHCARE, DEVELOPMENTAL DISABILITIES AND**
6 **HOSPITALS**

7 SECTION 1. Individuals with Intellectual and Developmental Disabilities Direct Service
8 Professionals Workforce Crisis.

9 WHEREAS, An estimated 4,400 adults with intellectual and developmental disabilities
10 are supported by the state in community-based settings; direct service professionals (DSPs) and
11 job coaches, are trained staff that are engaged in activities of daily living and
12 community/employment support; these employees earn wages that place them and their families
13 below the poverty level; and

14 WHEREAS, the average DSP wage in Rhode Island is approximately \$11 per hour,
15 which is below the U.S. Department of Health and Human Services poverty threshold for a
16 family of 4; this workforce is often compelled to work many overtime hours or maintain a second
17 job to support their families; many have to rely on public benefits such as Medicaid and food
18 stamps, creating additional expenditures for state government; and

19 WHEREAS, RI has increased the minimum wage for the general workforce from \$7.40
20 in 2012 to \$9.60 in 2016, for a 30% increase in five years. During the corresponding period,
21 direct support professionals (DSP) and personal care attendants (PCA) have seen their combined
22 average wages move from \$10.65 to \$10.82, or increase by 1.6% over 5 years. Our neighboring
23 states of Massachusetts and Connecticut saw increases in the minimum wage of 20% (to \$10 in
24 2016) and 16% (to \$9.60 in 2016) respectively. Over the same 5-year period, these 2 states
25 increased their DSP/PCA wage by 7% (to \$13.02) and 8% (to \$12.19) respectively, compared
26 with RI's \$10.82 per hour wage. And, Massachusetts has committed to compensate their DSPs
27 with a \$15.00/hour wage by 2018, and

28 WHEREAS, The lack of adequate wages for DSP employees who perform the
29 challenging work of supporting persons with intellectual and developmental disabilities results in
30 high employee turnover, estimated at 33% in RI; higher wages are proven to reduce staff
31 turnover, improving stability and quality of services while reducing employer training costs; and

32 WHEREAS, Rising wages in several other sectors now mean, despite strenuous efforts to
33 recruit new DSP workers and job coaches, agencies are experiencing staff vacancy rates of up to
34 25%; excessive vacancies force employers to rely more on overtime, leading to staff burnout and

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ARTICLE 1

RELATING TO MAKING APPROPRIATIONS IN SUPPORT OF FY 2018

This article makes appropriations from general revenue and authorizes expenditure of federal funds, restricted receipts, and other funds for FY 2018. This article also identifies the FTE position authorizations for each agency and department for fiscal year 2018; provides multi-year appropriations for Rhode Island Capital Plan Fund projects; provides for the reappropriation of unexpended and unencumbered funds from the Rhode Island Capital Plan Fund project appropriations in the ensuing fiscal year; provides expenditure limits for internal service funds; provides appropriations for all Temporary Disability Insurance funds, Employment Security funds, University and College funds, and Lottery Division funds.

ARTICLE 2

RELATING TO ECONOMIC DEVELOPMENT AND TAX CREDITS

This article establishes a redeemable Investment Tax Credit Program and Redeemable Jobs Training Tax Credit Program. The programs would be administered by the Commerce Corporation and allow (1) approved applicants within the manufacturing industry to redeem investment tax credits for which the applicants qualify under a new Refundable Investment Tax Credit, to the extent that such credits exceed the approved applicant’s tax liability; and (2) approved applicants within the manufacturing industry and businesses within targeted industries to redeem jobs training tax credits for which the applicants qualify under the new Refundable Jobs Training Tax Credit, to the extent that such credits exceed the approved applicant’s tax liability.

ARTICLE 3

RELATING TO RHODE ISLAND PROMISE SCHOLARSHIP

This article establishes the statutory authority for the Rhode Island Promise Scholarship. The Rhode Island Promise Scholarship is a state-funded, “last-dollar” scholarship designed to fully subsidize tuition and mandatory fees for two years at any of Rhode Island’s three institutions of postsecondary education

ARTICLE 4

RELATING TO DIVISION OF MOTOR VEHICLES

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31 which in turn negatively impacts the quality of services provided.

32 **ARTICLE 24**

33 **RELATING TO EFFECTIVE DATE**

34 This article provides that the act shall take effect as of July 1, 2017, except as otherwise

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