AN ACT
RELATING TO MAKING APPROPRIATIONS IN SUPPORT OF FY 2020

Introduced By: Representative Marvin L. Abney

Date Introduced: January 17, 2019

Referred To: House Finance

(Governor)

It is enacted by the General Assembly as follows:

1. ARTICLE 1 RELATING TO MAKING APPROPRIATIONS IN SUPPORT OF FY 2020
2. ARTICLE 2 RELATING TO STATE FUNDS
3. ARTICLE 3 RELATING TO GOVERNMENT REFORM
4. ARTICLE 4 RELATING TO GOVERNMENT REORGANIZATION
5. ARTICLE 5 RELATING TO TAXES, REVENUE AND FEES
6. ARTICLE 6 RELATING TO DEBT MANAGEMENT ACT JOINT RESOLUTIONS
7. ARTICLE 7 RELATING TO MOTOR VEHICLES
8. ARTICLE 8 RELATING TO TRANSPORTATION
9. ARTICLE 9 RELATING TO EDUCATION
10. ARTICLE 10 RELATING TO MAKING REVISED APPROPRIATIONS IN SUPPORT OF FY 2019
11. ARTICLE 11 RELATING TO HEALTHCARE MARKET STABILITY
12. ARTICLE 12 RELATING TO ECONOMIC DEVELOPMENT
13. ARTICLE 13 RELATING TO HUMAN SERVICES
14. ARTICLE 14 RELATING TO LEASE AGREEMENTS FOR LEASED OFFICE AND OPERATING SPACE
15. ARTICLE 15 RELATING TO MARIJUANA
16. ARTICLE 16 RELATING TO CENTRAL FALLS RETIREES' BENEFICIARIES
17. ARTICLE 17 RELATING TO EFFECTIVE DATE
ARTICLE 1 AS AMENDED

RELATING TO MAKING APPROPRIATIONS IN SUPPORT OF FY 2020

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

Administration

Central Management

General Revenues 2,389,232

Legal Services

General Revenues 2,294,340

Accounts and Control

General Revenues 5,412,043

Restricted Receipts – OPEB Board Administration 149,966

Total – Accounts and Control 5,562,009

Office of Management and Budget

General Revenues 8,220,142

Restricted Receipts 300,000

Other Funds 1,321,384

Total – Office of Management and Budget 9,841,526

Purchasing

General Revenues 3,335,156

Restricted Receipts 459,389

Other Funds 503,353

Total – Purchasing 4,297,898

Human Resources
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<th></th>
<th>Description</th>
<th>Amount</th>
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<td>1</td>
<td>General Revenues</td>
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<td><em>Personnel Appeal Board</em></td>
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<td><em>Information Technology</em></td>
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<td>7</td>
<td>Restricted Receipts</td>
<td>6,622,092</td>
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<td>8</td>
<td>Provided that $343,000 of this amount is for the Division of Motor Vehicles for license plates reissuance initial costs.</td>
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<td>9</td>
<td><strong>Total – Information Technology</strong></td>
<td>8,383,510</td>
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<td><em>Library and Information Services</em></td>
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<td><strong>Total – Library and Information Services</strong></td>
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<td><em>Planning</em></td>
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<td>16</td>
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<td>Provided that $500,000 is for the Rhode Island Statewide Complete Count Committee.</td>
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<td>FTA – Metro Planning Grant</td>
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<td><strong>Total – Planning</strong></td>
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<td><em>General</em></td>
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<td>General Revenues</td>
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<td>26</td>
<td>Miscellaneous Grants/Payments</td>
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<td>27</td>
<td>Provided that this amount be allocated to City Year for the Whole School Whole Child Program, which provides individualized support to at-risk students.</td>
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<td>28</td>
<td>Torts – Courts/Awards</td>
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<td>29</td>
<td>Resource Sharing and State Library Aid</td>
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<td>Library Construction Aid</td>
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<td></td>
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<tr>
<td>1</td>
<td>Rhode Island Capital Plan Funds</td>
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<tr>
<td>2</td>
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<td>3</td>
<td>Energy Efficiency Improvements</td>
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<td>4</td>
<td>Cranston Street Armory</td>
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<td>5</td>
<td>State House Renovations</td>
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<td>6</td>
<td>Zambarano Utilities &amp; Infrastructure</td>
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<td>Replacement of Fueling Tanks</td>
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<td>8</td>
<td>Environmental Compliance</td>
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<td>9</td>
<td>Big River Management Area</td>
<td>100,000</td>
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<tr>
<td>10</td>
<td>Veterans Memorial Auditorium</td>
<td>90,000</td>
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<td>11</td>
<td>Shepard Building</td>
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<tr>
<td>12</td>
<td>Pastore Center Water Tanks &amp; Pipes</td>
<td>280,000</td>
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<td>13</td>
<td>RI Convention Center Authority</td>
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<td>14</td>
<td>Dunkin Donuts Center</td>
<td>1,500,000</td>
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<td>Pastore Center Power Plant Rehabilitation</td>
<td>2,350,000</td>
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<td>16</td>
<td>Accessibility – Facility Renovations</td>
<td>1,000,000</td>
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<td>17</td>
<td>DoIT Enterprise Operations Center</td>
<td>500,000</td>
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<td>18</td>
<td>BHDDHH DD &amp; Community Facilities – Asset Protection</td>
<td>200,000</td>
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<td>19</td>
<td>BHDDHH DD &amp; Community Homes – Fire Code</td>
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<td>20</td>
<td>BHDDHH DD Regional Facilities – Asset Protection</td>
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<td>21</td>
<td>BHDDHH Substance Abuse Asset Protection</td>
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<td>22</td>
<td>BHDDHH Group Homes</td>
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<td>23</td>
<td>Expo Center (Springfield)</td>
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<td>24</td>
<td>Hospital Consolidation</td>
<td>13,132,000</td>
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<td>25</td>
<td>McCoy Stadium</td>
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<td>26</td>
<td>Statewide Facility Master Plan</td>
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<td>27</td>
<td>Cannon Building</td>
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<td>28</td>
<td>Old Colony House</td>
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<td>29</td>
<td>Old State House</td>
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<tr>
<td>30</td>
<td>State Office Building</td>
<td>350,000</td>
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<tr>
<td>31</td>
<td>State Office Reorganization &amp; Relocation</td>
<td>1,750,000</td>
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<td>32</td>
<td>William Powers Building</td>
<td>1,250,000</td>
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<tr>
<td>33</td>
<td>Pastore Center Utilities Upgrade</td>
<td>387,000</td>
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<td>34</td>
<td>Pastore Center Medical Buildings Asset Protection</td>
<td>3,487,500</td>
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1. Pastore Center Non-Medical Buildings Asset Protection 4,350,388
2. Washington County Government Center 1,050,000
3. Chapin Health Laboratory 275,000
4. Total – General 62,629,874

<table>
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<tr>
<th>Description</th>
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<tr>
<td><strong>Debt Service Payments</strong></td>
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<tr>
<td>General Revenues</td>
<td>158,777,282</td>
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<tr>
<td>Out of the general revenue appropriations for debt service, the General Treasurer is authorized to make payments for the I-195 Redevelopment District Commission loan up to the maximum debt service due in accordance with the loan agreement.</td>
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<tr>
<td>Federal Funds</td>
<td>1,870,830</td>
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<td>Other Funds</td>
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<td>Transportation Debt Service</td>
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<td>Investment Receipts – Bond Funds</td>
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<td>Total - Debt Service Payments</td>
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<tr>
<td><strong>Energy Resources</strong></td>
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<tr>
<td>Federal Funds</td>
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<td>Stimulus – State Energy Plan</td>
<td>449,498</td>
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<td>Restricted Receipts</td>
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<td>Total – Energy Resources</td>
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<table>
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<tr>
<td><strong>Rhode Island Health Benefits Exchange</strong></td>
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<tr>
<td>General Revenues</td>
<td>1,591,498</td>
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<tr>
<td>Restricted Receipts</td>
<td>8,361,899</td>
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<tr>
<td>Total – Rhode Island Health Benefits Exchange</td>
<td>9,953,397</td>
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<table>
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<tr>
<td><strong>Office of Diversity, Equity &amp; Opportunity</strong></td>
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<td>Total – Office of Diversity, Equity &amp; Opportunity</td>
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<tr>
<td><strong>Capital Asset Management and Maintenance</strong></td>
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<tr>
<td>General Revenues</td>
<td>9,817,305</td>
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<table>
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<tr>
<td><strong>Statewide Savings Initiatives</strong></td>
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<tr>
<td>General Revenues</td>
<td></td>
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<tr>
<td>Fraud and Waste Detection</td>
<td>(1,950,518)</td>
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<tr>
<td>Injured-on-Duty Savings</td>
<td>(1,657,000)</td>
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</table>
1  Overtime Savings  (1,000,000)
2  Total – Statewide Savings Initiatives  (4,607,518)
3  Grand Total – Administration  327,880,776

4  **Business Regulation**

5  **Central Management**

6  General Revenues  2,529,586

7  **Banking Regulation**

8  General Revenues  1,659,819
9  Restricted Receipts  75,000
10  Total – Banking Regulation  1,734,819

11  **Securities Regulation**

12  General Revenues  1,083,495
13  Restricted Receipts  15,000
14  Total – Securities Regulation  1,098,495

15  **Insurance Regulation**

16  General Revenues  3,919,342
17  Restricted Receipts  2,011,929
18  Total – Insurance Regulation  5,931,271

19  **Office of the Health Insurance Commissioner**

20  General Revenues  1,717,106
21  Federal Funds  376,948
22  Restricted Receipts  478,223
23  Total – Office of the Health Insurance Commissioner  2,572,277

24  **Board of Accountancy**

25  General Revenues  5,883

26  **Commercial Licensing and Gaming and Athletics Licensing**

27  General Revenues  1,135,403
28  Restricted Receipts  950,957
29  Total – Commercial Licensing and Gaming and Athletics Licensing  2,086,360

30  **Building, Design and Fire Professionals**

31  General Revenues  5,846,047
32  Federal Funds  378,840
33  Restricted Receipts  2,267,456
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<td>Other Funds</td>
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<tr>
<td>2</td>
<td>Quonset Development Corporation</td>
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<td>Rhode Island Capital Plan Funds</td>
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<td>4</td>
<td>Fire Academy</td>
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<td>5</td>
<td>Total – Building, Design and Fire Professionals</td>
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**Office of Cannabis Regulation**

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<tr>
<td>6</td>
<td>Restricted Receipts</td>
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<td>7</td>
<td>Grand Total – Business Regulation</td>
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**Executive Office of Commerce**

**Central Management**

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<tr>
<td>8</td>
<td>General Revenues</td>
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**Housing and Community Development**

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<tr>
<td>9</td>
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<td>10</td>
<td>Federal Funds</td>
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<td>11</td>
<td>Restricted Receipts</td>
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**Quasi–Public Appropriations**

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<td>15</td>
<td>Airport Impact Aid</td>
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Sixty percent (60%) of the first $1,000,000 appropriated for airport impact aid shall be distributed to each airport serving more than 1,000,000 passengers based upon its percentage of the total passengers served by all airports serving more than 1,000,000 passengers. Forty percent (40%) of the first $1,000,000 shall be distributed based on the share of landings during calendar year 2019 at North Central Airport, Newport-Middletown Airport, Block Island Airport, Quonset Airport, T.F. Green Airport and Westerly Airport, respectively. The Rhode Island Commerce Corporation shall make an impact payment to the towns or cities in which the airport is located based on this calculation. Each community upon which any part of the above airports is located shall receive at least $25,000.

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<td>16</td>
<td>STAC Research Alliance</td>
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<td>17</td>
<td>Innovative Matching Grants/Internships</td>
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<tr>
<td>18</td>
<td>I-195 Redevelopment District Commission</td>
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<td>19</td>
<td>Chafee Center at Bryant</td>
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<td>20</td>
<td>Polaris Manufacturing Grant</td>
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<td>1</td>
<td>Urban Ventures</td>
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<td>2</td>
<td>East Providence Waterfront Commission</td>
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<td>4</td>
<td>Rhode Island Capital Plan Funds</td>
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<td>5</td>
<td>I-195 Redevelopment District Commission</td>
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<td>6</td>
<td>Quonset Piers</td>
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<td>7</td>
<td>Quonset Point Infrastructure</td>
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<td>11</td>
<td>Innovation Initiative</td>
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<td>Rebuild RI Tax Credit Fund</td>
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<td>Competitive Cluster Grants</td>
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<td>P-tech</td>
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<td>Small Business Promotion</td>
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<td>Small Business Assistance</td>
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<td>Total – Economic Development Initiatives Fund</td>
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<td>Wavemaker Fellowship</td>
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<td>21</td>
<td>Grand Total – Executive Office of Commerce</td>
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<td>Labor and Training</td>
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<td>23</td>
<td>Central Management</td>
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<td>25</td>
<td>Restricted Receipts</td>
</tr>
<tr>
<td>26</td>
<td>Total – Central Management</td>
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<tr>
<td>27</td>
<td>Workforce Development Services</td>
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<tr>
<td>28</td>
<td>General Revenues</td>
</tr>
<tr>
<td>29</td>
<td>Provided that $100,000 be allocated to support the Opportunities Industrialization Center.</td>
</tr>
<tr>
<td>30</td>
<td>Federal Funds</td>
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<tr>
<td>31</td>
<td>Restricted Receipts</td>
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<tr>
<td>32</td>
<td>Other Funds</td>
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<tr>
<td>33</td>
<td>Total – Workforce Development Services</td>
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<td>Workforce Regulation and Safety</td>
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<tr>
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<tr>
<td>6</td>
<td>Other Funds</td>
</tr>
<tr>
<td>7</td>
<td>Temporary Disability Insurance Fund</td>
</tr>
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<td><strong>Total – Income Support</strong></td>
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<tr>
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<td>13</td>
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<tr>
<td>14</td>
<td><strong>Grand Total – Labor and Training</strong></td>
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<td><strong>Department of Revenue</strong></td>
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<td>18</td>
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<td>22</td>
<td><strong>Municipal Finance</strong></td>
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<td>23</td>
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<td>24</td>
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<td>25</td>
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<td>26</td>
<td>Federal Funds</td>
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<td>28</td>
<td>Other Funds</td>
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<td>29</td>
<td>Motor Fuel Tax Evasion</td>
</tr>
<tr>
<td>30</td>
<td>Temporary Disability Insurance Fund</td>
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<td><strong>Total – Taxation</strong></td>
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<td><strong>Registry of Motor Vehicles</strong></td>
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<td>33</td>
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<tr>
<td></td>
<td>Description</td>
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<td>Total – State Aid</td>
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<td>16</td>
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<tr>
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<td>Grand Total – Legislature</td>
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<td>18</td>
<td><strong>Lieutenant Governor</strong></td>
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<tr>
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<td><strong>Secretary of State</strong></td>
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<td>21</td>
<td>Administration</td>
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<td>28</td>
<td>Total – State Archives</td>
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<td>29</td>
<td><strong>Elections and Civics</strong></td>
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<td>Federal Funds</td>
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<td>32</td>
<td>Total – Elections and Civics</td>
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<td>33</td>
<td><strong>State Library</strong></td>
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<td>34</td>
<td>General Revenues</td>
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</table>
Provided that $125,000 be allocated to support the Rhode Island Historical Society pursuant to Rhode Island General Law, Section 29-2-1 and $18,000 be allocated to support the Newport Historical Society, pursuant to Rhode Island General Law, Section 29-2-2.

Office of Public Information

<table>
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<tr>
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<td>Grand Total – Secretary of State</td>
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General Treasurer

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<tr>
<td>Treasury</td>
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<td>General Revenues</td>
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<td>Tuition Savings Program – Administration</td>
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State Retirement System

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<tbody>
<tr>
<td>Restricted Receipts</td>
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<tr>
<td>Admin Expenses – State Retirement System</td>
<td>9,898,528</td>
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<tr>
<td>Retirement – Treasury Investment Operations</td>
<td>1,838,053</td>
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<td>Defined Contribution – Administration</td>
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<td>Total – State Retirement System</td>
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Unclaimed Property

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<td>25,350,100</td>
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Crime Victim Compensation Program

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<td>General Revenues</td>
<td>394,018</td>
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<tr>
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<tr>
<td>Restricted Receipts</td>
<td>636,944</td>
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<td>Total – Crime Victim Compensation Program</td>
<td>1,742,118</td>
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<td>Grand Total – General Treasurer</td>
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Board of Elections

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Rhode Island Ethics Commission

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<td></td>
<td>General Revenues</td>
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<tr>
<td>---------------------</td>
<td>------------------</td>
</tr>
<tr>
<td>1. Office of Governor</td>
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</tr>
<tr>
<td>2. General Revenues</td>
<td></td>
</tr>
<tr>
<td>3. Contingency Fund</td>
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<tr>
<td>4. Grand Total</td>
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</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th></th>
<th></th>
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</thead>
<tbody>
<tr>
<td>5. General Revenues</td>
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<td>1,353,591</td>
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<td>1,917,005</td>
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<table>
<thead>
<tr>
<th></th>
<th>Federal Funds</th>
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<th>Grand Total – Public Utilities Commission</th>
<th>Public Utilities Commission</th>
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<tr>
<td>8. Federal Funds</td>
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<td>178,002</td>
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<td>9. Restricted Receipts</td>
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<td>11,204,978</td>
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<table>
<thead>
<tr>
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<th>General Revenues</th>
<th>Federal Funds</th>
<th>Restricted Receipts</th>
<th>Grand Total – Central Management</th>
<th>Central Management</th>
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<tr>
<td>11. Central Management</td>
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<td>25,723,262</td>
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</table>

Of this appropriation, $415,860 is for the Medicaid program’s contribution to the per-member/per-month payment to RI Quality Institute for operation of the statewide Health Information Exchange, $120,000 is for upgrades to the Health Information Exchange infrastructure, and $100,000 is for the state share of financing for continued operation of the statewide clinical quality measurement system developed using federal funding from the State Innovation Models (SIM) Initiative. Each of the aforementioned appropriations is subject to the approval of the Secretary of the Executive Office of Health and Human Services and the Director of the Office of Management and Budget prior to being obligated.

<table>
<thead>
<tr>
<th></th>
<th>Federal Funds</th>
<th>Restricted Receipts</th>
<th>Grand Total – Office of Health and Human Services</th>
<th>Office of Health and Human Services</th>
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<tbody>
<tr>
<td>12. Federal Funds</td>
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<td>141,787,047</td>
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Of this appropriation, $4,781,599 is for the Medicaid program’s contribution to the per-member/per-month payment to RI Quality Institute for operation of the statewide Health Information Exchange, $1,080,000 is for upgrades to the Health Information Exchange infrastructure, and $900,000 is for financing the state share of the continued operation of the statewide clinical quality measurement system developed using federal funding from the State Innovation Models (SIM) Initiative. Each of the aforementioned appropriations is subject to the approval of the Secretary of the Executive Office of Health and Human Services and the Director of the Office of Management and Budget prior to being obligated.

<table>
<thead>
<tr>
<th></th>
<th>Restricted Receipts</th>
<th>Grand Total – Restricted Receipts</th>
<th>Restricted Receipts</th>
<th>Grand Total – Office of Health and Human Services</th>
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<td>13. Restricted Receipts</td>
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<td>3</td>
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<td>Hospitals</td>
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<td>6</td>
<td>Nursing Facilities</td>
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<td>7</td>
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<td>9</td>
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<td>Children, Youth, and Families</td>
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<td>24</td>
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<tr>
<td>26</td>
<td>Provided that of this amount, $500,000 is for costs associated with accreditation pursuant to Rhode Island General Law, Section 42-72-5.3 and provided further that all unexpended or unencumbered balances as of June 30, 2020 are hereby reappropriated to fiscal year 2021.</td>
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<td>27</td>
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<td>Children's Behavioral Health Services</td>
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<tr>
<td>30</td>
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1. **Juvenile Correctional Services**

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<td>Rhode Island Capital Plan Funds</td>
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<td>Training School Asset Protection</td>
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<td>Training School Generators</td>
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<td>Female Residential Facility</td>
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2. **Child Welfare**

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<td>18 to 21 Year Olds</td>
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3. **Higher Education Incentive Grants**

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4. **Health**

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<td>Total – Central Management</td>
<td>15,220,679</td>
</tr>
</tbody>
</table>

5. **Community Health and Equity**

<table>
<thead>
<tr>
<th>Description</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>General Revenues</td>
<td>645,497</td>
</tr>
<tr>
<td>Federal Funds</td>
<td>68,387,298</td>
</tr>
<tr>
<td>Restricted Receipts</td>
<td>38,129,080</td>
</tr>
<tr>
<td>Total – Community Health and Equity</td>
<td>107,161,875</td>
</tr>
</tbody>
</table>

6. **Environmental Health**

<table>
<thead>
<tr>
<th>Description</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>General Revenues</td>
<td>5,441,319</td>
</tr>
<tr>
<td></td>
<td>Description</td>
</tr>
<tr>
<td>---</td>
<td>-----------------------------------------------------------------------------</td>
</tr>
<tr>
<td>1</td>
<td>Federal Funds</td>
</tr>
<tr>
<td>2</td>
<td>Restricted Receipts</td>
</tr>
<tr>
<td>3</td>
<td>Total – Environmental Health</td>
</tr>
<tr>
<td>4</td>
<td><strong>Health Laboratories and Medical Examiner</strong></td>
</tr>
<tr>
<td>5</td>
<td>General Revenues</td>
</tr>
<tr>
<td>6</td>
<td>Federal Funds</td>
</tr>
<tr>
<td>7</td>
<td>Other Funds</td>
</tr>
<tr>
<td>8</td>
<td>Rhode Island Capital Plan Funds</td>
</tr>
<tr>
<td>9</td>
<td>Health Laboratories &amp; Medical Examiner Equipment</td>
</tr>
<tr>
<td>10</td>
<td>Total – Health Laboratories and Medical Examiner</td>
</tr>
<tr>
<td>11</td>
<td><strong>Customer Services</strong></td>
</tr>
<tr>
<td>12</td>
<td>General Revenues</td>
</tr>
<tr>
<td>13</td>
<td>Federal Funds</td>
</tr>
<tr>
<td>14</td>
<td>Restricted Receipts</td>
</tr>
<tr>
<td>15</td>
<td>Total – Customer Services</td>
</tr>
<tr>
<td>16</td>
<td><strong>Policy, Information and Communications</strong></td>
</tr>
<tr>
<td>17</td>
<td>General Revenues</td>
</tr>
<tr>
<td>18</td>
<td>Federal Funds</td>
</tr>
<tr>
<td>19</td>
<td>Restricted Receipts</td>
</tr>
<tr>
<td>20</td>
<td>Total – Policy, Information and Communications</td>
</tr>
<tr>
<td>21</td>
<td><strong>Preparedness, Response, Infectious Disease &amp; Emergency Services</strong></td>
</tr>
<tr>
<td>22</td>
<td>General Revenues</td>
</tr>
<tr>
<td>23</td>
<td>Federal Funds</td>
</tr>
<tr>
<td>24</td>
<td>Total – Preparedness, Response, Infectious Disease &amp; Emergency Services</td>
</tr>
<tr>
<td>25</td>
<td>Grand Total - Health</td>
</tr>
<tr>
<td>26</td>
<td><strong>Human Services</strong></td>
</tr>
<tr>
<td>27</td>
<td><strong>Central Management</strong></td>
</tr>
<tr>
<td>28</td>
<td>General Revenues</td>
</tr>
<tr>
<td>29</td>
<td>Of this amount, $300,000 is to support the Domestic Violence Prevention Fund</td>
</tr>
<tr>
<td>30</td>
<td>to provide direct services through the Coalition Against Domestic Violence,</td>
</tr>
<tr>
<td>31</td>
<td>$250,000 is to support Project Reach activities provided by the RI Alliance</td>
</tr>
<tr>
<td>32</td>
<td>of Boys and Girls Clubs, $217,000 is for outreach and supportive services</td>
</tr>
<tr>
<td>33</td>
<td>through Day One, $175,000 is for food collection and distribution through the</td>
</tr>
<tr>
<td>34</td>
<td>Rhode Island Community Food Bank, $500,000 for services provided to the</td>
</tr>
<tr>
<td></td>
<td>homeless at Crossroads</td>
</tr>
</tbody>
</table>
Rhode Island, $600,000 for the Community Action Fund and $200,000 is for the Institute for the Study and Practice of Nonviolence’s Reduction Strategy.

<table>
<thead>
<tr>
<th></th>
<th>Federal Funds</th>
<th>Restricted Receipts</th>
<th>Total – Central Management</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Child Support Enforcement</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>General Revenues</td>
<td>2,822,190</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Federal Funds</td>
<td>6,926,373</td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Total – Child Support Enforcement</strong></td>
<td></td>
<td></td>
<td>9,748,563</td>
</tr>
</tbody>
</table>

| **Individual and Family Support** |                      |
| General Revenues           | 19,421,725         |
| Federal Funds              | 113,244,345        |
| Restricted Receipts        | 25,226,090         |
| Other Funds                |                     |
| Food Stamp Bonus Funding   | 170,000            |
| Intermodal Surface Transportation Fund | 4,428,478 |
| Rhode Island Capital Plan Funds |                     |
| Blind Vending Facilities   | 165,000            |
| **Total – Individual and Family Support** | 162,655,638 |

| **Office of Veterans Services** |                      |
| General Revenues           | 25,478,689          |
| Of this amount, $200,000 is to provide support services through Veterans’ organizations and $200 is to pay the Vietnam bonus of James A. Falcon of 50 Jay Street, East Providence, Rhode Island, who served in the United States Navy during the Vietnam Conflict under serial No. 697-61-48. |
| Federal Funds              | 13,459,517          |
| Restricted Receipts        | 1,152,000           |
| Other Funds                |                     |
| Rhode Island Capital Plan Funds |                     |
| Veterans Home Asset Protection | 250,000            |
| **Total – Office of Veterans Services** | 40,340,206 |

| **Health Care Eligibility** |                      |
| General Revenues           | 1,231,216           |
| Federal Funds              | 10,598,378          |
1 Total – Health Care Eligibility 11,829,594

2 Supplemental Security Income Program

3 General Revenues 19,487,100

4 Rhode Island Works

5 General Revenues 10,039,632

6 Federal Funds 87,246,054

7 Total – Rhode Island Works 97,285,686

8 Other Programs

9 General Revenues 996,600

10 Of this appropriation, $90,000 shall be used for hardship contingency payments.

11 Federal Funds 265,157,901

12 Total – Other Programs 266,154,501

13 Office of Healthy Aging

14 General Revenues 8,024,596

15 Of this amount, $325,000 is to provide elder services, including respite, through the Diocese of Providence, $40,000 for ombudsman services provided by the Alliance for Long Term Care in accordance with Rhode Island General Laws, Chapter 42-66.7, $85,000 for security for housing for the elderly in accordance with Rhode Island General Law, Section 42-66.1-3, $800,000 for Senior Services Support and $580,000 for elderly nutrition, of which $530,000 is for Meals on Wheels.

16 Federal Funds 12,780,657

17 Restricted Receipts 172,609

18 Total – Office of Healthy Aging 20,977,862

19 Grand Total – Human Services 638,343,380

20 Behavioral Healthcare, Developmental Disabilities, and Hospitals

21 Central Management

22 General Revenues 3,495,795

23 Federal Funds 1,316,004

24 Total – Central Management 4,811,799

25 Hospital and Community System Support

26 General Revenues 2,241,946

27 Federal Funds 23,377

28 Total – Hospital and Community System Support 2,265,323

29 Services for the Developmentally Disabled

30

31

32

33

34
<table>
<thead>
<tr>
<th>General Revenues</th>
<th>132,870,111</th>
</tr>
</thead>
<tbody>
<tr>
<td>Of this general revenue funding, $4.5 million shall be expended on certain community-based BHDDH developmental disability private provider and self-directed consumer direct care service worker raises and associated payroll costs as authorized by the Department of Behavioral Healthcare, Developmental Disabilities and Hospitals. Any increases for direct support staff in residential or other community-based settings must first receive the approval of the Office of Management and Budget and the Executive Office of Health and Human Services. Of this general revenue funding, $750,000 is to support technical and other assistance for community-based agencies to ensure they transition to providing integrated services to adults with developmental disabilities that comply with the consent decree.</td>
<td></td>
</tr>
<tr>
<td>Federal Funds</td>
<td>162,204,286</td>
</tr>
<tr>
<td>Of this federal funding, $841,006 is to support technical and other assistance for community-based agencies to ensure they transition to providing integrated services to adults with developmental disabilities that comply with the consent decree.</td>
<td></td>
</tr>
<tr>
<td>Restricted Receipts</td>
<td>1,525,800</td>
</tr>
<tr>
<td>Other Funds</td>
<td></td>
</tr>
<tr>
<td>Rhode Island Capital Plan Funds</td>
<td></td>
</tr>
<tr>
<td>DD Residential Development</td>
<td>300,000</td>
</tr>
<tr>
<td>Total – Services for the Developmentally Disabled</td>
<td>296,900,197</td>
</tr>
</tbody>
</table>

*Behavioral Healthcare Services*

| General Revenues               | 3,077,675   |
| Federal Funds               | 34,042,755  |
| Restricted Receipts      | 149,600     |
| Total – Behavioral Healthcare Services | 37,270,030 |

*Hospital and Community Rehabilitative Services*

| General Revenues               | 54,695,713  |
| Federal Funds               | 62,839,447  |
| Restricted Receipts      | 4,412,947   |
| Total - Hospital and Community Rehabilitative Services | 121,948,107 |
Grand Total – Behavioral Healthcare, Developmental Disabilities, and Hospitals $463,195,456

Office of the Child Advocate
- General Revenues $986,701
- Federal Funds $247,356
- Grand Total – Office of the Child Advocate $1,234,057

Commission on the Deaf and Hard of Hearing
- General Revenues $533,338
- Restricted Receipts $130,000
- Grand Total – Comm. On Deaf and Hard of Hearing $663,338

Governor’s Commission on Disabilities
- General Revenues $555,672
- Livable Home Modification Grant Program $499,397
- Provided that this will be used for home modification and accessibility enhancements to construct, retrofit, and/or renovate residences to allow individuals to remain in community settings.
- This will be in consultation with the Executive Office of Health and Human Services.
- Federal Funds $458,689
- Restricted Receipts $44,901
- Total – Governor’s Commission on Disabilities $1,558,659

Office of the Mental Health Advocate
- General Revenues $602,411

Elementary and Secondary Education
Administration of the Comprehensive Education Strategy
- General Revenues $21,574,338
- Provided that $90,000 be allocated to support the hospital school at Hasbro Children’s Hospital pursuant to Rhode Island General Law, Section 16-7-20 and that $395,000 be allocated to support child opportunity zones through agreements with the Department of Elementary and Secondary Education to strengthen education, health and social services for students and their families as a strategy to accelerate student achievement.
- Federal Funds $211,371,326
- Restricted Receipts $3,022,335
- HRIC Adult Education Grants $3,500,000
Davies Career and Technical School

General Revenues 13,694,981
Federal Funds 1,416,084
Restricted Receipts 3,784,140
Other Funds
P-Tech Grant 100,000
Rhode Island Capital Plan Funds
Davies School HVAC 200,000
Davies School Asset Protection 150,000
Total – Davies Career and Technical School 19,345,205

RI School for the Deaf

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

Metropolitan Career and Technical School

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

Education Aid

General Revenues 954,125,587
Provided that the criteria for the allocation of early childhood funds shall prioritize prekindergarten seats and classrooms for four-year-olds whose family income is at or below one hundred eighty-five percent (185%) of federal poverty guidelines and who reside in communities with higher concentrations of low performing schools.
Restricted Receipts 26,283,985
Other Funds

Total – Admin. of the Comprehensive Ed. Strategy 239,467,999
<table>
<thead>
<tr>
<th></th>
<th>Description</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Permanent School Fund</td>
<td>300,000</td>
</tr>
<tr>
<td>2</td>
<td>Total – Education Aid</td>
<td>980,709,572</td>
</tr>
<tr>
<td>3</td>
<td>Central Falls School District</td>
<td></td>
</tr>
<tr>
<td>4</td>
<td>General Revenues</td>
<td>41,476,650</td>
</tr>
<tr>
<td>5</td>
<td>School Construction Aid</td>
<td></td>
</tr>
<tr>
<td>6</td>
<td>General Revenues</td>
<td></td>
</tr>
<tr>
<td>7</td>
<td>School Housing Aid</td>
<td>78,984,971</td>
</tr>
<tr>
<td>8</td>
<td>School Building Authority Capital Fund</td>
<td>1,015,029</td>
</tr>
<tr>
<td>9</td>
<td>Total – School Construction Aid</td>
<td>80,000,000</td>
</tr>
<tr>
<td>10</td>
<td>Teachers’ Retirement</td>
<td></td>
</tr>
<tr>
<td>11</td>
<td>General Revenues</td>
<td>112,337,502</td>
</tr>
<tr>
<td>12</td>
<td>Grand Total – Elementary and Secondary Education</td>
<td>1,491,082,208</td>
</tr>
<tr>
<td>13</td>
<td>Public Higher Education</td>
<td></td>
</tr>
<tr>
<td>14</td>
<td>Office of Postsecondary Commissioner</td>
<td></td>
</tr>
<tr>
<td>15</td>
<td>General Revenues</td>
<td>16,509,011</td>
</tr>
<tr>
<td>16</td>
<td>Provided that $355,000 shall be allocated the Rhode Island College Crusade pursuant to the Rhode Island General Law, Section 16-70-5 and that $75,000 shall be allocated to Best Buddies Rhode Island to support its programs for children with developmental and intellectual disabilities. It is also provided that $6,976,425 shall be allocated to the Rhode Island Promise Scholarship program and $147,000 shall be used to support Rhode Island’s membership in the New England Board of Higher Education.</td>
<td></td>
</tr>
<tr>
<td>17</td>
<td>Federal Funds</td>
<td>3,600,000</td>
</tr>
<tr>
<td>18</td>
<td>Guaranty Agency Administration</td>
<td>400,000</td>
</tr>
<tr>
<td>19</td>
<td>Provided that an amount equivalent to not more than ten (10) percent of the guaranty agency operating fund appropriated for direct scholarship and grants in fiscal year 2020 shall be appropriated for guaranty agency administration in fiscal year 2020. This limitation notwithstanding, final appropriations for fiscal year 2020 for guaranty agency administration may also include any residual monies collected during fiscal year 2020 that relate to guaranty agency operations, in excess of the foregoing limitation.</td>
<td></td>
</tr>
<tr>
<td>20</td>
<td>Guaranty Agency Operating Fund-Scholarships &amp; Grants</td>
<td>4,000,000</td>
</tr>
<tr>
<td>21</td>
<td>Restricted Receipts</td>
<td>3,134,496</td>
</tr>
<tr>
<td>22</td>
<td>Other Funds</td>
<td></td>
</tr>
<tr>
<td>23</td>
<td>Tuition Savings Program – Dual Enrollment</td>
<td>2,300,000</td>
</tr>
</tbody>
</table>
1 Tuition Savings Program – Scholarships and Grants 5,595,000
2 Nursing Education Center – Operating 3,034,680
3 Rhode Island Capital Plan Funds
4 Higher Education Centers 3,800,000

Provided that the state fund no more than 50.0 percent of the total project cost.

7 Asset Protection 341,000
8 Total – Office of Postsecondary Commissioner 42,714,187

9 Rhode Island Capital Plan Funds

<table>
<thead>
<tr>
<th>Project</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Asset Protection</td>
<td>341,000</td>
</tr>
<tr>
<td>Nursing Education Center – Operating</td>
<td>3,034,680</td>
</tr>
<tr>
<td>Total – Office of Postsecondary Commissioner</td>
<td>42,714,187</td>
</tr>
</tbody>
</table>

9 University of Rhode Island

10 General Revenues 83,390,529

Provided that in order to leverage federal funding and support economic development, $350,000 shall be allocated to the Small Business Development Center and that $50,000 shall be allocated to Special Olympics Rhode Island to support its mission of providing athletic opportunities for individuals with intellectual and developmental disabilities.

17 RI State Forensics Laboratory 1,299,182

18 Other Funds

University and College Funds 677,435,028
Debt – Dining Services 1,062,129
Debt – Education and General 4,830,975
Debt – Health Services 792,955
Debt – Housing Loan Funds 12,867,664
Debt – Memorial Union 323,009
Debt – Ryan Center 2,393,006
Debt – Alton Jones Services 102,525
Debt – Parking Authority 1,126,020
Debt – Restricted Energy Conservation 521,653
Debt – URI Energy Conservation 2,103,157
Rhode Island Capital Plan Funds

<table>
<thead>
<tr>
<th>Project</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Asset Protection</td>
<td>8,326,839</td>
</tr>
<tr>
<td>Fine Arts Center Renovation</td>
<td>7,070,064</td>
</tr>
<tr>
<td>Biological Resources Lab</td>
<td>2,855,486</td>
</tr>
<tr>
<td>Total – University of Rhode Island</td>
<td>837,035,616</td>
</tr>
</tbody>
</table>
Notwithstanding the provisions of section 35-3-15 of the general laws, all unexpended or unencumbered balances as of June 30, 2020 relating to the University of Rhode Island are hereby reappropriated to fiscal year 2021.

**Rhode Island College**

General Revenues

- General Revenues: $51,839,615
- Debt Service: $6,180,718

Other Funds

- University and College Funds: $132,924,076
- Debt – Education and General: $880,433
- Debt – Housing: $366,667
- Debt – Student Center and Dining: $153,428
- Debt – Student Union: $206,000
- Debt – G.O. Debt Service: $1,642,121
- Debt Energy Conservation: $635,275

Rhode Island Capital Plan Funds

- Asset Protection: $3,669,050
- Infrastructure Modernization: $3,000,000
- Phase III Master Plan: $300,000
- Total – Rhode Island College: $201,797,383

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

**Community College of Rhode Island**

General Revenues

- General Revenues: $51,998,378
- Debt Service: $1,898,030
- Restricted Receipts: $633,400

Other Funds

- University and College Funds: $104,605,016
- CCRI Debt Service – Energy Conservation: $805,312
- Rhode Island Capital Plan Funds
  - Asset Protection: $2,439,076
  - Knight Campus Renewal: $3,500,000
<table>
<thead>
<tr>
<th>#</th>
<th>Category</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Data, Cabling, and Power Infrastructure</td>
<td>500,000</td>
</tr>
<tr>
<td>2</td>
<td>Total – Community College of RI</td>
<td>166,379,212</td>
</tr>
<tr>
<td>3</td>
<td>Notwithstanding the provisions of section 35-3-15 of the general laws, all unexpended or unencumbered balances as of June 30, 2020 relating to the Community College of Rhode Island are hereby reappropriated to fiscal year 2021.</td>
<td></td>
</tr>
<tr>
<td>4</td>
<td>Grand Total – Public Higher Education</td>
<td>1,247,926,398</td>
</tr>
<tr>
<td>5</td>
<td>RI State Council on the Arts</td>
<td></td>
</tr>
<tr>
<td>6</td>
<td>General Revenues</td>
<td></td>
</tr>
<tr>
<td>7</td>
<td>Operating Support</td>
<td>839,748</td>
</tr>
<tr>
<td>8</td>
<td>Grants</td>
<td>1,165,000</td>
</tr>
<tr>
<td>9</td>
<td>Provided that $375,000 be provided to support the operational costs of WaterFire Providence art installations.</td>
<td></td>
</tr>
<tr>
<td>10</td>
<td>Federal Funds</td>
<td>762,500</td>
</tr>
<tr>
<td>11</td>
<td>Restricted Receipts</td>
<td>45,000</td>
</tr>
<tr>
<td>12</td>
<td>Other Funds</td>
<td></td>
</tr>
<tr>
<td>13</td>
<td>Art for Public Facilities</td>
<td>626,000</td>
</tr>
<tr>
<td>14</td>
<td>Grand Total – RI State Council on the Arts</td>
<td>3,438,248</td>
</tr>
<tr>
<td>15</td>
<td>RI Atomic Energy Commission</td>
<td></td>
</tr>
<tr>
<td>16</td>
<td>General Revenues</td>
<td>1,059,094</td>
</tr>
<tr>
<td>17</td>
<td>Restricted Receipts</td>
<td>99,000</td>
</tr>
<tr>
<td>18</td>
<td>Other Funds</td>
<td></td>
</tr>
<tr>
<td>19</td>
<td>URI Sponsored Research</td>
<td>287,000</td>
</tr>
<tr>
<td>20</td>
<td>Rhode Island Capital Plan Funds</td>
<td></td>
</tr>
<tr>
<td>21</td>
<td>RINSC Asset Protection</td>
<td>50,000</td>
</tr>
<tr>
<td>22</td>
<td>Grand Total – RI Atomic Energy Commission</td>
<td>1,495,094</td>
</tr>
<tr>
<td>23</td>
<td>RI Historical Preservation and Heritage Commission</td>
<td></td>
</tr>
<tr>
<td>24</td>
<td>General Revenues</td>
<td>1,488,293</td>
</tr>
<tr>
<td>25</td>
<td>Provided that $30,000 support the operational costs of the Fort Adams Trust’s restoration activities.</td>
<td></td>
</tr>
<tr>
<td>26</td>
<td>Federal Funds</td>
<td>557,028</td>
</tr>
<tr>
<td>27</td>
<td>Restricted Receipts</td>
<td>421,439</td>
</tr>
<tr>
<td>28</td>
<td>Other Funds</td>
<td></td>
</tr>
<tr>
<td>29</td>
<td>RIDOT Project Review</td>
<td>128,570</td>
</tr>
<tr>
<td>30</td>
<td>Grand Total – RI Historical Preservation and Heritage Comm.</td>
<td>2,595,330</td>
</tr>
<tr>
<td></td>
<td>Attorney General</td>
<td></td>
</tr>
<tr>
<td>---</td>
<td>-----------------</td>
<td>---</td>
</tr>
<tr>
<td>1</td>
<td><strong>Criminal</strong></td>
<td></td>
</tr>
<tr>
<td>2</td>
<td>General Revenues</td>
<td>17,969,266</td>
</tr>
<tr>
<td>3</td>
<td>Federal Funds</td>
<td>3,552,999</td>
</tr>
<tr>
<td>4</td>
<td>Restricted Receipts</td>
<td>79,335</td>
</tr>
<tr>
<td>5</td>
<td><strong>Total – Criminal</strong></td>
<td>21,601,600</td>
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Art1
RELATING TO MAKING APPROPRIATIONS IN SUPPORT OF FY 2020
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<td>Provided that $1,050,000 be allocated to Crossroads Rhode Island for sex offender discharge planning.</td>
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<td>Provided however, that no more than $1,392,326 in combined total shall be offset to the Public Defender’s Office, the Attorney General’s Office, the Department of Corrections, the Department of Children, Youth, and Families, and the Department of Public Safety for square-footage occupancy costs in public courthouses and further provided that $230,000 be allocated to the Rhode Island Coalition Against Domestic Violence for the domestic abuse court advocacy project pursuant to Rhode Island General Law, Section 12-29-7 and that $90,000 be allocated to Rhode Island Legal Services, Inc. to provide housing and eviction defense to indigent individuals.</td>
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7 **Public Safety**

8 **Central Management**

9 General Revenues 928,740

10 Federal Funds 14,579,673

11 Total – Central Management 15,508,413

12 **E-911 Emergency Telephone System**

13 General Revenues 1,698,063

14 Restricted Receipts 5,316,198

15 Total – E-911 Emergency Telephone System 7,014,261

16 **Security Services**

17 General Revenues 26,773,619

18 **Municipal Police Training Academy**

19 General Revenues 296,254

20 Federal Funds 419,790

21 Total – Municipal Police Training Academy 716,044

22 **State Police**

23 General Revenues 76,222,276

24 Federal Funds 4,986,942

25 Restricted Receipts 820,000

26 Other Funds

27 Rhode Island Capital Plan Funds

28 DPS Asset Protection 600,000

29 Training Academy Upgrades 425,000

30 Facilities Master Plan 350,000

31 Headquarters Roof Project 2,000,000

32 Airport Corporation Assistance 146,832

33 Road Construction Reimbursement 2,244,969

34 Weight and Measurement Reimbursement 400,000
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<tr>
<td>28</td>
<td>Other Funds</td>
<td>2,256,279,162</td>
</tr>
<tr>
<td>29</td>
<td>Statewide Grand Total</td>
<td>9,970,620,338</td>
</tr>
</tbody>
</table>

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

**SECTION 3.** Upon the transfer of any function of a department or agency to another department or agency, the Governor is hereby authorized by means of executive order to transfer or reallocate, in whole or in part, the appropriations and the full-time equivalent limits affected.
thereby; provided, however, in accordance with Rhode Island General Law, Section 42-6-5, when the duties or administrative functions of government are designated by law to be performed within a particular department or agency, no transfer of duties or functions and no re-allocation, in whole or part, of appropriations and full-time equivalent positions to any other department or agency shall be authorized.

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

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

<table>
<thead>
<tr>
<th>Account</th>
<th>Expenditure Limit</th>
</tr>
</thead>
<tbody>
<tr>
<td>State Assessed Fringe Benefit Internal Service Fund</td>
<td>37,377,620</td>
</tr>
<tr>
<td>Administration Central Utilities Internal Service Fund</td>
<td>23,055,162</td>
</tr>
<tr>
<td>State Central Mail Internal Service Fund</td>
<td>6,290,947</td>
</tr>
<tr>
<td>State Telecommunications Internal Service Fund</td>
<td>3,450,952</td>
</tr>
<tr>
<td>State Automotive Fleet Internal Service Fund</td>
<td>12,740,920</td>
</tr>
<tr>
<td>Surplus Property Internal Service Fund</td>
<td>3,000</td>
</tr>
<tr>
<td>Health Insurance Internal Service Fund</td>
<td>252,444,854</td>
</tr>
<tr>
<td>State Fleet Revolving Loan Fund</td>
<td>273,786</td>
</tr>
<tr>
<td>Other Post-Employment Benefits Fund</td>
<td>63,858,483</td>
</tr>
<tr>
<td>Capitol Police Internal Service Fund</td>
<td>1,479,703</td>
</tr>
</tbody>
</table>
Corrections Central Distribution Center Internal Service Fund 6,798,359
Correctional Industries Internal Service Fund 8,191,195
Secretary of State Record Center Internal Service Fund 969,729
Human Resources Internal Service Fund 14,847,653
DCAMM Facilities Internal Service Fund 40,091,033
Information Technology Internal Service Fund 44,113,005

SECTION 6. Legislative Intent - The General Assembly may provide a written "statement of legislative intent" signed by the chairperson of the House Finance Committee and by the chairperson of the Senate Finance Committee to show the intended purpose of the appropriations contained in Section 1 of this Article. The statement of legislative intent shall be kept on file in the House Finance Committee and in the Senate Finance Committee.

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

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


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

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

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

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

**FY 2020 FTE POSITION AUTHORIZATION**

<table>
<thead>
<tr>
<th>Departments and Agencies</th>
<th>Full-Time Equivalent</th>
</tr>
</thead>
<tbody>
<tr>
<td>Administration</td>
<td>647.7</td>
</tr>
<tr>
<td>Provided that no more than 417.0 of the total authorization would be limited to positions that support internal service fund programs.</td>
<td></td>
</tr>
<tr>
<td>Business Regulation</td>
<td>161.0</td>
</tr>
<tr>
<td>Executive Office of Commerce</td>
<td>14.0</td>
</tr>
<tr>
<td>Labor and Training</td>
<td>390.7</td>
</tr>
<tr>
<td>Revenue</td>
<td>602.5</td>
</tr>
<tr>
<td>Legislature</td>
<td>298.5</td>
</tr>
<tr>
<td>Office of the Lieutenant Governor</td>
<td>8.0</td>
</tr>
<tr>
<td>Office of the Secretary of State</td>
<td>59.0</td>
</tr>
<tr>
<td>Office of the General Treasurer</td>
<td>89.0</td>
</tr>
<tr>
<td>Board of Elections</td>
<td>13.0</td>
</tr>
<tr>
<td>Rhode Island Ethics Commission</td>
<td>12.0</td>
</tr>
<tr>
<td>Office of the Governor</td>
<td>45.0</td>
</tr>
<tr>
<td>Commission for Human Rights</td>
<td>14.5</td>
</tr>
<tr>
<td>Public Utilities Commission</td>
<td>52.0</td>
</tr>
<tr>
<td>Office of Health and Human Services</td>
<td>186.0</td>
</tr>
<tr>
<td>Children, Youth, and Families</td>
<td>621.5</td>
</tr>
<tr>
<td>Health</td>
<td>499.6</td>
</tr>
<tr>
<td>Human Services</td>
<td>755.0</td>
</tr>
<tr>
<td></td>
<td>Department/Program</td>
</tr>
<tr>
<td>---</td>
<td>--------------------------------------------------------------------------</td>
</tr>
<tr>
<td>1</td>
<td>Office of Veterans Services</td>
</tr>
<tr>
<td>2</td>
<td>Office of Healthy Aging</td>
</tr>
<tr>
<td>3</td>
<td>Behavioral Healthcare, Developmental Disabilities, and Hospitals</td>
</tr>
<tr>
<td>4</td>
<td>Office of the Child Advocate</td>
</tr>
<tr>
<td>5</td>
<td>Commission on the Deaf and Hard of Hearing</td>
</tr>
<tr>
<td>6</td>
<td>Governor’s Commission on Disabilities</td>
</tr>
<tr>
<td>7</td>
<td>Office of the Mental Health Advocate</td>
</tr>
<tr>
<td>8</td>
<td>Elementary and Secondary Education</td>
</tr>
<tr>
<td>9</td>
<td>School for the Deaf</td>
</tr>
<tr>
<td>10</td>
<td>Davies Career and Technical School</td>
</tr>
<tr>
<td>11</td>
<td>Office of Postsecondary Commissioner</td>
</tr>
<tr>
<td>12</td>
<td>Provided that 1.0 of the total authorization would be available only for positions that are supported by third-party funds, 8.0 would be available only for positions at the State’s Higher Education Centers located in Woonsocket and Westerly, and 10.0 would be available only for positions at the Nursing Education Center.</td>
</tr>
<tr>
<td>13</td>
<td>University of Rhode Island</td>
</tr>
<tr>
<td>14</td>
<td>Provided that 622.8 of the total authorization would be available only for positions that are supported by third-party funds.</td>
</tr>
<tr>
<td>15</td>
<td>Rhode Island College</td>
</tr>
<tr>
<td>16</td>
<td>Provided that 76.0 of the total authorization would be available only for positions that are supported by third-party funds.</td>
</tr>
<tr>
<td>17</td>
<td>Community College of Rhode Island</td>
</tr>
<tr>
<td>18</td>
<td>Provided that 89.0 of the total authorization would be available only for positions that are supported by third-party funds.</td>
</tr>
<tr>
<td>19</td>
<td>Rhode Island State Council on the Arts</td>
</tr>
<tr>
<td>20</td>
<td>RI Atomic Energy Commission</td>
</tr>
<tr>
<td>21</td>
<td>Historical Preservation and Heritage Commission</td>
</tr>
<tr>
<td>22</td>
<td>Office of the Attorney General</td>
</tr>
<tr>
<td>23</td>
<td>Corrections</td>
</tr>
<tr>
<td>24</td>
<td>Judicial</td>
</tr>
<tr>
<td>25</td>
<td>Military Staff</td>
</tr>
<tr>
<td>26</td>
<td>Emergency Management Agency</td>
</tr>
<tr>
<td>27</td>
<td>Public Safety</td>
</tr>
<tr>
<td>28</td>
<td>Office of the Public Defender</td>
</tr>
</tbody>
</table>
No agency or department may employ contracted employees or employee services where contract employees would work under state employee supervisors without determination of need by the Director of Administration acting upon positive recommendations of the Budget Officer and the Personnel Administrator and 15 days after a public hearing.

Nor may any agency or department contract for services replacing work done by state employees at that time without determination of need by the Director of Administration acting upon the positive recommendations of the Budget Officer and the Personnel Administrator and 30 days after a public hearing.

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

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

The following amounts are hereby appropriated out of any money in the State’s Rhode Island Capital Plan Fund not otherwise appropriated to be expended during the fiscal years ending June 30, 2021, June 30, 2022, June 30, 2023, and June 30, 2024. These amounts supersede appropriations provided within Section 12 of Article 1 of Chapter 047 of the P.L. of 2018.

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

<table>
<thead>
<tr>
<th>Project</th>
<th>Fiscal Year Ending</th>
<th>Fiscal Year Ending</th>
<th>Fiscal Year Ending</th>
<th>Fiscal Year Ending</th>
</tr>
</thead>
<tbody>
<tr>
<td>DOA – Accessibility</td>
<td>1,000,000</td>
<td>1,000,000</td>
<td>1,000,000</td>
<td>1,000,000</td>
</tr>
<tr>
<td>DOA – BHDDH Group Homes</td>
<td>500,000</td>
<td>500,000</td>
<td>500,000</td>
<td>500,000</td>
</tr>
<tr>
<td>DOA – Cannon Building</td>
<td>1,500,000</td>
<td>2,200,000</td>
<td>2,300,000</td>
<td>2,950,000</td>
</tr>
<tr>
<td>DOA – Cranston Street Armory</td>
<td>500,000</td>
<td>1,100,000</td>
<td>2,000,000</td>
<td>2,100,000</td>
</tr>
<tr>
<td>DOA – Energy Efficiency</td>
<td>500,000</td>
<td>1,000,000</td>
<td>1,000,000</td>
<td>1,000,000</td>
</tr>
<tr>
<td></td>
<td>DOA – Hospital Consolidation</td>
<td>6,721,495</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>---</td>
<td>----------------------------</td>
<td>--</td>
<td>---</td>
<td>---</td>
</tr>
<tr>
<td>2</td>
<td>DOA – Pastore Center Medical Buildings</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>3</td>
<td>Asset Protection</td>
<td>1,600,000</td>
<td>2,600,000</td>
<td>3,475,000</td>
</tr>
<tr>
<td>4</td>
<td>DOA – Pastore Center Non-Medical Buildings</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>5</td>
<td>Asset Protection</td>
<td>2,000,000</td>
<td>3,412,500</td>
<td>2,775,000</td>
</tr>
<tr>
<td>6</td>
<td>DOA – Security Measures/State Buildings</td>
<td>500,000</td>
<td>500,000</td>
<td>500,000</td>
</tr>
<tr>
<td>7</td>
<td>DOA – State House Renovations</td>
<td>877,169</td>
<td>428,000</td>
<td>900,000</td>
</tr>
<tr>
<td>8</td>
<td>DOA – State Office Reorganization &amp;</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>9</td>
<td>Relocation</td>
<td>900,000</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>10</td>
<td>DOA – Washington County Gov. Center</td>
<td>150,000</td>
<td>500,000</td>
<td>500,000</td>
</tr>
<tr>
<td>11</td>
<td>DOA – William Powers Building</td>
<td>1,000,000</td>
<td>3,500,000</td>
<td>2,500,000</td>
</tr>
<tr>
<td>12</td>
<td>DOA – Zambarano Utilities &amp; Infrastructure</td>
<td>2,750,000</td>
<td>550,000</td>
<td>1,300,000</td>
</tr>
<tr>
<td>13</td>
<td>EOC – Quonset Piers</td>
<td>5,000,000</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>14</td>
<td>EOC – Quonset Point Infrastructure</td>
<td>6,000,000</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>15</td>
<td>DCYF – Training School Asset Protection</td>
<td>1,250,000</td>
<td>1,250,000</td>
<td>200,000</td>
</tr>
<tr>
<td>16</td>
<td>DHS – Veterans Home Asset Protection</td>
<td>300,000</td>
<td>350,000</td>
<td>400,000</td>
</tr>
<tr>
<td>17</td>
<td>EL SEC – Davies School Asset Protection</td>
<td>150,000</td>
<td>150,000</td>
<td>150,000</td>
</tr>
<tr>
<td>18</td>
<td>EL SEC – Davies School HVAC</td>
<td>1,800,000</td>
<td>500,000</td>
<td>0</td>
</tr>
<tr>
<td>19</td>
<td>EL SEC – Met School Asset Protection</td>
<td>250,000</td>
<td>250,000</td>
<td>250,000</td>
</tr>
<tr>
<td>20</td>
<td>URI – Asset Protection</td>
<td>8,531,280</td>
<td>8,700,000</td>
<td>8,874,000</td>
</tr>
<tr>
<td>21</td>
<td>RIC – Asset Protection</td>
<td>4,150,000</td>
<td>4,233,000</td>
<td>4,318,000</td>
</tr>
<tr>
<td>22</td>
<td>RIC – Infrastructure Modernization</td>
<td>3,500,000</td>
<td>4,500,000</td>
<td>2,000,000</td>
</tr>
<tr>
<td>23</td>
<td>CCRI – Asset Protection</td>
<td>2,487,857</td>
<td>2,537,615</td>
<td>2,588,000</td>
</tr>
<tr>
<td>24</td>
<td>CCRI – Knight Campus Renewal</td>
<td>3,500,000</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>25</td>
<td>CCRI – Flanagan Campus Renewal</td>
<td>2,000,000</td>
<td>2,000,000</td>
<td>6,000,000</td>
</tr>
<tr>
<td>26</td>
<td>CCRI – Knight Campus Lab Renovation</td>
<td>1,300,000</td>
<td>1,300,000</td>
<td>0</td>
</tr>
<tr>
<td>27</td>
<td>CCRI – Data Cabling and Power Infrastructure</td>
<td>1,500,000</td>
<td>3,300,000</td>
<td>3,700,000</td>
</tr>
<tr>
<td>28</td>
<td>DOC – Asset Protection</td>
<td>4,900,000</td>
<td>4,743,022</td>
<td>4,290,000</td>
</tr>
<tr>
<td>29</td>
<td>DOC – Correctional Facilities Renovations</td>
<td>2,000,000</td>
<td>5,000,000</td>
<td>6,000,000</td>
</tr>
<tr>
<td>30</td>
<td>Military Staff – Asset Protection</td>
<td>700,000</td>
<td>800,000</td>
<td>800,000</td>
</tr>
<tr>
<td>31</td>
<td>DPS – Asset Protection</td>
<td>650,000</td>
<td>650,000</td>
<td>400,000</td>
</tr>
<tr>
<td>32</td>
<td>DEM – Fort Adams Rehabilitation</td>
<td>300,000</td>
<td>300,000</td>
<td>300,000</td>
</tr>
<tr>
<td>33</td>
<td>DEM – Galilee Piers Upgrade</td>
<td>400,000</td>
<td>400,000</td>
<td>1,100,000</td>
</tr>
<tr>
<td>34</td>
<td>DEM – Marine Infrastructure &amp;</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
1. Pier Development 1,000,000 $1,250,000 $1,250,000 $1,250,000
2. DEM – Recreational Facilities Improv. 2,100,000 $2,500,000 $3,500,000 $3,000,000
3. DEM – Natural Resources Office & Visitor’s Center 0 $2,000,000 $3,000,000 0
4. DOT – Highway Improvement Program 29,951,346 $34,951,346 $27,200,000 $27,200,000
5. DOT – Capital Equipment Replacement 1,500,000 $1,500,000 $1,500,000 $1,500,000
6. DOT – Maintenance Facility Improv. 500,000 $500,000 $500,000 $500,000
7. DOT – Bike Path Facilities Maintenance 400,000 $400,000 $400,000 $400,000
8. DOT – Salt Storage Facilities Improv. 1,170,775 $1,000,000 $1,000,000 $1,000,000

SECTION 13. Reappropriation of Funding for Rhode Island Capital Plan Fund Projects.

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

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

SECTION 15. Notwithstanding any general laws to the contrary, the Rhode Island Housing and Mortgage Finance Corporation shall transfer to the State Controller the sum of one million five-hundred thousand dollars ($1,500,000) by June 30, 2020.

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

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

SECTION 18. Notwithstanding any general laws to the contrary, the Quonset Development Corporation shall transfer to the State Controller the sum of one million two hundred thousand dollars ($1,200,000) by June 30, 2020.
SECTION 19. Notwithstanding any provisions of Chapter 64 in Title 42 of Rhode Island General Laws, the Commerce Corporation shall transfer to the State Controller the sum of five million dollars ($5,000,000) from appropriation provided for the First Wave Closing Fund program in Public Law 2018-H 5175, Substitute A, as amended and Public Law 2016-H 7454, Substitute A, as amended by October 1, 2019.

SECTION 20. This article shall take effect as of July 1, 2019.
ARTICLE 2 AS AMENDED

RELATING TO STATE FUNDS

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

5-20.7-15. Fees.
(a) The director is empowered and directed to establish a fee schedule for the application, review, examination, and re-examination of applicants for certification and licensing and for the issuance and renewal of certificates and for late fees; provided, that the annual fee for a residential or general appraiser certificate is two hundred dollars ($200).

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

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

5-20.9-7. Initial registration, renewals, forms and fees.
(a) An applicant for registration as an appraisal management company shall submit to the department an application on forms prescribed by the department and pay the required fee(s).

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

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

(d) Every appraisal management company that desires to renew a registration for the next term shall apply for the renewal of the registration upon a form furnished by the director and containing information that is required by this chapter. Renewal of a registration is subject to the same provisions as the initial registration.
The department shall receive applications for registration for initial licensing and renewal and establish administrative procedures for processing applications and issuing and renewing registrations.

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

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

SECTION 3. Sections 22-13-1 and 22-13-4 of the General Laws in Chapter 22-13 entitled “Auditor General” are hereby amended to read as follows:


(a) The auditor general shall be appointed by the joint committee on legislative services, referred to in this chapter as “the committee.” At the time of appointment, the auditor general shall have had active experience in general accounting principles and practices in this state for a total period of at least five (5) years. Vacancies in the office shall be filled in the same manner as the original appointment.

(b)(1) The committee shall employ qualified persons necessary for the efficient operation of the office and shall fix their duties and compensation and those persons shall be in the unclassified service.

(2) No person shall be employed as an auditor who does not have adequate technical training and proficiency, and a baccalaureate degree from a college or university, and no person shall be employed or retained as legal advisor on either a full-time or a part-time basis who is not a member of the Rhode Island bar.

(c) The auditor general before entering upon the duties of his or her office, shall take and subscribe to the oath of office required of state officers by the state constitution.

(d) The auditor general shall be covered by the state's blanket position bond and conditioned that he or she will well and faithfully discharge the duties of his or her office, promptly report any delinquency or shortage discovered in any accounts and records audited by him or her, and promptly pay over and account for any and all funds that shall come into his or her hands as auditor.
(e)(1) All auditors employed by the auditor general shall be covered by a blanket position bond. The bonds or bond shall meet and contain the same conditions as are required in the bond of the auditor general.

(2) All bonds shall be filed with the committee. If an auditor is not covered in the blanket position bond, an individual bond shall be filed within thirty (30) days after the employee received notice of his or her employment. The amount of the bond shall be determined by the auditor general. Failure to file an individual bond or to be covered in the blanket position bond shall terminate his or her employment.

(f) The annual premium of all bonds shall be paid out of any funds provided for the operation of the office.

(g) The auditor general shall be provided with suitable quarters, but to facilitate auditing and to eliminate unnecessary traveling, the joint committee on legislative services may establish divisions, including a performance investigation division, and assign auditors to each division and determine their duties and the areas of the state to be served by the respective divisions. The auditor general shall be provided and furnished with any space that may be necessary to carry out his or her functions in other areas of the state.

(h) The auditor general may make and enforce reasonable rules and regulations necessary to facilitate audits and investigations which the joint committee on legislative services authorizes the auditor general to perform. This includes the post-audit of the financial transactions and accounts of the state that is provided for by the finance committee of the house of representatives.

(i) No full-time employee of the office of auditor general shall serve as an executive, officer, or employee of any political party committee, organization, or association. Neither the auditor general nor any employee of the auditor general shall become a candidate for election to public office unless he or she shall first resign from his or her office or employment.


(a) The following words and phrases have the following meanings unless a different meaning is required by the context:

(1) "Performance audit" means an examination of the effectiveness of administration and its efficiency and adequacy in terms of the program of the state agency authorized by law to be performed. The "performance audit" may also include a review of the agency in terms of compliance with federal and state laws and executive orders relating to equal employment opportunities and the set aside for minority businesses.

(2) "Political subdivision" means a separate agency or unit of local government created or established by law and includes, but is not limited to, the following and the officers of the following:
authority, board, branch, bureau, city, commission, council, consolidated government, county, department, district, institution, metropolitan government, municipality, office, officer, public corporation, town, or village.

(3) "Post-audit" means an audit made at some point after the completion of a transaction or a group of transactions.

(4) "State agency" means a separate agency or unit of state government created or established by law and includes, but is not limited to, the following and the officers of the following: authority, board, branch, bureau, commission, council, department, division, institution, office, officer, or public corporation, as the case may be, except any agency or unit within the legislative branch of state government.

(b) The auditor general shall make post-audits and performance audits of public records and perform related duties as prescribed by the committee. He or she shall perform his or her duties independently but under the general policies established by the committee.

(c)(1) The auditor general shall have the power and duty to make post-audits and performance audits of the accounts and records of all state agencies, including the board of governors for higher education and the board of regents for elementary and secondary education, as defined in this section.

(2) The auditor general shall have the power, when requested by a majority of the committee, to make post-audits and performance audits of accounts and records of any other public body or political subdivision, or any association or corporation created or established by any general or special law of the general assembly, or any person, association, or corporation to which monies of the state have been appropriated by the general assembly. Nothing in the subdivision shall be construed to apply to public utilities.

(3) The auditor general shall perform or have performed annually a complete post-audit of the financial transactions and accounts of the state when approved by the chairperson of the joint committee on legislative services.

(d) The committee may at any time, without regard to whether the legislature is then in session or out of session, take under investigation any matter within the scope of an audit either completed or then being conducted by the auditor general, and in connection with that investigation may exercise the powers of subpoena vested by law in a standing committee of the legislature.

(e)(1) The auditor general may, when directed by the committee, designate and direct any auditor employed by him or her to audit any accounts or records within the power of the auditor general to audit. The auditor shall report his or her findings for review by the auditor general, who shall prepare the audit report.
(2) The audit report shall make special mention of:

(i) Any violation of the laws within the scope of the audit; and

(ii) Any illegal or improper expenditure, any improper accounting procedures, all failures to properly record financial transactions, and all other inaccuracies, irregularities, shortages, and defalcations.

(3) At the conclusion of the audit, the auditor general or his or her designated representative will conduct an exit conference with the official whose office or department is subject to audit and submit to him or her a draft report which includes a list of findings and recommendations. If an official is not available for the exit conference, delivery of the draft report is presumed to be sufficient notice. The official must submit to the auditor general within sixty (60) days after the receipt of the draft report his or her written reply as to:

(i) Acceptance and plan of implementation of each recommendation;

(ii) Reason(s) for non-acceptance of a recommendation.

(4) Should the auditor general determine that the written explanation or rebuttal of the official whose office is subject to audit is unsatisfactory, he or she shall, as soon as practicable, report his or her findings to the joint committee on legislative services.

(f) A copy of the audit report shall be submitted to each member of the committee.

(g) If the auditor general discovers any errors, unusual practices, or any other discrepancies in connection with his or her audit or post-audit of a state agency or state officers, the auditor general shall, as soon as practicable, notify in writing the president of the senate and the speaker of the house of representatives, respectively.

(h) The auditor general shall annually review the capital development program to determine: (1) the status of all projects included in the program; (2) whether the funds are being properly expended for their intended purposes; (3) the completion date or projected completion date of the projects; (4) which projects require professional services and to determine the identity of individuals or firms appointed; and (5) the expended and unexpended funds. This report shall be annually submitted to the general assembly on the first Wednesday in February.

(i) The auditor general shall supervise, coordinate, and/or conduct investigations and inspections or oversight reviews with the purpose of preventing and detecting fraud, waste, abuse and mismanagement in the expenditure of public funds.

SECTION 4. Section 23-77-2 of the General Laws in Chapter 23-77 entitled "Healthcare Information Technology and Infrastructure Development Fund" is hereby amended to read as follows:

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

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

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

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

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

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

SECTION 5. Section 35-3-8 and 35-3-24 of the General Laws in Chapter 35-3 entitled “State Budget” is hereby amended to read as follows:

35-3-8. Recommendations to meet deficiencies -- Submission of appropriation bills.

(a) The budget shall also contain the recommendations of the governor to the general assembly for new taxes, loans, or other appropriate actions to meet any estimated deficiency for the ensuing fiscal year. It shall also be accompanied by a bill or bills for all proposed appropriations.

(b) In the event that any departments of state government are expected to incur a deficiency within the current fiscal year, the governor shall, on or before the third Thursday in January each year, submit a request for supplemental appropriations on their behalf. Provided, however, in those years that a new governor is inaugurated, the new governor shall submit the request on or before
the first Thursday in February. In the event that, prior to or subsequent to the request, the governor
determines that additional deficiencies are expected to be incurred, the governor shall submit
requests for additional appropriations upon notice of these deficiencies.

(c) The request presented to the general assembly shall identify the proposed increases and
decreases to the original amounts provided in the annual appropriation act, provided, that no action
shall be taken which will cause an excess of appropriations for revenue expenditures over expected
revenue receipts.

35-3-24. Control of state spending.

(a) All department and agency heads and their employees are responsible for ensuring that
financial obligations and expenditures for which they have responsibility do not exceed amounts
appropriated and are spent in accordance with state laws.

(b) Persons with the authority to obligate the state contractually for goods and services
shall be designated in writing by department and agency heads.

(c) In the event of an obligation, encumbrance, or expenditure in excess of amounts
appropriated, the department or agency head with oversight responsibility shall make a written
determination of the amount and the cause of the overobligation or overexpenditure, the person(s)
responsible, and corrective actions taken to prevent reoccurrence. The plan of corrective actions
contained within the report shall detail an appropriate plan to include, but not limited to, such issues
as the implementation of waiting lists, pro-rata reduction in payments and changes in eligibility
criteria as methods to address the shortfall. The report will be filed within thirty (30) days of the
discovery of the overobligation or overexpenditure with the budget officer, the controller, the
auditor general, and the chairpersons of the house and senate finance committees.

(d) In the event a quarterly report demonstrates an obligation, encumbrance, or expenditure
in excess of amounts appropriated, the department or agency head with oversight responsibility
shall file monthly budget reports with the chairpersons of the house and senate finance committees
for the remainder of the fiscal year. The monthly budget reports shall detail steps taken towards
corrective actions and other measures to bring spending in line with appropriations. In addition, the
budget officer and controller shall ensure that the department’s or agency’s obligations,
encumbrances, and expenditures for the remainder of the fiscal year result in the department or
agency ending the fiscal year within amounts appropriated.

(e) The controller shall not authorize payments for additional staff, contracts, or purchases
for any department or agency not projected to end a fiscal year within amounts appropriated unless
necessitated by immediate health and safety reasons, which shall be documented upon discovery
and reported, along with anticipated or actual expenditures, to the chairpersons of the house and
A state employee who has knowingly and willingly encumbered, obligated, or
authorized the expenditure of state funds in excess of amounts appropriated for those purposes or
entered into contracts without proper authorization may be placed on disciplinary suspension
without pay for up to thirty (30) days in accordance with § 36-4-36.

A state employee who knowingly, willfully, and repeatedly authorizes actions
resulting in encumbrances or spending of state funds in excess of amounts appropriated may be
fined up to one thousand dollars ($1,000) and/or terminated from employment.

Upon receipt of any budgetary information indicating an obligation, encumbrance, or
expenditure in excess of the amounts appropriated, the chairperson of the house or senate finance
committee may request a written report to be submitted by the director of administration within ten
calendar days. The report shall indicate if the obligation, encumbrance, or expenditure in
excess of the amounts appropriated resulted in any disciplinary action or other penalty in
accordance with subsection (f) or (g). If not, the report shall explain why no disciplinary action or
other penalty was imposed in accordance subsection (f) or (g).

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

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

Executive Office of Health and Human Services
Organ Transplant Fund
HIV Care Grant Drug Rebates
Health System Transformation Project
Department of Human Services
Veterans' home -- Restricted account
Veterans' home -- Resident benefits
Pharmaceutical Rebates Account
Demand Side Management Grants
Veteran's Cemetery Memorial Fund
Donations -- New Veterans' Home Construction
Department of Health
Pandemic medications and equipment account
Miscellaneous Donations/Grants from Non-Profits
State Loan Repayment Match
Healthcare Information Technology
Department of Behavioral Healthcare, Developmental Disabilities and Hospitals
Eleanor Slater non-Medicaid third-party payor account
Hospital Medicare Part D Receipts
RICLAS Group Home Operations
Commission on the Deaf and Hard of Hearing
Emergency and public communication access account
Department of Environmental Management
National heritage revolving fund
Environmental response fund II
Underground storage tanks registration fees
De Coppel Estate Fund
Rhode Island Historical Preservation and Heritage Commission
Historic preservation revolving loan fund
Historic Preservation loan fund -- Interest revenue
Department of Public Safety
E-911 Uniform Emergency Telephone System
Forfeited property -- Retained
Forfeitures -- Federal
Forfeited property -- Gambling
Donation -- Polygraph and Law Enforcement Training
Rhode Island State Firefighter's League Training Account
Fire Academy Training Fees Account
Attorney General
Forfeiture of property
Federal forfeitures
Attorney General multi-state account
Forfeited property -- Gambling
Department of Administration
OER Reconciliation Funding
**Health Insurance Market Integrity Fund**
RI Health Benefits Exchange
Information Technology Investment Fund
Restore and replacement -- Insurance coverage
Convention Center Authority rental payments
Investment Receipts -- TANS
OPEB System Restricted Receipt Account
Car Rental Tax/Surcharge-Warwick Share
Executive Office of Commerce
Housing Resources Commission Restricted Account
Department of Revenue
DMV Modernization Project
Jobs Tax Credit Redemption Fund
Legislature
Audit of federal assisted programs
Department of Children, Youth and Families
Children's Trust Accounts -- SSI
Military Staff
RI Military Family Relief Fund
RI National Guard Counterdrug Program
Treasury
Admin. Expenses -- State Retirement System
Retirement -- Treasury Investment Options
Defined Contribution -- Administration - RR
Violent Crimes Compensation -- Refunds
Treasury Research Fellowship
Business Regulation
Banking Division Reimbursement Account
Office of the Health Insurance Commissioner Reimbursement Account
Securities Division Reimbursement Account
Commercial Licensing and Racing and Athletics Division Reimbursement Account

39-1-62. Geographic information system (GIS) and technology fund.

(a) Preamble. To allow Rhode Island emergency and first response agencies to associate latitude and longitude coordinates provided by wireless carriers with physical locations throughout the state, the agency must establish and maintain a GIS database of street addresses and landmarks. The database will allow local emergency response personnel to dispatch police, fire, and rescue personnel to a specific address or landmark of a cellular caller in the event the caller is unaware of his or her location, or is physically unable to communicate it. Because more than half of the 530,000 9-1-1 phone calls received in 2003 came from cellular phones, it is critical that the GIS database be developed and maintained in order to improve caller location identification and reduce emergency personnel response times.

(b) Definitions. As used in this section, the following terms have the following meanings:

(1) "System" means emergency 911 uniform telephone system.

(2) "Agency" means Rhode Island 911 emergency telephone system.

(3) "Division" means the division of public utilities and carriers.

(4) "GIS and technology fund" means the programs and funding made available to the

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emergency 911 uniform telephone system to assist in paying the costs of the GIS database development project and GIS systems maintenance, which will enable the system to locate cellular phone callers by geocoding all addresses and landmarks in cities and towns throughout the state. GIS and technology fund also includes programs and funding to create system redundancy, fund the construction of a new E-911 facility, and operate and maintain other state of the art equipment in public safety agencies.

(5) “Prepaid wireless telecommunications service” means a wireless telecommunications service that allows a caller to dial 911 to access the 911 system, which service must be paid for in advance and is sold in predetermined units or dollars of which the number declines with use in a known amount.

(e) Purpose. The purpose of the GIS and technology fund shall be to:

(1) Implement and maintain a geographic information system database to assist in locating wireless phone callers for emergency purposes in a manner consistent and in coordination with the Rhode Island geographic information system administered by the division of planning as provided for in § 42-11-10(e)(3);

(2) Create system redundancy to ensure the reliability of 9-1-1 service to the public;

(3) Operate and maintain other state-of-the-art equipment in public safety agencies;

(4) Fund the construction of a new E-911 facility; and

(5) Encourage the development of opportunities for and agreements on the sharing and integration of services across municipalities in the implementation of the E-911 uniform emergency telephone system.

(d) Authority. The agency shall establish, by rule or regulation, an appropriate funding mechanism to recover from the general body of ratepayers the costs of funding GIS and technology projects.

(1) The general assembly shall determine the amount of a monthly surcharge to be levied upon each wireless instrument, device, or means including cellular, telephony, internet, voice over internet protocol (VoIP), satellite, computer, radio, communication, data, or any other wireless instrument, device, or means that has access to, connects with, interfaces with, or is capable of delivering two-way interactive communications services to the Rhode Island uniform emergency telephone system. Prepaid wireless E911 telecommunications services shall not be included in this

art, but shall be governed by chapter 21.2 of this title. The agency will provide the general assembly with information and recommendations regarding the necessary level of funding to effectuate the purposes of this article. The surcharge shall be billed monthly by each wireless telecommunications services provider as defined in § 39-21.1-3, which shall

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telecommunications service, and shall be payable to the wireless telecommunications services provider by the subscriber of the telecommunications services. Each telecommunications services provider shall establish a special (escrow) account to which it shall deposit on a monthly basis the amounts collected as a surcharge under this section. The money collected by each wireless telecommunications services provider shall be transferred within sixty (60) days after its inception of wireless, cellular, telephony, voice over internet protocol (VoIP), satellite, computer, internet, or communications, information, or data services in this state and every month thereafter. Any money not transferred in accordance with this paragraph shall be assessed interest at the rate set forth in § 44-1-7 from the date the money should have been transferred. State, local, and quasi-governmental agencies shall be exempt from the surcharge. The surcharge shall be deposited in a restricted receipt account, hereby created within the agency and known as the GIS and technology fund, to pay any and all costs associated with the provisions of subsection (c). Beginning July 1, 2007, the surcharge shall be deposited in the general fund as general revenues to pay any and all costs associated with the provisions of subsection (c). The GIS and technology fund restricted receipt account shall be terminated June 30, 2008. The amount of the surcharge under this section shall not exceed thirty-five cents ($0.35) per wireless phone.

(2) The surcharge is hereby determined to be twenty-six cents ($0.26) per wireless phone, cellular, telephony, voice over internet protocol (VoIP), satellite, computer, data or data only wireless lines or internet communication or data instrument, device, or means that has access to, connects with, activates or interfaces with or any combination of the above, with the Rhode Island E-911 uniform emergency telephone system per month and shall be in addition to the wireless surcharge charged under § 39-21.1-14. The twenty-six cents ($0.26) is to be billed to all wireless telecommunication service providers' subscribers upon the inception of services.

(3) The amount of the surcharge shall not be subject to the sales and use tax imposed under chapter 18 of title 44 nor be included within the gross earnings of the telecommunications corporation providing telecommunications service for the purpose of computing the tax under chapter 13 of title 44.

(4) [Deleted by P.L. 2010, ch. 23, art. 9, § 10].

(e) Administration. The division of taxation shall collect monthly from the wireless telecommunications services provider as defined in § 39-21.1-3, and which shall not include prepaid wireless telecommunications service, the amounts of the surcharge collected from their subscribers. The division of taxation shall deposit such collections in the general fund as general revenues for use in developing and maintaining the geographic information system database, creating system redundancy, funding the construction of a new E-911 facility, and operating and
maintaining other state of the art equipment for public safety agencies. The agency is further
authorized and encouraged to seek matching funds from all local, state, and federal public or private
entities and shall coordinate its activities and share all information with the state division of
planning.

(f) Effective date. The effective date of assessment for the GIS and technology fund shall
be July 1, 2004.

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

(h) Except as otherwise provided by law, the agency shall not use, disclose, or otherwise
make available call location information for any purpose other than as specified in subsection (c).

(i) The attorney general shall, at the request of the E-911 uniform emergency telephone
system division, or any other agency that may replace it, or on its own initiative, commence judicial
proceedings in the superior court against any telecommunication services provider as defined in §
39-21.1-3(12) providing communication services to enforce the provisions of this chapter.

Emergency Telephone Number Act" is hereby amended to read as follows:

911 surcharge and first response surcharge.

(a)(i) A monthly E-911 surcharge of one dollar ($1.00) fifty cents ($0.50) is hereby
levied upon each residence and business telephone line or trunk or path and data, telephony,
internet, voice over internet protocol (VoIP) wireline, line, trunk or path in the state including PBX
trunks and centrex equivalent trunks and each line or trunk serving, and upon each user interface
number or extension number or similarly identifiable line, trunk, or path to or from a digital network
(such as, but not exclusive of, integrated services digital network (ISDN), Flexpath, or comparable
digital private branch exchange, or connecting to or from a customer-based or dedicated telephone
switch site (such as, but not exclusive of, a private branch exchange (PBX)), or connecting to or
from a customer-based or dedicated central office (such as, but not exclusive of, a centrex system
but exclusive of trunks and lines provided to wireless communication companies) that can access
to, connect with, or interface with the Rhode Island E-911 uniform emergency telephone system
(RI E-911). In each instance where a surcharge is levied pursuant to this subsection (a)(i) above
there shall also be a monthly first response surcharge of fifty cents ($0.50). The surcharge surcharges
shall be billed by each telecommunication services provider at the inception of services and shall
be payable to the telecommunication services provider by the subscriber of the services.
A monthly E-911 surcharge of one dollar ($1.00) fifty cents ($0.50) is hereby levied effective July 1, 2002, on each wireless instrument, device, or means including prepaid, cellular, telephony, internet, voice over internet protocol (VoIP), satellite, computer, radio, communication, data or data only wireless lines or any other wireless instrument, device, or means that has access to, connects with, or activates or interfaces or any combination thereof with the E 9-1-1 uniform emergency telephone system. In each instance where a surcharge is levied pursuant to this subsection (a)(ii) above there shall also be a monthly first response surcharge of seventy-five cents ($0.75). The surcharge surcharges shall be in addition to the surcharge collected under § 39-1-62 and shall be billed by each telecommunication services provider and shall be payable to the telecommunication services provider by the subscriber. Prepaid wireless telecommunications services shall not be included in this act, but shall be governed by chapter 21.2 of this title. The E-911 uniform emergency telephone system shall establish, by rule or regulation, an appropriate funding mechanism to recover from the general body of ratepayers this surcharge.

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

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

(d) The money collected by each telecommunication services provider shall be transferred within sixty (60) days after its inception of wireline, wireless, prepaid, cellular, telephony, voice over internet protocol (VoIP), satellite, computer, internet, or communications services in this state and every month thereafter, to the division of taxation, together with the accrued interest. The E-911 surcharge shall be deposited in the general fund as general revenue a restricted receipt account and used solely for the operation of the E 9-1-1 uniform emergency telephone system, The first response surcharge shall be deposited in the general fund; provided, however, that beginning July 1, 2015, ten percent (10%) of such money collected from the first response surcharge shall be deposited in the information technology investment fund established pursuant to § 42-11-2.5. Any money not transferred in accordance with this paragraph shall be assessed interest at the rate set forth in § 44-1-7 from the date the money should have been transferred.

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

(f) Each telephone common carrier and telecommunication services provider shall annually
provide the E 9-1-1 uniform emergency telephone system division or any other agency that may
replace it, with a list of amounts uncollected together with the names and addresses of its
subscriber-users who can be determined by the telephone common carrier or telecommunication
services provider to have not paid the E-911 surcharge.

(g) Included within, but not limited to, the purposes for which the money collected from
the E-911 surcharge may be used are rent, lease, purchase, improvement, construction,
maintenance, repair, and utilities for the equipment and site or sites occupied by the state's first
responder and emergency services agencies E-911 uniform emergency telephone system; salaries,
benefits, and other associated personnel costs; acquisition, upgrade, or modification of PSAP
equipment to be capable of receiving E 9-1-1 information, including necessary computer hardware,
software, and database provisioning, addressing, and non-recurring costs of establishing emergency
services; network development, operation, and maintenance; database development, operation, and
maintenance; on-premise equipment maintenance and operation; training emergency service
personnel regarding use of E 9-1-1; educating consumers regarding the operations, limitations, role,
and responsible use of E 9-1-1; reimbursement to telephone common carriers or telecommunication
services providers of rates or recurring costs associated with any services, operation,
administration, or maintenance of E 9-1-1 services as approved by the division; reimbursement to
telecommunication services providers or telephone common carriers of other costs associated with
providing E 9-1-1 services, including the cost of the design, development, and implementation of
equipment or software necessary to provide E 9-1-1 service information to PSAP's, as approved by
the division.

(h) [Deleted by P.L. 2000, ch. 55, art. 28, § 1.]

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

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

39-21.2 entitled "Prepaid Wireless Charge Act" are hereby amended to read as follows:


The legislature finds that:

(1) Maintaining effective and efficient emergency services and first responder agencies
across the state benefits all citizens;
(2) 911 fees imposed upon the consumers of telecommunications services that have the ability to dial 911 are an important funding mechanism to assist state and local governments with the deployment of emergency services to the citizens of this state;

(3) Prepaid wireless telecommunication services are an important segment of the telecommunications industry and have proven particularly attractive to low-income, low-volume consumers;

(4) Unlike traditional telecommunications services, prepaid wireless telecommunications services are not sold or used pursuant to term contracts or subscriptions, and monthly bills are not sent to consumers by prepaid wireless telecommunication services providers or retail vendors;

(5) Prepaid wireless consumers have the same access to emergency 911 services from their wireless devices as wireless consumers on term contracts, and prepaid wireless consumers benefit from the ability to access the 911 system by dialing 911;

(6) Consumers purchase prepaid wireless telecommunication services at a wide variety of general retail locations and other distribution channels, not just through service providers;

(7) Such purchases are made on a "cash-and-carry" or "pay-as-you-go" basis from retailers;

(8) To ensure equitable contributions to the funding of emergency systems from consumers of prepaid wireless telecommunication services, the collection and payment obligation of charges to support the state's first responder and emergency services E-911 should be imposed upon the consumer's retail purchase of the prepaid wireless telecommunication service and should be in the form of a single, statewide charge that is collected once at the time of purchase directly from the consumer, remitted to the state, and distributed to E911 authorities pursuant to state law.


(a) Amount of charge. The prepaid wireless E-911 charge is hereby levied at the rate of two and one-half percent (2.5%) per retail transaction or, on and after the effective date of an adjusted amount per retail transaction that is established under subsection (f) of this section, such adjusted amount.

(b) Collection of charge. The prepaid wireless charge shall be collected by the seller from the consumer with respect to each retail transaction occurring in this state. The amount of the prepaid wireless charge shall be either separately stated on an invoice, receipt, or other similar document that is provided to the consumer by the seller, or otherwise disclosed to the consumer.

(c) Application of charge. For purposes of subsection (b) of this section, a retail transaction that is effected in person by a consumer at a business location of the seller shall be treated as occurring in this state if that business location is in this state, and any other retail transaction shall
be treated as occurring in this state if the retail transaction is treated as occurring in this state for purposes of chapter 18 of title 44.

(d) Liability for charge. The prepaid wireless charge is the liability of the consumer and not of the seller or of any provider, except that the seller shall be liable to remit all prepaid wireless charges that the seller collects from consumers as provided in § 39-21.2-5, including all such charges that the seller is deemed to collect where the amount of the charge has not been separately stated on an invoice, receipt, or other similar document provided to the consumer by the seller.

(e) Exclusion of charge from base of other taxes and fees. The amount of the prepaid wireless charge that is collected by a seller from a consumer, if such amount is separately stated on an invoice, receipt, or other similar document provided to the consumer by the seller, shall not be included in the base for measuring any tax, fee, surcharge, or other charge that is imposed by this state, any political subdivision of this state, or any intergovernmental agency, including, but not limited to, the tax imposed under chapter 18 of title 44 nor be included within the telephone common carrier's gross earnings for the purpose of computing the tax under chapter 13 of title 44.

(f) Resetting of charge. The prepaid wireless charge shall be proportionately increased or reduced, as applicable, upon any change to the state charge on postpaid wireless telecommunications service under § 39-21.1-14 or § 39-1-62(d)(2). The adjusted amount shall be determined by dividing the sum of the surcharges imposed under § 39-21.1-14 and § 39-1-62(d)(2) by fifty dollars ($50.00). Such increase or reduction shall be effective on the effective date of the change to the postpaid charge or, if later, the first day of the first calendar month to occur at least sixty (60) days after the enactment of the change to the postpaid charge. The division shall provide not less than thirty (30) days of advance notice of such increase or reduction on the division's website.

44(f) Bundled transactions. When prepaid wireless telecommunications service is sold with one or more other products or services for a single, non-itemized price, then the percentage specified in subsection (a) of this section shall apply to the entire non-itemized prices unless the seller elects to apply such percentage (1) If the amount of prepaid wireless telecommunications service is disclosed to the consumer as a dollar amount, such dollar amount, or (2) If the retailer can identify the portion of the price that is attributable to the prepaid wireless telecommunications service, by reasonable and verifiable standards from its books and records that are kept in the regular course of business for other purposes, including, but not limited to, non-tax purposes, such portion.

However, if a minimal amount of prepaid wireless telecommunications service is sold with a prepaid wireless device for a single, non-itemized price, then the seller may elect not to apply the
percentage specified in subsection (a) of this section to such transaction. For purposes of this
paragraph, an amount of service denominated as ten (10) minutes or less, or five dollars ($5.00) or
less, is minimal.

39-21-2.5. Administration of E911 charge.
(a) Time and manner of payment. Prepaid wireless E911 charges collected by sellers shall
be remitted to the division at the times and in the manner provided by the streamlined sales and use
tax as described in § 44-18.1-34. The division shall establish registration and payment procedures
that substantially coincide with the registration and payment procedures that apply to the
streamlined sales and use tax.
(b) Seller administrative deduction. A seller shall be permitted to deduct and retain one
percent (1%) of prepaid wireless E911 charges that are collected by the seller from consumers.
(c) Audit and appeal procedures. The audit and appeal procedures applicable to sales and
use tax under § 44-19-18 of the general laws shall apply to prepaid wireless E911 charges.
(d) Exemption documentation. The division shall establish procedures by which a seller of
prepaid wireless telecommunications service may document that a sale is not a retail transaction,
which procedures shall substantially coincide with the procedures for documenting sale for resale
transactions for sales tax purposes under § 44-19-18 of the general laws.
(e) All E-911 fees collected pursuant to this section shall be deposited as general revenues
in a restricted receipt account and used solely for the operation of the E 9-1-1 uniform emergency
telephone system.

SECTION 10. Section 42-7.2-10 of the General Laws in Chapter 42-7.2 entitled “Office of
Health and Human Services” is hereby amended to read as follows:

42-7.2-10. Appropriations and disbursements.
(a) The general assembly shall annually appropriate such sums as it may deem necessary
for the purpose of carrying out the provisions of this chapter. The state controller is hereby
authorized and directed to draw his or her orders upon the general treasurer for the payment of such
sum or sums, or so much thereof as may from time to time be required, upon receipt by him or her
of proper vouchers approved by the secretary of the executive office of health and human services,
or his or her designee.

(b) For the purpose of recording federal financial participation associated with qualifying
healthcare workforce development activities at the state’s public institutions of higher education,
and pursuant to the Rhode Island Designated State Health Programs (DSHP), as approved by CMS
October 20, 2016 in the 11-W-00242/1 amendment to Rhode Island’s section 1115 Demonstration
Waiver, there is hereby established a restricted receipt account entitled “Health System
Transformation Project” in the general fund of the state and included in the budget of the office of health and human services.

SECTION 11. Section 42-9-19 of the General Laws in Chapter 42-19 entitled "Department of Attorney General” is hereby amended to read as follows:


(a) The attorney general is hereby authorized and empowered to accept in the name of the state any settlement resulting from a multi-state initiative. The attorney general is additionally authorized and empowered to recover attorneys' fees and costs which shall be considered settlement proceeds for purposes of this chapter.

(b) Such settlement proceeds shall be transferred to the general treasurer for deposit in the general fund. The general treasurer shall transfer ten percent (10%) of such proceeds, up to sixty five thousand dollars ($65,000) in any fiscal year, to the "attorney general multi-state initiative restricted receipt account." The restricted receipt account shall be used solely to pay for any fees or membership dues associated with multi-state initiatives.

(c) Expenditure of all settlement proceeds accepted by the attorney general as part of the terms of the relevant master settlement agreement shall be subject to the annual appropriation process and approval by the general assembly.

SECTION 12. Section 42-11-2.5 of the General Laws in Chapter 42-11 entitled "Department of Administration" is hereby amended to read as follows:

42-11-2.5. Information technology investment fund.

(a) All sums from the sale of any land and the buildings and improvements thereon, and other real property, title to which is vested in the state, except as provided in §§ 37-7-15(b) and 37-7-15(c), shall be transferred to an information technology investment fund restricted-receipt account that is hereby established. This fund shall consist of such sums from the sale of any land and the buildings and improvements thereon, and other real property, title to which is vested in the state, except as provided in §§ 37-7-15(b) and 37-7-15(c), as well as a share of emergency services and first response surcharge revenues collected under the provisions of § 39-21.1-14. This fund may also consist of such sums as the state may from time to time appropriate; as well as money received from the disposal of information technology equipment, loan, interest, and service charge payments from benefiting state agencies; as well as interest earnings, money received from the federal government, gifts, bequest, donations, or otherwise from any public or private source. Any such funds shall be exempt from the indirect cost recovery provisions of § 35-4-27.

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

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

(d) For all requests for proposals that are issued for information technology projects, a corresponding information technology project manager shall be assigned.

SECTION 13. Sections 7, 8, 9 and 12 shall take effect October 1, 2019. The remaining sections of this article shall take effect upon passage.
ARTICLE 3 AS AMENDED

RELATING TO GOVERNMENT REFORM

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

1-6-1. Definitions.

As used in this chapter:

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

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

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

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

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

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

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

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

(iv) Parking provided by validation or having a validated rate, where the person providing the validation does not maintain a place of business at T.F. Green state airport.
(6) “Transient parking receipts” means the gross receipts collected by an operator (excluding the surcharge imposed by this chapter) in consideration of the provision of transient parking.

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

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

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

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

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

SECTION 2. Section 11-18-12 of the General Laws in Chapter 11-18 entitled “Fraud and False Dealing” is hereby amended to read as follows:

11-18-12. Injunction of false advertising.

(a) Except as provided in subsection (b) of this section, when it appears to the director of business regulation of the state of Rhode Island that any person, firm, corporation, or association is violating any of the provisions of § 11-18-10, the director of business regulation may cause to be instituted an action, commenced in the name of the director of business regulation in his or her capacity as director of business regulation, to enjoin the violation in the superior court and the court shall have jurisdiction to enjoin and/or restrain any person, firm, corporation or association from violating any of the provisions of § 11-18-10 without regard to whether criminal proceedings have been or may be instituted.

(b) When it appears to the director of labor and training of the state of Rhode Island that any person, firm, corporation, or association is violating any of the provisions of § 11-18-10 with respect to the offer or sale of liquid fuels, lubricating oils or other similar products, the director of labor and training may cause to be instituted an action, commenced in the name of the director of labor and training in his or her capacity as director of labor and training, to enjoin the violation in the superior court and the court shall have jurisdiction to enjoin and/or restrain any person, firm, corporation, or association from violating any of the provisions of § 11-18-10 with respect to the offer or sale of liquid fuels, lubricating oils or other similar products without regard to whether criminal proceedings have been or may be instituted.

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


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

(b) The administrator may refuse to issue a license if the application for it:
(1) Is filed by a motor carrier whose license at any time theretofore has been revoked by the administrator.

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

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

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

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

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

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

SECTION 4. Sections 31-37-10 and 31-37-21 of the General Laws in Chapter 31-37 entitled “Retail Sale of Gasoline” are hereby amended to read as follows:

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

(a) Any license issued by the tax administrator to an owner for the operation of a retail filling station, or to a peddler of gasoline, shall, from the date of the issuance of the license, be and remain in full force and effect until or unless:

(1) Suspended or revoked by the tax administrator,

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

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

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

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


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

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

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

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

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

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

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

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

(5) To establish and supervise the maintenance of employment lists, promotion lists, and reemployment lists; to develop recruitment procedures, monitor agency recruitment processes for compliance with the statutes and policies, and make available to state agencies qualified candidates as vacancies occur; direct and supervise equal opportunity programs; manage employee benefit plans including the coordination of health insurance, prescription/vision care, group life insurance, dental care, prepaid legal services, deferred compensation and cancer programs, and any other programs established by the legislature related to employee benefits; and to manage career awards programs and state and local enforcement firefighters incentive training programs.

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

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

SECTION 6. Effective September 1, 2019, Chapter 36-3 of the General Laws entitled "Division of Personnel Administration" is hereby amended by adding thereto the following section:
36-3-16. Authority to conduct state and national background checks for applicants and employees in state positions with access to federal tax information.

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

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

(2) “Agency” or “state agency,” shall mean a Rhode Island state agency within the executive branch.

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

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

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

(6) “Federal tax information” or “FTI” shall mean:

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

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

(b) The personnel administrator or designee shall require to be obtained a state and national fingerprint-based criminal background check initially and at least every ten years, as authorized by Public Law 92-544, to determine the suitability of an applicant for employment prior to hiring or a current agency employee, if the position applied for or held requires or includes access to FTI.
(c) An applicant for employment or current agency employee who refuses to comply with
the fingerprint-based background check requirements shall be considered unsuitable for serving in
a position requiring or involving, or which may require or involve, access to FTI.

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

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

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

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

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

(5) Upon receipt of the results of state and national criminal background checks, the
personnel administrator, agency head and other authorized staff shall treat the information as non-
public and exempt from disclosure in accordance with the Rhode Island Access to Public Records
check process pursuant to this section shall be used solely for the purposes of making a
determination as to the suitability of a particular current employee or applicant for employment for
and assignment to duties in a position that requires or includes, or may require or include, access
to FTI.

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

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

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

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

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

(2) A current employee may appeal a determination of unsuitability to the personnel
administrator. While the appeal is pending, the employee may be placed on administrative leave in
the discretion of the personnel administrator. A final determination of unsuitability after appeal
may result in termination or discharge from employment; provided, however, that subject to the
discretion of the personnel administrator and the agency head, a current agency employee may be
reassigned to a position that does not require access to FTI if that position is available and subject
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SECTION 6. Any individual, firm, corporation, partnership or other corporate

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to the business needs of the agency. Any such employment action shall be subject to further appeal

or grievance procedures as normally authorized.

(g) Nothing in this section shall limit or preclude an agency’s right to carry on a background

investigation of an applicant for employment or a current agency employee using other authorized

means.

(h) The Department of Administration is hereby authorized to promulgate and adopt

regulations necessary to carry out this section.

(i) The judicial branch is hereby authorized to comply with the provisions herein related to

employees with access to FTI.

SECTION 7. Effective September 1, 2019, Chapter 37-2 of the General Laws entitled

"State Purchases" is hereby amended by adding thereto the following section:

37-2-81. Authority to conduct state and national background checks for vendors with

access to federal tax information.

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

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

(2) “Agency” or “state agency,” shall mean a Rhode Island state department within the
executive branch.

(3) “Agency head” shall mean the director or designee of a state department for which the
vendor is providing services.

(4) “Division” shall mean the division of purchases.

(5) “Federal tax information” or “FTI” shall mean:

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

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

(6) “Vendor” shall mean any individual, firm, corporation, partnership or other corporate
entity, including employees, subcontractors, who are performing services for the state and has
access, as defined herein, to FTI.

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

(c) The national fingerprint-based criminal background check shall be facilitated through the Rhode Island office of the attorney general or other law enforcement authorized agency, using the same criteria established under § 36-3-16 for applicants and current state employees. The information shall be forwarded to the Federal Bureau of Investigation (FBI) for a national criminal history check, according to the policies, procedures, and/or regulations established by the office of the attorney general or other law enforcement authorized agency. The office of the attorney general or other law enforcement authorized agency may disseminate the results of the national criminal background checks to the Department of Administration and/or the agency head where the services are being provided.

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

(e) The agency head may receive criminal offender record information to the extent required by federal law and the results of checks of national criminal history information databases under Public Law 92-544. Upon receipt of the results of state and national criminal background checks, the agency head shall treat the information as non-public and exempt from disclosure in accordance with the Rhode Island Access to Public Records Act, R.I. Gen. Laws 38-2-2(4)(B).

Information acquired by any agency in the background check process pursuant to this section shall be used solely for the purpose of making a determination as to the suitability of a vendor in a position which requires or includes, or may require or include, access to FTI.

(f) The state shall not be responsible for any fees charged through the office attorney general, other law enforcement authorized agency or other jurisdiction to conduct the state and national background check for vendor.
(g) A vendor who refuses to comply with the fingerprint-based background check requirement shall be considered unsuitable for services requiring or involving, or which may require or involve, access to FTI. Refusal to comply by the vendor may result in termination of the contract with the State and/or other procurement sanctions if appropriate. Nothing herein shall prevent the vendor from replacing an employee or subcontractor who refuses to comply with this requirement, subject to written approval by the agency head.

(h) Upon receipt of the results of a state and national criminal background check for the vendor the agency head shall review the results and determine the suitability of the person with regard to service in a position requiring or involving, or which may require or involve, access to FTI. In making a determination of suitability, the agency head may consider mitigating factors relevant to the vendor’s scope of work and the nature of any disqualifying offense. Unsuitability of a vendor may result in termination of the contract with the State and/or a requirement that the vendor replace the employee or subcontractor, with a suitable person, subject to written approval by the agency head.

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

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

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

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

SECTION 8. Effective September 1, 2019, sections 40-13.2-2, 40-13.2-4 and 40-13.2-5 in Chapter 40-13.2 entitled “Certification of Child Care and Youth Serving Agency Workers” are hereby amended to read as follows:


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

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

Any person seeking to operate a facility, that is, or is required to be, licensed or registered with the department of human services or the department of children, youth and families, shall apply to the Rhode Island bureau of criminal identification, attorney general’s office, or the department of children, youth and families or the state or local police department, for a nationwide, criminal-records check. The check will conform to the applicable federal standards, including the taking of fingerprints to identify the applicant, and any expense associated with providing the criminal-records check shall be paid by the applicant and/or requesting agency. The director of the department of human services or the department of children, youth and families will determine by rule those items of information appearing on a criminal-records check, which constitute disqualifying information because that information would indicate that the employment could endanger the health or welfare of a child or children. Upon the discovery of any disqualifying information with respect to a proposed operator, the Rhode Island bureau of criminal identification will inform the director of the department of human services or the department of children, youth and families, in writing, of the nature of the disqualifying information.

40-13.2-5. Criminal-records check -- Employees of child day care, day care centers, family day care homes, group family day care homes, child placing agencies and residential child-care facilities which must be licensed by the department.

(a) Any person seeking employment in a “child day care” program, a “family day care home”, “group family day care home”, or in a “child day care center” as defined in section 42-12.5-2 of the general laws, if that employment involves supervisory or disciplinary power over a child or children or involves routine contact with a child or children without the presence of other employees, in any facility that is, or is required to be, licensed or registered with the department, or any adult household member of any operator of a “family day-care home” and “group family
day-care home," or seeking that employment or to volunteer at the training school for youth, shall, after acceptance by the employer of the affidavit required by § 40-13.2-3, apply to the bureau of criminal identification of the state police or the local police department, or the office of the attorney general, or the department of children, youth and families, for a nationwide, criminal-records check. The check will conform to applicable federal standards including the taking of fingerprints to identify the applicant. Further, any person seeking employment in a “child day care” program, in a “child day care center”, and/or in a “child day care provider” as defined in section 42-12.5-2 of the general laws, if that employment involves supervisory or disciplinary power over a child or children or involves routine contact with a child or children without the presence of other employees shall apply to the bureau of criminal identification of the state police or the local police department or the office of the attorney general to conduct all necessary criminal background checks as required by the Child Care and Development Block Grant of 2014 (CCDBGA), Pub. L. 113-186. The criminal record checks as required by this section shall be conducted for every five (5) years of continuous child care employment from the date of the previous criminal background check.

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

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

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

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

(d) The employer will maintain on file, subject to inspection by the department, evidence that criminal-records checks have been initiated on all employees seeking employment after August 1, 1985, and the results of the checks.

(f) Failure to maintain that evidence on file show proof that the employer has initiated requests for background checks required by this section will be prima facie grounds to revoke the license or registration of the operator of the facility.

(g) It will be the responsibility of the bureau of criminal identification of the state police or the office of the attorney general, or the local police department, or the department of children, youth and families, to conduct the nationwide, criminal-records check pursuant to this section. The nationwide, criminal-records check will be provided to the applicant for employment without charge. Any expense associated for providing the criminal-records check shall be paid by the applicant and/or the requesting agency.

SECTION 9. Section 42-56-10 of the General Laws in Chapter 42-56 entitled “Corrections Department” is hereby amended to read as follows:


In addition to exercising the powers and performing the duties, which are otherwise given to him or her by law, the director of the department of corrections shall:

(1) Designate, establish, maintain, and administer those state correctional facilities that he or she deems necessary, and may discontinue the use of those state correctional facilities that he or she deems appropriate for that action;

(2) Maintain security, safety, and order at all state correctional facilities, utilize the resources of the department to prevent escapes from any state correctional facility, take all necessary precautions to prevent the occurrence or spread of any disorder, riot, or insurrection of any state correctional facility, including, but not limited to, the development, planning, and coordination of emergency riot procedures, and take suitable measures for the restoration of order;

(3) Establish and enforce standards for all state correctional facilities;
(4) Supervise and/or approve the administration by the assistant directors of the department;

(5) Manage, direct, and supervise the operations of the department;

(6) Direct employees in the performance of their official duties;

(7) Hire, promote, transfer, assign, and retain employees and suspend, demote, discharge, or take other necessary disciplinary action;

(8) Maintain the efficiency of the operations of the department;

(9) Determine the methods, means, and personnel by which those operations of the department are to be conducted;

(10) Relieve employees from duties because of lack of work or for other legitimate reasons;

(11) Establish, maintain, and administer programs, including, but not limited to, education, training, and employment, of persons committed to the custody of the department, designed as far as practicable to prepare and assist each person to assume the responsibilities and exercise the rights of a citizen of this state;

(12) Establish a system of classification of persons committed to the custody of the department for the purpose of developing programs for each person in order to effectively develop an individualized program for each sentenced inmate that will address each offender's individual treatment and rehabilitative needs, the department of corrections is authorized to receive, with the express consent of the inmate, and upon request to the department of children, youth and families, the offender's juvenile arrest and/or adjudication records. Information related to the juvenile's family members and other third parties, excluding law enforcement personnel, shall be redacted from the records provided prior to their release to the department. The records will be disclosed to only those department personnel directly responsible for, and only for the purpose of, developing the individualized program for the offender.

(13) Determine at the time of commitment, and from time to time thereafter, the custody requirements and program needs of each person committed to the custody of the department and assign or transfer those persons to appropriate facilities and programs;

(14) Establish training programs for employees of the department, including the use of an application system for the Department's Correctional Officer Training Academy that leverages other law enforcement entity recruiting and the establishment of any fee associated with such system, provided that a state application process compliant with § 28-6.3-1 also be provided.

(15) Investigate grievances and inquire into alleged misconduct within the department;

(16) Maintain adequate records of persons committed to the custody of the department;

(17) Establish and maintain programs of research, statistics, and planning, and conduct
studies relating to correctional programs and responsibilities of the department;

(18) Utilize, as far as practicable, the services and resources of specialized community agencies and other local community groups in the development of programs, recruitment of volunteers, and dissemination of information regarding the work and needs of the department;

(19) Make and enter into any contracts and agreements necessary or incidental to the performance of the duties and execution of the powers of the department, including, but not limited to, contracts to render services to committed offenders, and to provide for training or education for correctional officers and staff;

(20) Seek to develop civic interest in the work of the department and educate the public to the needs and goals of the corrections process;

(21) Expend annually in the exercise of his or her powers, performance of his or her duties, and for the necessary operations of the department those sums that may be appropriated by the general assembly; and

(22) Make and promulgate necessary rules and regulations incident to the exercise of his or her powers and the performance of his or her duties, including, but not limited to, rules and regulations regarding nutrition, sanitation, safety, discipline, recreation, religious services, communication, and visiting privileges, classification, education, training, employment, care, and custody for all persons committed to correctional facilities.

(23) Make and promulgate regulations to provide:

(a) Written notice to licensed nursing facilities, licensed assisted living residences, and housing for the elderly whenever a person seeking to reside in one of these facilities or residences is being released on parole for any of the following offenses: murder, voluntary manslaughter, involuntary manslaughter, first degree sexual assault, second degree sexual assault, third degree sexual assault, assault on persons sixty (60) years of age or older, assault with intent to commit specified felonies (murder, robbery, rape, or burglary), felony assault, patient abuse, neglect or mistreatment of patients, burglary, first degree arson, felony larceny or robbery;

(b) A risk assessment process to identify and recommend safety or security measures necessary for the protection of other residents or clients including whether the parolee should be prohibited from residing in any such facility or residence or segregated from other residents or clients to protect the security and safety of other residents;

(c) The written notice to licensed nursing facilities, assisted living residences, or housing for the elderly shall include charge information and disposition about the offense for which the resident or client has been paroled, contact information for the resident's or client's parole supervisor, a copy of the risk assessment and recommendations, if any, regarding safety and...
security measures. A copy of the written notice shall be provided to the parolee; and

(d) A process for notifying the appropriate state regulatory agency and the state long-term care ombudsman whenever notice as required in subdivision 42-56-10(23)(a) above has been given.

(24) Notwithstanding the enumeration of the powers of the director as set forth in this section, and notwithstanding any other provision of the general laws, the validity and enforceability of the provisions of a collective bargaining agreement shall not be contested, affected, or diminished, nor shall any arbitration award be vacated, remanded or set aside on the basis of an alleged conflict with this section or with any other provision of the general laws.

SECTION 10. Chapter 44-1 of the General Laws entitled “State Tax Officials” is hereby amended by adding thereto the following section:

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

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

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

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

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

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

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

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

SECTION 11. Section 44-5.2-4 of the General Laws in Chapter 44-5.2 entitled “Powers and Duties of Fire Districts in the Town of Coventry” is hereby repealed.

44-5.2-4. Compliance.

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

SECTION 12. Section 45-19-1 of the General Laws in chapter 45-19 entitled “Relief of
Injured and Deceased Fire Fighters and Police Officers” is hereby amended to read as follows:

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

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

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

(c) As used in this section, “fire fighter” means and includes any chief or other member of the fire department or rescue personnel of any city, town, or fire district, and any person employed by the Rhode Island Airport Corporation.
as a member of the fire department of the town of North Smithfield, or fire department or district in any city or town.

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

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

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

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

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

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

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

(j) Any person, not employed by the state of Rhode Island, receiving injured on-duty benefits pursuant to this section, and subject to the jurisdiction of the state retirement board for accidental retirement disability, for an injury occurring on or after July 1, 2011, shall apply for an accidental disability retirement allowance from the state retirement board not later than the later of eighteen (18) months after the date of the person's injury that resulted in said person's injured on duty.
duty status or sixty (60) days from the date on which the treating physician certifies that the person has reached maximum medical improvement. Nothing herein shall be construed to limit or alter any and all rights of the parties with respect to independent medical examination or otherwise, as set forth in the applicable collective bargaining agreement. Notwithstanding the forgoing, any person receiving injured on duty benefits as the result of a static and incapacitating injury whose permanent nature is readily obvious and ascertainable shall be required to apply for an accidental disability retirement allowance within sixty (60) days from the date on which the treating physician certifies that the person's injury is permanent, or sixty (60) days from the date on which such determination of permanency is made in accordance with the independent medical examination procedures as set forth in the applicable collective bargaining agreement.

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

(2) A person who so applies shall continue to receive injured on duty payments, and the right to continue to receive IOD payments of a person who so applies shall terminate in the event of a final ruling of the workers compensation court allowing accidental disability benefits. Nothing herein shall be construed to limit or alter any and all rights of the parties with respect to independent medical examination or otherwise, as set forth in the applicable collective bargaining agreement.

(k) Any person employed by the state of Rhode Island who is currently receiving injured on-duty benefits or any person employed by the state of Rhode Island who in the future is entitled to injured on-duty benefits pursuant to chapter 19, and subject to the jurisdiction of the state retirement board for accidental retirement disability, shall apply for an accidental disability retirement allowance from the state retirement board not later than sixty (60) days from the date on which a treating physician or an independent medical examiner certifies that the person has reached maximum medical improvement, and in any event not later than eighteen (18) months after the date of the person’s injury that resulted in said person being on injured on-duty. Nothing herein shall be construed to limit or alter any and all rights of the parties with respect to independent medical examination or otherwise, as set forth in the applicable collective bargaining agreement. Notwithstanding the forgoing, any person receiving injured on duty benefits as the result of a static and incapacitating injury whose permanent nature is readily obvious and ascertainable shall be required to apply for an accidental disability retirement allowance within sixty (60) days from the
date on which a treating physician or an independent medical examiner certifies that the person's injury is permanent, or sixty (60) days from the date on which such determination of permanency is made in accordance with the independent medical examination procedures as set forth in the applicable collective bargaining agreement.

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

(2) A person employed by the state of Rhode Island who so applies shall continue to receive injured on duty payments, and the right to continue to receive injured on-duty payments of a person who so applies shall terminate upon final adjudication by the state retirement board approving or denying either ordinary or accidental disability payments and, notwithstanding 45-31.2-9, this termination of injured on duty benefits shall not be stayed.

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

Applications for disability retirement received by the state retirement board by any person employed by the State of Rhode Island receiving injured on-duty payments that shall be deemed untimely pursuant to §36-10-14(b) shall have ninety (90) days from July 1, 2019 to apply for an accidental disability retirement benefit allowance. Failure to apply for an accidental disability retirement benefit allowance within the timeframe set forth herein shall result in the termination of injured on duty benefits.

(b) Any person employed by the state of Rhode Island receiving injured on-duty payments who has been issued a final adjudication of the state retirement board on an application for an ordinary or accidental disability benefit, either approving or denying said application, shall have his/her injured on-duty payments terminated.
(4) If awarded an accidental disability pension, any person employed by the state of Rhode Island covered under this section shall receive benefits consistent with § 36-10-15.

SECTION 13. Sections 5 through 8 of this article shall take effect September 1, 2019. The remaining sections of this article shall take effect upon passage.
ARTICLE 4

RELATING TO GOVERNMENT REORGANIZATION


of the General Laws in Chapter 5-65 entitled "Contractors' Registration and Licensing Board" are

hereby amended to read as follows:

5-65-1. Definitions.

As used in this chapter:

(1) "Board" means the contractors' registration and licensing board established pursuant to

the provisions of § 5-65-14 or its designees.

(2) "Claim for retainage" means an allegation that a person seeking payment of retainage

breached the person's contract for the project; provided, however, that a "claim" related to a project

with a contract value of not less than two hundred fifty thousand dollars ($250,000) shall be subject

to the applicable dispute resolution procedure, notice, and other requirements in the contract for

construction.

(3) "Commission" means the building code commission supportive of the contractors'

registration and licensing board.

(4) "Contractor" means a person who, in the pursuit of an independent business,

undertakes or offers to undertake or submits a bid, or for compensation and with or without the

intent to sell the structure arranges to construct, alter, repair, improve, move over public highways,

roads, or streets or demolish a structure or to perform any work in connection with the construction,

alteration, repair, improvement, moving over public highways, roads, or streets or demolition of a

structure, and the appurtenances thereto. For the purposes of this chapter, "appurtenances" includes

the installation, alteration, or repair of wells connected to a structure consistent with chapter 13.2

of title 46. "Contractor" includes, but is not limited to, any person who purchases or owns property

and constructs, or for compensation arranges for the construction of, one or more structures.

(ii) A certificate of registration is necessary for each "business entity" regardless of the fact

that each entity may be owned by the same individual.

(4) "Contract for construction" means a contract for which a lien may be established

under chapter 28 of title 34 or for state or municipal public works projects as defined in title 37 on

a project for which the person on whose contract with the project owner has an original contract
price of not less than two hundred fifty thousand dollars ($250,000); provided, however, that
"contract for construction" shall not include a project containing, or designed to contain, at least
one, but not more than four (4), dwelling units.

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

\( \text{Dwelling unit} \) means a single unit providing complete independent living facilities
for one or more persons, including permanent provisions for living, sleeping, eating, cooking, and
sanitation.

\( \text{Hearing officer} \) means a person designated by the executive director, director of
the department of business regulation or the director’s designee to hear contested claims or cases,
contested enforcement proceedings, and contested administrative fines, in accordance with the
"administrative procedures act", chapter 35 of title 42.

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

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

\( \text{Office} \) means the state building office.

\( \text{Person} \) means any natural person, joint venture, partnership, corporation, or other
business or legal entity who or that enters into a contract for construction.

\( \text{Prime contractor} \) means a person who or that enters into a contract for construction
with the project owner.

\( \text{Retainage} \) means a portion or percentage of a payment due pursuant to a contract
for construction that is withheld to ensure full performance of the contract for construction.
(14) "Staff" means the executive director for the contractors' registration and licensing board, and any other staff necessary to carry out the powers, functions, and duties of the board including inspectors, hearing officers, and other supportive staff.

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

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

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

(18) "Substantial completion" means the stage in the progress of the project when the work required by the contract for construction with the project owner is sufficiently complete in accordance with the contract for construction so that the project owner may occupy or utilize the work for its intended use; provided, further, that "substantial completion" may apply to the entire project or a phase of the entire project if the contract for construction with the project owner expressly permits substantial completion to apply to defined phases of the project.

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

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

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

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

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

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

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

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

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

(i) Names and addresses; and

(ii) Registration numbers or other license numbers.

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

(i) The following subcontractors who are not employees of a registered contractor must obtain a registration certificate prior to conducting any work: (1) Carpenters, including finish carpenters and framers; (2) Siding installers; (3) Roofers; (4) Foundation installers, including concrete installers and form installers; (5) Drywall installers; (6) Plasterers; (7) Insulation installers; (8) Ceramic tile installers; (9) Floor covering installers; (10) Swimming pool installers, both above ground and in ground; (11) Masons, including chimney installers, fireplace installers, and general masonry erectors. This list is not all inclusive and shall not be limited to the above-referenced contractors. No subcontractor licensed by another in-state agency pursuant to § 5-65-2 shall be required to register, provided that said work is performed under the purview of that license.

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

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

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

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

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

(m) The contractor must see that permits required by the state building code are secured on behalf of the owner prior to commencing the work involved. The contractor's registration number must be affixed to the permit as required by the state building code.
(n) The board may assess an interest penalty of twelve percent (12%) annually when a monetary award is ordered by the board.

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

NOTICE OF POSSIBLE MECHANIC'S LIEN

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

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

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

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

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

(s) In addition to the requirements of this chapter, contractors engaged in well drilling activities shall also be subject to regulations pertaining to licensing and registration promulgated by the contractors' registration and licensing board pursuant to chapter 65.2 of this title and § 46-
5-65-7.1. Notice of cancellation or failure to renew policies.

Upon the cancellation or failure to renew, the insurance company having written a liability policy, as described in § 5-65-7, shall notify the director of the contractors' registration and licensing board of the cancellation or failure to renew. The policy shall continue in effect until ten (10) days after written notice of the cancellation is given to the director of the contractors' registration and licensing board of the cancellation or termination of the liability policy by the issuing insurance company or companies in addition to any other notices which may be required by law. Any insurance company that fails to notify the director of contractors' registration and licensing board, as required in this section shall be subject to prosecution for a misdemeanor and upon conviction of that offense may be punished by a fine of not more than two hundred fifty dollars ($250) for each offense and shall be responsible for any claims, fines or penalties from any parties resulting from lack of notice. All criminal actions for any violation of this section shall be prosecuted by the attorney general. The attorney general shall prosecute actions to enforce the payment penalties and fines at the request of the director of the department of business regulation or the director's designee.


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

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

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

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

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

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

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

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

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

(9) That a registrant has engaged in repeated acts in violation of this chapter and the board's rules and regulations inclusive of substandard workmanship and any misuse of registration.
(10) The board may take disciplinary action against a contractor who performed work or
arranged to perform, while the registration was suspended, invalidated or revoked. Deposits
received by a contractor and ordered returned are not considered a monetary award when no
services or supplies have been received.

(11) That the registrant breached a contract.

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

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

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

(15) That the registrant has misrepresented his registration status as valid when said
registration is suspended, revoked, invalidated, inactive or unregistered as required by the board.

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

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

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

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

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

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

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

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

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

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

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

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

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

(i) When the use of fraudulent advertising entices an individual to hire an unregistered contractor, a fine of up to ten thousand dollars ($10,000) may be imposed by the board.
(j) It shall be unlawful to retain a social security number or copy of the driver's license from a registrant by a building official as a condition of obtaining a permit.

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

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

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

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

(4) Suspend, revoke or refuse to issue, reinstate or reissue a certificate of registration to any registrant who has contracted, advertised, offered to contract or submitted a bid when the contractor's registration is suspended, revoked, invalidated or inactive or unregistered as required by the board.

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

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

(n) When the registration of a contractor has been revoked or suspended, neither the contractor nor any successor entity or sole proprietorship that: (1) Has one or more of the same principals or officers as the partnership, limited partnership, limited liability partnership, joint venture, limited liability company, corporation, or sole proprietorship as the subject contractor; and (2) Is engaged in the same or equivalent trade or activity shall be qualified to register or retain a registration as a contractor under this chapter, unless and until the board shall determine that the basis of the revocation or suspension has been satisfied or removed and that the registrant or applicant otherwise satisfies the requirements for registration under this chapter. Notwithstanding the foregoing, a natural person may obtain relief from the application and enforcement of this subsection as to him or her, if he or she can establish that he or she was not responsible for, and did not acquiesce to the misconduct which is the basis of the revocation, suspension or denial of registration.


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

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

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


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

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


(a) Contested claims or cases, contested enforcement proceedings, and contested administrative fines shall be heard, in accordance with the Administrative Procedures Act, chapter

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35 of title 42, and the administrative regulations promulgated by the board, by the hearings officer(s) assigned by the executive director of the department of business regulation or the director’s designee of the board.

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

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

SECTION 2. Effective January 1, 2020, Section 5-84-3 of the General Laws in Chapter 5-84 entitled "Division of Building, Design and Fire Professionals" is hereby amended to read as follows:

**5-84-3. Division membership.**

The division consists of the membership of the office of the state fire marshal, the fire safety code board of review and appeal, and the office of the state building office, commissioner, the board of registration for professional engineers, board of registration for professional land surveyors, board of examination and registration of architects, the board of examiners of landscape architects, and the contractors' registration and licensing board.

SECTION 3. Effective January 1, 2020, Section 5-84 of the General Laws entitled "Division of Building, Design and Fire Professionals" is hereby amended by adding thereto the following section:

**5-84-3. 1. Establishment of the state building office.**

(a) There shall be the state building office within the department of business regulation's division of building, design and fire professionals which shall consist of the office of the state building commissioner, the board of registration for professional engineers, the board of registration for professional land surveyors, the board of examination and registration of architects, the board of examiners of landscape architects, and the contractors' registration and licensing board.

(b) The department of business regulation is hereby designated as the administrative entity responsible for the operation of the state building office. In the discretion of the director of business regulation, the department shall provide appropriate staff support to the state building office, and any such staff may be shared within the state building office as necessary.

hereby amended to read as follows:

23-27.3-100.1.3. Creation of the state building code standards committee.

(a) There is created as an agency of state government a state building code standards committee that shall adopt, promulgate, and administer a state building code for the purpose of regulating the design, construction, and use of buildings or structures previously erected, in accordance with a rehabilitation building and fire code for existing buildings and structures developed pursuant to chapter 29.1 of this title, and to make any amendments to them as they, from time to time, deem necessary or desirable, the building code to include any code, rule, or regulation incorporated in the code by reference.

(b) A standing subcommittee is made part of the state building code standards committee to promulgate and administer a state housing and property maintenance code for the purpose of establishing minimum requirements and standards and to regulate the occupancy and use of existing premises, structures, buildings, equipment, and facilities, and to make amendments to them as deemed necessary.

(c) A joint committee, with membership as set forth in § 23-29.1-2(a) from the state building code standards committee, shall develop and recommend for adoption and promulgation, a rehabilitation building and fire code for existing buildings and structures, which code shall include building code elements to be administered by the state building code standards committee as the authority having jurisdiction over the elements.

(d) The state building code standards committee shall be housed within the office of the state building commissioner.

23-27.3-100.1.4. Appointment and qualifications of the committee.

(a) The building code standards committee shall be composed of twenty-five (25) members, residents of the state who shall be appointed by the governor with the advice and consent of the senate. Eight (8) members are to be appointed for terms of one year each, seven (7) for a term of two (2) years each, and ten (10) for terms of three (3) years each. Annually, thereafter, the governor, with the advice and consent of the senate, shall appoint members to the committee to succeed those whose terms expired; the members to serve for terms of three (3) years each and until their successors are appointed and qualified. Two (2) members shall be architects registered in the state; three (3) shall be professional engineers registered in the state, one specializing in mechanical, one specializing in structural, and one specializing in electrical engineering; one landscape architect, registered in the state; one full-time certified electrical inspector; two (2) shall be builders or superintendents of building construction; one shall be a public health official; one shall be a qualified fire code official; two (2) shall be from the Rhode Island building trades council;
two (2) shall be from the Rhode Island Builders Association; one shall be a holder of Class "A"
1 electrician's license; one shall be a master plumber; two (2) shall be from the general public; three
2 (3) shall be building officials in office, one from a municipality with a population of sixty thousand
3 (60,000) persons or more, one from a municipality with a population of over twenty thousand
4 (20,000) persons but less than sixty thousand (60,000), and one from a municipality with a
5 population of less than twenty thousand (20,000) persons; one shall be a minimum housing official
6 in office from one of the local municipalities; and two (2) residents of the state who shall be persons
7 with disabilities as defined in § 42-87-1.
(b) All members shall have no less than five (5) years practical experience in their
8 profession or business. The committee shall elect its own chairperson and may elect from among
9 its members such other officers as it deems necessary. Thirteen (13) members of the board shall
10 constitute a quorum and the vote of a majority vote of those present shall be required for action.
11 The committee shall adopt rules and regulations for procedure. The state building commissioner
12 shall serve as the executive secretary to the committee. The committee shall have the power, within
13 the limits of appropriations provided therefor, to employ such assistance as may be necessary to
14 conduct business.
(c) Members of the commission committee shall be removable by the governor pursuant to
15 § 36-1-7 and for cause only, and removal solely for partisan or personal reasons unrelated to
16 capacity or fitness for the office shall be unlawful.
(d) The state housing and property maintenance code subcommittee shall be composed of
17 nine (9) members, residents of the state. Five (5) of these members are to be current members of
18 the state building code standards committee and are to be appointed by that committee. The four
19 (4) remaining members are to be appointed by the governor, with the advice and consent of the
20 senate. The four (4) appointed by the governor, with the advice and consent of the senate, shall
21 initially be appointed on a staggered term basis, one for one year, one for two (2) years, and two
22 (2) for three (3) years. Annually thereafter, the building code standards committee, and the
governor, with the advice and consent of the senate, shall appoint the subcommittee members, for
which they are respectively responsible, to succeed those whose terms have expired; the members
to serve for terms of three (3) years each and until their successors are appointed and qualified. Of
the members appointed by the committee, one shall be a full-time certified electrical inspector; one
shall be a master plumber and mechanical equipment expert; one shall be a builder or
superintendent of building construction; one member shall be a qualified state fire code official;
one shall be a property manager; and one shall be a current minimum housing official from a local
municipality. The four (4) members to be appointed by the governor, with the advice and consent

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of the senate, shall all be current minimum housing officials from local municipalities. One shall be from a municipality with a population of sixty thousand (60,000) persons or more, two (2) from municipalities with a population of over twenty thousand (20,000) persons but less than sixty thousand (60,000), and one from a municipality with a population of less than twenty thousand (20,000) persons.

23-27.3-100.1.5.1. Housing and maintenance code -- Powers and duties of the building code standards committee.

(a) The committee shall have the authority to adopt and promulgate a housing and maintenance code which shall be reasonably consistent with recognized and accepted standards and codes promoted by national model code organizations. The code shall be submitted to the legislature for adoption and amendments as required. Once adopted by the legislature, the law shall not be amended by the cities and towns. The committee shall have the singular authority to submit further amendments to the legislature as required. These new provisions shall replace, and/or amend the existing provisions of the Minimum Housing Standards, chapter 24.2 of title 45, and the Housing, Maintenance and Occupancy Code, chapter 24.3 of title 45. Once adopted by the legislature, the laws shall not be amended by the cities and towns without prior approval of the committee and subsequently the legislature. The state housing and property maintenance code subcommittee shall carry out its responsibilities to the building code standards committee by acting as an entity of the committee in administering the code, by recommending needed code amendments, by promulgating the code, and by serving as the board of standards and appeals for the code.

(b) The subcommittee shall also have a recording secretary who shall attend all meetings and direct the conduct of any investigation which may be necessary in the preparation of any hearing. The recording secretary shall be a member of the classified service on the staff of the state building commissioner office and shall be compensated as appropriate for the expertise required. The administration and appeals procedures pertaining to these laws shall remain in the prerogatives of the local municipalities and the legislature.

(c) Within ninety (90) days after the end of each fiscal year, the committee shall approve and submit an annual report to the governor, the speaker of the house of representatives, the president of the senate, and the secretary of state, of its activities during that fiscal year. The report shall provide: an operating statement summarizing meetings or hearings held, including meeting minutes, subjects addressed, decisions rendered, applications considered and their disposition, rules or regulations promulgated, studies conducted, policies and plans developed, approved, or modified, and programs administered or initiated; a consolidated financial statement of all funds
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received and expended including the source of the funds, a listing of any staff supported by these funds, and a summary of any clerical, administrative or technical support received; a summary of performance during the previous fiscal year including accomplishments, shortcomings and remedies; a synopsis of hearings, complaints, suspensions, or other legal matters related to the authority of the committee; a summary of any training courses held pursuant to this chapter; a briefing on anticipated activities in the upcoming fiscal year, and findings and recommendations for improvements. The report shall be posted electronically on the websites of the general assembly and the secretary of state pursuant to the provisions of § 42-20-8.2. The director of the department of administration shall be responsible for the enforcement of the provisions of this section.

(d) To conduct a training course for newly appointed and qualified members within six (6) months of their qualification or designation. The course shall be developed by the chair of the committee, be approved by the committee, and be conducted by the chair of the committee. The committee may approve the use of any committee and/or staff members and/or individuals to assist with training. The training course shall include instruction in the following areas: the provisions of chapters 42-46, 36-14 and 38-2; and the committee's rules and regulations. The director of the department of administration shall, within ninety (90) days of June 16, 2006, prepare and disseminate training materials relating to the provisions of chapters 42-46, 36-14, and 38-2.


The appropriate local authority shall appoint an alternate building official to act on behalf of the building official during any period of disability caused by, but not limited to, illness, absence, or conflict of interest. The alternate building official shall meet the qualifications of § 23-273-107.5. The appropriate local authority shall appoint an alternate local building official within ten (10) calendar days or request the commissioner's state building office's services as allowed in § 23-273-107.3. When the state building commissioner's office's services are used due to the lack of a local building official, the salary and operating expenses of the commissioner or his or her designee shall be reimbursed to the commissioner's account as allowed by § 23-273-108.2(c).

23-273-107.8. Restriction on employees' activities.

Neither the building commissioner, nor any full-time building officials, or full-time local inspectors, as defined in this code, shall be engaged in, or directly or indirectly connected with, the furnishing of labor, materials, or appliances for the construction, alteration, or maintenance of any building or structure, or the preparation of plans or specifications therefor for the state, in the case of the building commissioner, or within the municipality in which he or she is respectively employed in the case of a building official or local inspector unless the individual is the owner of the building or structure; nor shall any officer or employee associated with the state building office...
department of the state or municipality engage in any work which conflicts with his or her official duties or with the interests of the department of business regulation.

23-27.3-107.9. Relief from personal responsibility.

The state building commissioner, the members and staff of the building code standards committee and the board of standards and appeals, the building official, officer, or employee charged with the enforcement, administration and/or review of this code, while acting for the state or a municipality, shall not thereby render himself or herself liable personally, and he or she is hereby relieved from all personal liability for any damages that may accrue to persons or property as a result of any act required or permitted in the discharge of his or her official duties. Any suit instituted against any of these officers or employees because of an act performed by him or her in the lawful discharge of his or her duties and under the provisions of this code shall be defended by the legal representative of the state in the case of the members and staff of the building code standards committee and the board of standards and appeals, and the building commissioner or his or her agents or by the legal representative of the municipality, in the case of the building official, officer, or employee, until the final determination of the proceedings. In no case shall members and staff of the building code standards committee and the board of standards and appeals, the state building commissioner, building official, or any of their subordinates be liable for costs or damages in any action, suit, or proceeding that may be instituted pursuant to the provisions of this code and the members and staff of the building code standards committee and the board of standards and appeals, the state building commissioner or his or her agents or an officer of the department of state building inspection office, acting in good faith and without malice and within the scope of their employment, is free from liability for acts performed under any of its provisions or by reason of any act or omission in the performance of his or her official duties in connection with this code.

23-27.3-108.1.3.1. Test results.

Copies of the results of all the tests shall be forwarded to the committee after completion of the tests within ten (10) days, and shall be kept on file in the permanent records of the state building department office.

23-27.3-108.2. State building commissioner’s duties.

(a) This code shall be enforced by the state building commissioner as to any structures or buildings or parts thereof that are owned or are temporarily or permanently under the jurisdiction of the state or any of its departments, commissions, agencies, or authorities established by an act of the general assembly, and as to any structures or buildings or parts thereof that are built upon any land owned by or under the jurisdiction of the state.

(b) Permit fees for the projects shall be established by the committee. The fees shall be
deposited as general revenues.

(c)(1) The local cities and towns shall charge each permit applicant an additional .1 (.001) percent levy of the total construction cost for each permit issued. The levy shall be limited to a maximum of fifty dollars ($50.00) for each of the permits issued for one and two (2) family dwellings. This additional levy shall be transmitted monthly to the state building commission office at the department of business regulation, and shall be used to staff and support the purchase or lease and operation of a web-accessible service and/or system to be utilized by the state and municipalities for uniform, statewide electronic plan review, permit management and inspection system and other programs described in this chapter. The fee levy shall be deposited as general revenues.

(2) On or before July 1, 2013, the building commissioner shall develop a standard statewide process for electronic plan review, permit management and inspection.

(3) On or before December 1, 2013, the building commissioner, with the assistance of the office of regulatory reform, shall implement the standard statewide process for electronic plan review, permit management and inspection. In addition, the building commissioner shall develop a technology and implementation plan for a standard web-accessible service or system to be utilized by the state and municipalities for uniform, statewide electronic plan review, permit management and inspection.

(d) The building commissioner shall, upon request by any state contractor described in § 37-2-38.1, review, and when all conditions for certification have been met, certify to the state controller that the payment conditions contained in § 37-2-38.1 have been met.

(e) The building commissioner shall coordinate the development and implementation of this section with the state fire marshal to assist with the implementation of § 23-28.2-6.

(f) The building commissioner shall submit, in coordination with the state fire marshal, a report to the governor and general assembly on or before April 1, 2013, and each April 1st thereafter, providing the status of the web-accessible service and/or system implementation and any recommendations for process or system improvement.

23-27.3-118.1. Special fees.

The payment of the fee for construction, alteration, removal, or demolition, and for all work done in connection with, or concurrently with, the work contemplated by a building permit, shall not relieve the applicant or holder of the permit from the payment of other fees that may be prescribed in accordance with § 23-27.3-119.0 for water taps, sewer connections, electrical and plumbing permits, erection of signs and display structures, marquees, or other appurtenant structures, or fees for inspections, certificates of use and occupancy for other privileges or
requirements, both within and without the jurisdiction of the state building department office.

SECTION 5. Section 30-17.1-6 of the General Laws in Chapter 30-17.1 entitled "Veterans' Affairs" is hereby amended to read as follows:

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

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

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

(c) Effective July 1, 2019, the office of veterans' affairs, as established pursuant to subsection (a) of this section, shall be henceforth referred to and renamed as "the office of veterans services" and the director of veterans' affairs, established pursuant to subsection (a) of this section shall henceforth be referred to and renamed as the "director of veterans services."

(d) Effective July 1, 2019, all references in the general laws to the office of veterans' affairs established pursuant to subsection (a) of this section and to the director of veterans' affairs established pursuant to subsection (a) of this section shall be deemed to mean and refer, respectively, to the office of veterans services and the director of veterans services.

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

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

The general assembly shall annually appropriate such sum as it may deem necessary to defray the expenses of the annual encampment of the united spanish war veterans, department of Rhode Island, to be expended under the direction of the department of human services or of any other department as the general assembly shall indicate and direct at any future time; and the controller is hereby authorized and directed to draw orders upon the general treasurer for the payment of that sum, or so much thereof as may be necessary from time to time, upon the receipt by the controller of proper vouchers approved by the director of human services, or such other approving authority as the general assembly may direct.
SECTION 7. Sections 31-38-7 and 31-38-18 of the General Laws in Chapter 31-38 entitled "Inspection of Motor Vehicles" are hereby amended to read as follows:

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

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

(b) The state certified person operating an official inspection station shall issue a certificate of inspection and approval upon an official form to the owner of a vehicle upon inspection of the vehicle and determining that its equipment required under the provisions of this chapter is in good condition and proper adjustment, otherwise, no certificate shall be issued. A record and report shall be made of every inspection and every certificate issued. The records shall be kept available for review by the motor vehicle inspection station commission or those employees of the department of revenue that the director may designate.

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

1. For every vehicle with a registered gross weight of not more than eight thousand five hundred pounds (8,500 lbs.), the fee shall be included with the fee charged pursuant to § 31-47.1-11;
2. For every vehicle of a registered gross weight of more than eight thousand five hundred pounds (8,500 lbs.) or more, except trailers, fifteen dollars ($15.00);
3. For every motorcycle and electrically powered vehicle, eleven dollars ($11.00);
4. For every trailer or semi-trailer with a registered gross weight of more than one thousand pounds (1,000 lbs.), eleven dollars ($11.00); and
5. Provided that for the inspection of vehicles used for the transportation of persons for hire, as provided in § 31-22-12, and subject to an inspection pursuant to chapter 47.1 of this title, the fee shall be included with the fee charged pursuant to § 31-47.1-11.

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

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

**31-38-18. Conduct of hearings.**
The director of the department of revenue shall hold and conduct hearings in accordance with § 31-38-17. These hearings shall be governed by rules to be adopted by the director of the department of revenue, and the director of the department of revenue shall not be bound by technical rules of evidence. The director of the department of revenue may subpoena witnesses and require the producing of documental evidence, and shall sit as an impartial independent body in order to make decisions affecting the interest of the motor vehicle inspection owner and/or operator. The concurrence of a majority of the members present and voting of the commission is required for a decision.


31-38-15 Motor vehicle inspection commission.

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

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

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

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

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

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

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

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

(g) Within ninety (90) days after the end of each fiscal year, the commission shall approve
and submit an annual report to the governor, the speaker of the house of representatives, the
president of the senate, and the secretary of state of its activities during that fiscal year. The report
shall provide an operating statement summarizing meetings or hearings held, including meeting
minutes, subjects addressed, decisions rendered, licenses considered and their disposition, rules or
regulations promulgated, studies conducted, policies and plans developed, approved or modified
and programs administered or initiated; a consolidated financial statement of all funds received and
expended including the source of the funds, a listing of any staff supported by these funds and a
summary of any clerical, administrative or technical support received; a summary of performance
during the previous fiscal year including accomplishments, shortcomings and remedies; a synopsis
of hearings, complaints, suspensions or other legal matters related to the authority of the
commission; a summary of any training courses held pursuant to the provisions of this section; a
briefing on anticipated activities in the upcoming fiscal year; and findings and recommendations
for improvements. The report shall be posted electronically on the general assembly and secretary
of state’s websites as prescribed in § 42-20-8.2. The director of the department of revenue shall be
responsible for the enforcement of the provisions of this subsection.

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


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

SECTION 9. Sections 35-1.1-1 through 35-1.1-5 of the General Laws in Chapter 35-1.1
titled "Office of Management and Budget" are hereby amended to read as follows:

35-1.1-1, Statement of intent.

The purpose of this chapter is to establish a comprehensive public finance and management
system for the State of Rhode Island that manages a data-driven budget process, monitors state
departments' and agencies' performance, maximizes the application for and use of federal grants.

improves the regulatory climate and ensures accountability and transparency regarding the use of public funds and regulatory impact.

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

There is hereby established within the department of administration an office of management and budget. This office shall serve as the principal agency of the executive branch of state government for managing budgetary functions, regulatory review, performance management, internal audit, and federal grants management. In this capacity, the office shall:

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

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

(2) Analyze the impact of proposed regulations on the public and state as required by chapters 42-64.13 and 42-35:

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

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

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

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

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

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

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

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

(2) Oversee the director of regulatory reform as set forth by § 42-64.13-6;

(2) Manage federal fiscal proposals and guidelines and serve as the state clearinghouse for the application of federal grants;

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

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

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

Powers and duties.

(a) The offices assigned to the office of management and budget include the budget office, the office of regulatory reform, the performance management office, and the office of internal audit, and the federal grants management office.

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

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

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

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

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

35-1.1-5. Federal grants management.

(a) The office of management and budget controller shall be responsible for managing
federal grant applications, providing administrative assistance to agencies regarding reporting
requirements, providing technical assistance and approving agreements with federal agencies
pursuant to § 35-1-1. The director controller shall:

(1) Establish state goals and objectives for maximizing the utilization of federal aid
programs;

(2) Ensure that the state establishes and maintains statewide federally-mandated grants
management processes and procedures as mandated by the federal Office of Management and
Budget;

(3) Promulgate procedures and guidelines for all state departments, agencies, advisory
councils, instrumentalities of the state and public higher education institutions covering
applications for federal grants;

(4) Require, upon request, any state department, agency, advisory council, instrumentality
of the state or public higher education institution receiving a grant of money from the federal
government to submit a report to the director controller of expenditures and program measures for
the fiscal period in question;

(5) Ensure state departments and agencies adhere to the requirements of § 42-41-5
regarding Legislative appropriation authority and delegation thereof;

(6) Assist the state controller in managing and overseeing the disbursements of federal funds in accordance with § 35-6-42;

(7) Assist the state controller in the preparation of the statewide cost allocation plan and serve as the monitoring agency to ensure that state departments and agencies are working
within the guidelines contained in the plan; and,

(8) Provide technical assistance to agencies to ensure resolution and closure of all single
state audit findings and recommendations made by the Auditor General related to Federal funding.

(b) The office of management and budget shall serve as the state
controller for purposes of coordinating federal grants, aid and assistance applied for and/or
received by any state department, agency, advisory council or instrumentality of the state. Any state
department, agency, advisory council, or instrumentality of the state applying for federal funds,
aids, loans, or grants shall file a summary notification of the intended application with the director
controller.

(1) When as a condition to receiving federal funds, the state is required to match the federal
funds, a statement shall be filed with the notice of intent or summary of the application stating:

(i) The amount and source of state funds needed for matching purposes;

(ii) The length of time the matching funds shall be required;
(iii) The growth of the program;
(iv) How the program will be evaluated;
(v) What action will be necessary should the federal funds be canceled, curtailed, or restricted; and,
(vi) Any other financial and program management data required by the office or by law.

(2) Except as otherwise required, any application submitted by an executive agency for federal funds, aids, loans, or grants which will require state matching or replacement funds at the time of application or at any time in the future, must be approved by the director of the office of management and budget or their designated agents prior to its filing with the appropriate federal agency. Any application submitted by an executive agency for federal funds, aids, loans, or grants which will require state matching or replacement funds at the time of application or at any time in the future, when funds have not been appropriated for that express purpose, must be approved by the General Assembly in accordance with § 42-41-5. When the general assembly is not in session, the application shall be reported to and reviewed by the Director pursuant to rules and regulations promulgated by the Director.

(3) When any federal funds, aids, loans, or grants are received by any state department, agency, advisory council or instrumentality of the state, a report of the amount of funds received shall be filed with the office; and this report shall specify the amount of funds which would reimburse an agency for indirect costs, as provided for under federal OMB Circular A-82 requirements.

(4) The director-controller may refuse to issue approval for the disbursement of any state or federal funds from the State Treasury as the result of any application which is not approved as provided by this section, or in regard to which the statement or reports required by this section were not filed.

(5) The director-controller shall be responsible for the orderly administration of this section and for issuing the appropriate guidelines and regulations from each source of funds used.

SECTION 10. Section 35-6-1 of the General Laws in Chapter 35-6 entitled "Accounts and Control" is hereby amended to read as follows:

35-6-1. Controller -- Duties in general.

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

(1) Administer a comprehensive accounting and recording system which will classify the transactions of the state departments and agencies in accordance with the budget plan;
(2) Maintain control accounts for all supplies, materials, and equipment for all departments and agencies except as otherwise provided by law;

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

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

(5) Manage federal fiscal proposals and guidelines and serve as the state clearinghouse for the application of federal grants;

(1) Preaudit all state receipts and expenditures;

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

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

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

(5) Prepare a preliminary closing statement for each fiscal year. The controller shall forward the statement to the chairpersons of the house finance committee and the senate finance committee, with copies to the house fiscal advisor and the senate fiscal and policy advisor, by September 1 following the fiscal year ending the prior June 30 or thirty (30) days after enactment of the appropriations act, whichever is later. The report shall include but is not limited to:

(i) A report of all revenues received by the state in the completed fiscal year, together with the estimates adopted for that year as contained in the final enacted budget, and together with all deviations between estimated revenues and actual collections. The report shall also include cash collections and accrual adjustments;

(ii) A comparison of actual expenditures with each of the actual appropriations, including supplemental appropriations and other adjustments provided for in the Rhode Island General Laws;

(iii) A statement of the opening and closing surplus in the general revenue account; and

(iv) A statement of the opening surplus, activity, and closing surplus in the state budget reserve and cash stabilization account and the state bond capital fund.
(b) The controller shall provide supporting information on revenues, expenditures, capital projects, and debt service upon request of the house finance committee chairperson, senate finance committee chairperson, house fiscal advisor, or senate fiscal and policy advisor.

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

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

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

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

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

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

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

SECTION 11. Section 36-4-34.1 of the General Laws in Chapter 36-4 entitled “Merit System” is hereby amended to read as follows:

36-4-34.1. Transfer of state employees.

(a) The director of the department of administration (the "director") is hereby authorized to transfer any employee within the executive branch who is not covered by a collective bargaining unit as provided in chapter 11 of this title. Any employee may be transferred to a comparable position upon the approval of the director of the department of administration and the personnel administrator. The transfers may be initially authorized for a period up to one year's duration and may be further extended with the approval of the personnel administrator (the "personnel administrator").

(b) Within seven (7) days of making a transfer of any employee or further extending the
The duration of a transfer as provided by subsection (a), the director making the transfer or the personnel administrator extending the transfer shall file a written report with the speaker of the house, the senate president, and the chairpersons of the house and senate finance committees, for each employee to be transferred. This report shall include:

1. The identity of the employee;
2. The employee's current work position and location, and the proposed new work position and location;
3. The reason(s) for the employee transfer;
4. The specific task(s) to be assigned and completed by the transferred employee;
5. An explanation of how the task(s) to be completed by the transferred employee relates to the mission of the transferee department, division or agency; and
6. The anticipated duration of the employee's transfer.

SECTION 12. Sections 42-6-1, 42-6-2 and 42-6-3 of the General Laws in Chapter 42-6 entitled "Departments of State Government" are hereby amended to read as follows:

42-6-1. Enumeration of departments.
All the administrative powers and duties heretofore vested by law in the several state departments, boards, divisions, bureaus, commissions, and other agencies shall be vested in the following departments and other agencies which are specified in this title:

(a) Executive department (chapter 7 of this title);
(b) Department of state (chapter 8 of this title);
(c) Department of the attorney general (chapter 9 of this title);
(d) Treasury department (chapter 10 of this title);
(e) Department of administration (chapter 11 of this title);
(f) Department of business regulation (chapter 14 of this title);
(g) Department of children, youth and families (chapter 72 of this title);
(h) Department of corrections (chapter 56 of this title);
(i) Department of elderly affairs (chapter 66 of this title);
(j) Department of elementary and secondary education (chapter 60 of title 16);
(k) Department of environmental management (chapter 17.1 of this title);
(l) Department of health (chapter 18 of this title);
(m) Board of governors for higher education (chapter 59 of title 16);
(n) Department of labor and training (chapter 16.1 of this title);
(o) Department of behavioral healthcare, developmental disabilities and hospitals (chapter 12.1 of this title);
Department of human services (chapter 12 of this title);  
Department of transportation (chapter 13 of this title);  
Public utilities commission (chapter 14.3 of this title);  
Department of revenue (chapter 142 of title 42);  
Department of public safety (chapter 7.3 of this title).

42-6-2. Heads of departments.

The governor, secretary of state, attorney general, and general treasurer, hereinafter called general officers, shall each be in charge of a department. There shall also be a director of administration, a director of revenue, a director of public safety, a director of human services, a director of behavioral healthcare, developmental disabilities and hospitals, a director of transportation, a director of business regulation, a director of labor and training, a director of environmental management, a director for children, youth and families, a director of elderly affairs, and a director of corrections. Each director shall hold office at the pleasure of the governor and he or she shall serve until his or her successor is duly appointed and qualified unless the director is removed from office by special order of the governor.

42-6-3. Appointment of directors.

(a) At the January session following his or her election to office, the governor shall appoint a director of administration, a director of revenue, a director of public safety, a director of human services, a director of behavioral healthcare, developmental disabilities and hospitals, a director of transportation, a director of business regulation, a director of labor and training, a director of environmental management, a director for children, youth and families, a director of elderly affairs, and a director of corrections. The governor shall, in all cases of appointment of a director while the senate is in session, notify the senate of his or her appointment and the senate shall, within sixty (60) legislative days after receipt of the notice, act upon the appointment. If the senate shall, within sixty (60) legislative days, vote to disapprove the appointment it shall so notify the governor, who shall forthwith appoint and notify the senate of the appointment of a different person as director and so on in like manner until the senate shall fail to so vote disapproval of the governor's appointment. If the senate shall fail, for sixty (60) legislative days next after notice, to act upon any appointment of which it has been notified by the governor, the person so appointed shall be the director. The governor may withdraw any appointment of which he or she has given notice to the senate, at any time within sixty (60) legislative days thereafter and before action has been taken thereon by the senate.

(b) Except as expressly provided in § 42-6-9, no director of any department shall be appointed or employed pursuant to any contract of employment for a period of time greater than
the remainder of the governor's current term of office. Any contract entered into in violation of this
section after July 1, 1994 is hereby declared null and void.

SECTION 13. Section 42-11-10 of the General Laws in Chapter 42-11 entitled
"Department of Administration" is hereby amended to read as follows:

42-11-10. Statewide planning program.

(a) Findings. The general assembly finds that the people of this state have a fundamental
interest in the orderly development of the state; the state has a positive interest and demonstrated
need for establishment of a comprehensive, strategic state planning process and the preparation,
maintenance, and implementation of plans for the physical, economic, and social development of
the state; the continued growth and development of the state presents problems that cannot be met
by the cities and towns individually and that require effective planning by the state; and state and
local plans and programs must be properly coordinated with the planning requirements and
programs of the federal government.

(b) Establishment of statewide planning program.

(1) A statewide planning program is hereby established to prepare, adopt, and amend
strategic plans for the physical, economic, and social development of the state and to recommend
these to the governor, the general assembly, and all others concerned.

(2) All strategic planning, as defined in subsection ( c) of this section, undertaken by all
departments and agencies of the executive branch unless specifically exempted, shall be conducted
by or under the supervision of the statewide planning program. The statewide planning program
shall consist of a state planning council, and the division of statewide planning, which shall be a
division within the department of administration.

(c) Strategic planning. Strategic planning includes the following activities:

(1) Establishing or identifying general goals.

(2) Refining or detailing these goals and identifying relationships between them.

(3) Formulating, testing, and selecting policies and standards that will achieve desired
objectives.

(4) Preparing long-range or system plans or comprehensive programs that carry out the
policies and set time schedules, performance measures, and targets.

(5) Preparing functional, short-range plans or programs that are consistent with established
or desired goals, objectives, and policies, and with long-range or system plans or comprehensive
programs where applicable, and that establish measurable, intermediate steps toward their
accomplishment of the goals, objectives, policies, and/or long-range system plans.

(6) Monitoring the planning of specific projects and designing of specific programs of short
duration by the operating departments, other agencies of the executive branch, and political subdivisions of the state to ensure that these are consistent with, and carry out the intent of, applicable strategic plans.

(7) Reviewing the execution of strategic plans, and the results obtained, and making revisions necessary to achieve established goals.

(d) State guide plan. Components of strategic plans prepared and adopted in accordance with this section may be designated as elements of the state guide plan. The state guide plan shall be comprised of functional elements or plans dealing with land use; physical development and environmental concerns; economic development; housing production; energy supply, including the development of renewable energy resources in Rhode Island, and energy access, use, and conservation; human services; climate change and resiliency, and other factors necessary to accomplish the objective of this section. The state guide plan shall be a means for centralizing, integrating, and monitoring long-range goals, policies, plans, and implementation activities related thereto. State agencies concerned with specific subject areas, local governments, and the public shall participate in the state guide planning process, which shall be closely coordinated with the budgeting process.

(e) Membership of state planning council. The state planning council shall consist of the following members:

(1) The director of the department of administration as chairperson;
(2) The director, policy office, in the office of the governor, as vice-chairperson;
(3) The governor, or his or her designee;
(4) The budget officer;
(5) The chairperson of the housing resources commission;
(6) The highest-ranking administrative officer of the division of statewide planning, as secretary;
(7) The president of the Rhode Island League of Cities and Towns or his or her designee and one official of local government who shall be appointed by the governor from a list of not less than three; submitted by the Rhode Island League of Cities and Towns;
(8) The executive director of the Rhode Island League of Cities and Towns;
(9) Three (3) chief elected officials of cities and towns appointed by the governor after consultation with the Rhode Island League of Cities and Towns, one of whom shall be from a community with a population greater than 40,000 persons; one of whom shall be from a community with a population of between 20,000 and 40,000 persons; and one of whom shall be from a
community with a population less than 20,000 persons;

(9) One representative of a nonprofit community development or housing organization appointed by the governor;

(10) Six (6) public members, appointed by the governor, one of whom shall be an employer with fewer than fifty (50) employees; and one of whom shall be an employer with greater than fifty (50) employees; one of whom shall represent a professional planning or engineering organization in Rhode Island; and one of whom shall represent a chamber of commerce or economic development organization;

(11) Two (2) representatives of a private, nonprofit, environmental or environmental justice advocacy organizations, both to be appointed by the governor;

(12) The director of planning and development for the city of Providence;

(13) The director of the department of transportation;

(14) The director of the department of environmental management;

(15) The director of the department of health;

(16) The chief executive officer of the commerce corporation;

(17) The commissioner of the Rhode Island office of energy resources;

(18) The chief executive officer of the Rhode Island public transit authority;

(19) The executive director of Rhode Island housing; and

(20) The executive director of the coastal resources management council;

(21) The director of the Rhode Island emergency management agency;

Powers and duties of state planning council. The state planning council shall have the following powers and duties:

(1) To adopt strategic plans as defined in this section and the long-range state guide plan, and to modify and amend any of these, following the procedures for notification and public hearing set forth in § 42-35-3, and to recommend and encourage implementation of these goals to the general assembly, state and federal agencies, and other public and private bodies; approval of strategic plans by the governor; and to ensure that strategic plans and the long-range state guide plan are consistent with the findings, intent, and goals set forth in § 45-22.2-3, the "Rhode Island Comprehensive Planning and Land Use Regulation Act";

(2) To coordinate the planning and development activities of all state agencies, in accordance with strategic plans prepared and adopted as provided for by this section;

(3) To review and comment on the proposed annual work program of the statewide planning program;

(4) To adopt rules and standards and issue orders concerning any matters within its
jurisdiction as established by this section and amendments to it;

(5) To establish advisory committees and appoint members thereto representing diverse interests and viewpoints as required in the state planning process and in the preparation or implementation of strategic plans. At minimum, the state planning council shall appoint a three permanent committees comprised of:

   (i) A technical committee, comprised of public members from different geographic areas of the state representing diverse interests; and along with

   (ii) Officials of state, local, and federal government, who shall review all proposed elements of the state guide plan, or amendment or repeal of any element of the plan, and shall advise the state planning council thereon before the council acts on any such proposal. This committee shall also advise the state planning council on any other matter referred to it by the council; and

   (6)(i) To establish and appoint members to an executive committee consisting of major participants of a Rhode Island geographic information system with oversight responsibility for its activities; and

   (iii) A transportation advisory committee, made up of diverse representation, including but not limited to municipal elected and appointed officials; representatives of various transportation sectors, departments, and agencies; and other groups and agencies with an interest in transportation operations, maintenance, construction, and policy, who shall review transportation-related plans and amendments and recommend action to the state planning council.

(7)(6) To adopt, amend, and maintain, as an element of the state guide plan or as an amendment to an existing element of the state guide plan, standards and guidelines for the location of eligible, renewable energy resources and renewable energy facilities in Rhode Island with due consideration for the location of such resources and facilities in commercial and industrial areas, agricultural areas, areas occupied by public and private institutions, and property of the state and its agencies and corporations, provided such areas are of sufficient size, and in other areas of the state as appropriate.

(7)(7) To act as the single, statewide metropolitan planning organization for transportation planning, and to promulgate all rules and regulations that are necessary thereto.

(g) Division of statewide planning.

(1) The division of statewide planning shall be the principal staff agency of the state planning council for preparing and/or coordinating strategic plans for the comprehensive management of the state's human, economic, and physical resources. The division of statewide planning shall recommend to the state planning council specific guidelines, standards, and
programs to be adopted to implement strategic planning and the state guide plan and shall undertake any other duties established by this section and amendments thereto.

(2) The division of statewide planning shall maintain records (which shall consist of files of complete copies) of all plans, recommendations, rules, and modifications or amendments thereto adopted or issued by the state planning council under this section. The records shall be open to the public.

(3) The division of statewide planning shall manage and administer the Rhode Island geographic information system of land-related resources, and shall coordinate these efforts with other state departments and agencies, including the University of Rhode Island, which shall provide technical support and assistance in the development and maintenance of the system and its associated data base.

(4) The division of statewide planning shall coordinate and oversee the provision of technical assistance to political subdivisions of the state in preparing and implementing plans to accomplish the purposes, goals, objectives, policies, and/or standards of applicable elements of the state guide plan and shall make available to cities and towns data and guidelines that may be used in preparing comprehensive plans and elements thereof and in evaluating comprehensive plans and elements thereby.

(h) [Deleted by P.L. 2011, ch. 215, § 4, and by P.L. 2011, ch. 313, § 4].

(i) The division of planning shall be the principal staff agency of the water resources board established pursuant to chapter 15 of title 46 ("Water Resources Board") and the water resources board corporate established pursuant to chapter 15.1 of title 46 ("Water Supply Facilities").

SECTION 14. Sections 42-12-23 and 42-12-23.1 of the General Laws in Chapter 42-12 entitled "Department of Human Services" are hereby amended to read as follows:

42-12-23. Child care -- Planning and coordinating.

(a) The department of human services shall be the principal agency of the state for the planning and coordination of state involvement in the area of child care. To accomplish this purpose, the department's duties shall include submitting an annual report to the governor and the general assembly on the status of child care in Rhode Island.

(b) The annual report of the department shall include, but not be limited to, the following information:

(1) The amount of state and federal funds spent on child care in each of the two (2) preceding years;

(2) The number of child care providers licensed pursuant to the provisions of chapter 72.1 of this title;
(3) The number of children served in state subsidized programs;

(4) The number of taxpayers who have claimed the child care assistance and development tax credit pursuant to chapter 47 of title 44;

(5) The average cost for both infant and preschool child care;

(6) An estimate of unmet needs for child care;

(7) Information on child care staff salaries and training and education programs, and

(8) Recommendations for any changes in child care public policy.

c. The department shall cooperate with the unit of the department of children, youth, and families which licenses and monitors child care providers pursuant to the terms of chapter 72.1 of this title.

(d)[c] The department is hereby charged with the responsibility of assuring that a statewide child care resource and referral system exists in this state to provide services and consumer information to assist parents in locating and choosing licensed, approved and/or certified providers, and to maintain data necessary for such referrals.

42-12-23.1. Quality of early care and education and school-age child care through voluntary quality rating system.

(a) There is hereby established a voluntary quality rating system which will assess quality in early care and education programs and school-age child care. For purposes of this section, early care and education programs and school-age child care shall mean programs licensed under chapter 72.1, title 42 and approved under chapter 48, title 16, including without limitation child care centers, family child care homes, group family child care homes, school-age child care programs and preschools, but excluding child placement agencies. The voluntary quality rating system is established to promote continuous quality improvement of programs and to further the goals of Rhode Island's "starting right" initiative.

(b) The department of human services, the department of children, youth and families, the department of health, the department of elementary and secondary education and other partners and agencies shall share information and work cooperatively with the Rhode Island quality rating system, a public-private partnership, to ensure that Rhode Island children have access to quality early care and education programs and school-age child care.

(c) The voluntary quality rating system shall also provide a mechanism to gather data about program quality, and shall report this information to parents, providers and other persons interested in the quality of early care and education programs and school-age child care services in Rhode Island.
GOVERNMENT” is hereby amended by adding thereto the following chapter:

**CHAPTER 42-12.5**

**LICENSING AND MONITORING OF CHILD DAY CARE PROVIDERS**

42-12.5-1. Statement of purpose.

(a) The director of the department of human services shall establish within the department a unit to license and monitor child day care service providers to protect the health, safety and wellbeing of children while being cared for as a commercial service and are away from their homes.

(b) Services for children requiring licensure under this chapter shall include all child day care providers which offer services within the state, except as defined in § 42-12.5-5.

42-12.5-2. Definitions.

As used in this chapter:

(1) "Administrator of licensing" means the director of the licensing unit (or his/her designee) that carries out the provisions of this chapter, hereafter referred to as the "administrator".

(2) "Applicant" means a child day care provider that applies for a license to operate.

(3) "Child" means any person less than eighteen (18) years of age;

(4) "Child day care" means daily care and/or supervision offered commercially to the public for any part of a twenty-four (24) hour day to children away from their homes.

(5) "Child day care center" means any person, firm, corporation, association, or agency who, on a regular or irregular basis, receives any child under the age of sixteen (16) years, for the purpose of care and/or supervision, not in a home or residence, apart from the child's parent or guardian for any part of a twenty-four (24) hour day irrespective of compensation. It shall include child day care programs that are offered to employees at the worksite. It does not include preschool programs operating in schools approved by the commissioner of elementary and secondary education.

(6) "Child day care provider" means a person or agency, which offers daily care and/or supervision offered commercially to the public for any part of a twenty-four (24) hour day to children away from their homes.

(7) "Department" means the department of human services (DHS).

(8) "Director" means the director of the department of human services, or the director's designee.

(9) "Family day care home" means any home other than the child's home in which child day care in lieu of parental care and/or supervision is offered at the same time to four (4) or more children who are not relatives of the care giver.

(10) "Group family day care home" means a residence occupied by an individual of at least
twenty-one (21) years of age who provides care for not less than nine (9) and not more than twelve
(12) children, with the assistance of one or more approved adults, for any part of a twenty-four (24)
hour day. These programs shall be subject to yearly licensing as addressed in this chapter and shall
comply with all applicable state and local fire, health, and zoning regulations.

(11) "Licensee" means any person, firm, corporation, association, or agency, which holds
a valid license under this chapter.

(12) "Regulation" means any requirement for licensure, promulgated pursuant to this
chapter having the force of law.

(13) "Related" means any of the following relationships, by marriage, blood or adoption,
even following the death or divorce of a natural parent: parent, grandparent, brother, sister, aunt,
uncle, and first cousin. In a prosecution under this chapter or of any law relating thereto, a defendant
who relies for a defense upon the relationship of any child to him or herself, the defendant shall
have the burden of proof as to the relationship.

42-12-5-3. Powers and scope of activities.
(a) The department shall issue, deny, suspend, and revoke licenses for, and monitor the
operation of, facilities and programs by child day care providers, as defined in § 42-12-5-2.
(b) The department is hereby authorized and directed to adopt, amend, and rescind
regulations in accordance with this chapter and implement its provisions. The regulations shall be
promulgated and become effective in accordance with the provisions of the Administrative
Procedures Act, chapter 35 of title 42 and shall address, but need not be limited to the following:
(1) Financial, administrative and organizational ability, and stability of the applicant;
(2) Compliance with specific fire and safety codes and health regulations;
(3) Character, health suitability, qualifications of child day care providers;
(4) Staff/child ratios and workload assignments of staff providing care or supervision to
children;
(5) Type and content of records or documents that must be maintained to collect and retain
information for the planning and caring for children;
(6) Procedures and practices regarding basic child day care to ensure protection to the child;
(7) Service to families of children in care;
(8) Program activities, including components related to physical growth, social, emotional,
educational, and recreational activities;
(9) Investigation of previous employment, criminal record check and department records
check; and
(10) Immunization and testing requirements for communicable diseases, including, but not
limited to, tuberculosis, of child day care providers and children at any child day-care center or
family day-care home as is specified in regulations promulgated by the director of the department
of health. Notwithstanding the foregoing, all licensing and monitoring authority shall remain with
the department of human services.

(c) The department through its licensing unit shall administer and manage the regulations
pertaining to the licensing and monitoring of child day care providers, and shall exercise all
statutory and administrative powers necessary to carry out its functions.

(d) The administrator shall investigate complaints of noncompliance, and shall take
licensing action as may be necessary pursuant to this chapter.

(e) The administrator may:

(1) Prescribe any forms for reports, statements, notices, and other documents deemed
necessary;

(2) Prepare and publish manuals and guides explaining this chapter and the regulations to
facilitate compliance with and enforcement of the regulations;

(3) Prepare reports and studies to advance the purpose of this chapter;

(4) Provide consultation and technical assistance, as requested, to assist licensees in
maintaining compliance; and

(f) The department may promulgate rules and regulations for the establishment of child day
care centers located on the second floor.

(g) When the department is otherwise unsuccessful in remedying noncompliance with the
provisions of this chapter and the regulations promulgated thereunder it may petition the superior
court for an order enjoining the noncompliance or for any order that equity and justice may require.

(h) The department shall collaborate with the departments of children, youth, and families,
elementary and secondary education, and health to provide monitoring, mentoring, training,
technical assistance, and other services which are necessary and appropriate to improving the
quality of child day care offered by child day care providers who are certified, licensed, or approved
by the department or the department of elementary and secondary education or who are seeking
certification, licensure, or approval pursuant to § 42-12.5 or § 16-48-2, including non-English
speaking providers.

(i) Notwithstanding the transfer of licensing to and the licensing and monitoring of day and
child care facilities to the department of human services, pursuant to chapter 42-72.1, the
department of children, youth and families will continue to be the agency responsible for
investigating any complaint of abuse and neglect that is alleged to have occurred at a day care or
child care facility. Any appeal of an investigative finding of abuse or neglect against a staff member,
paid or otherwise, including managerial or contract personnel, or visitor may be appealed to the
Rhode Island Family Court.

42-12.5-4. License required.

(a) No person shall receive or place children in child day care services, including day care
arrangements, without a license issued pursuant to this chapter. This requirement does not apply to
a person related by blood, marriage, guardianship or adoption to the child, unless that arrangement
is for the purposes of day care.

(b) The licensing requirement does not apply to shelter operations for parents with children,
boarding schools, recreation camps, nursing homes, hospitals, maternity residences, and centers for
developmentally disabled children.

(c) No person, firm, corporation, association, or agency shall operate a family day care
home without a registration certificate issued by the department, unless they hold an unexpired
registration certificate issued by the Department of Children, Youth, and Families prior to January
1, 2020.

(d) No state, county, city, or political subdivision shall operate a child day care agency or
center, program or facility without a license issued pursuant to this chapter.

(e) No person shall be exempt from a required license by reason of public or private,
sectarian, non-sectarian, child day care program, for profit or non-profit status, or by any other
reason of funding, sponsorship, or affiliation.

42-12.5-5. General licensing provisions.

The following general licensing provisions shall apply:

(1) A license issued under this chapter is not transferable and applies only to the licensee
and the location stated in the application and remains the property of the department. A license
shall be publicly displayed. A license shall be valid for one year from the date of issue and upon
continuing compliance with the regulations, except that a certificate issued to a family day care
home shall be valid for two (2) years from the date of issue.

(2) Every license application issued pursuant to § 42-12.5-4 shall be accompanied by a
nonrefundable application fee paid to the State of Rhode Island as follows:

(a) Child day care center license- five hundred dollars ($500);

(b) Group family day care home license – two hundred and fifty dollars ($250);

(c) Family day care home license- one hundred dollars ($100).

(3) All fees collected by the state pursuant to paragraph (2) of this section shall be deposited
by the general treasurer as general revenues.

(4) A licensee shall comply with applicable state fire and health safety standards.
(5) The department may grant a provisional license to an applicant who is not able to
demonstrate compliance with all of the regulations because the program or residence is not in full
operation; however, the applicant must meet all regulations that can be met in the opinion of the
administrator before the program is fully operational. The provisional license shall be granted for
a limited period not to exceed six (6) months and shall be subject to review every three (3) months.

(6) The department may grant a probationary license to a licensee who is temporarily
unable to comply with a rule or rules when the noncompliance does not present an immediate threat
to the health and well-being of the children, and when the licensee has obtained a plan approved
by the administrator to correct the areas of noncompliance within the probationary period. A
probationary license shall be issued for up to twelve (12) months; it may be extended for an
additional six (6) months at the discretion of the administrator. A probationary license that states
the conditions of probation may be issued by the administrator at any time for due cause. Any prior
existing license is invalidated when a probationary license is issued. When the probationary license
expires, the administrator may reinstate the original license to the end of its term, issue a new
license, suspend, or revoke the license.

(7) The administrator will establish criteria and procedure for granting variances as part of
the regulations.

(8) The above exceptions (probationary and provisional licensing and variances) do not
apply to and shall not be deemed to constitute any variance from state fire and health safety
standards. However, if a request for a variance of fire inspection deficiencies has been submitted
to the fire safety code board of appeal and review, DHS may grant a provisional license to terminate
no later than thirty (30) days following the board's decision on said variance.

(9) A license under this chapter shall be granted to a child day care program without the
necessity for a separate fire, building, or radon inspection, when said child day care program is
conducted at a Rhode Island elementary or secondary school which has already been found in
compliance with said inspections, provided that an applicant complies with all other provisions of
DHS regulations, or has been granted appropriate variances by the department.

42-12.5-6. Violations, suspensions and revocations of license.
(a) When a licensee violates the terms of the license, the provisions of this chapter, or any
regulation thereunder, the department may pursue the administrative remedies herein provided, in
addition to other civil or criminal remedies according to the general laws.

(b) After notice and hearing, as provided by the Administrative Procedures Act, chapter 35
of title 42, the administrator may revoke the license, or suspend the license for a period not
exceeding six (6) months.
(c) During a suspension, the facility or program shall cease operation.

(d) To end a suspension, the licensee shall, within thirty (30) days of the notice of suspension, submit an acceptable plan of corrective action to the administrator. The plan shall outline the steps and timetables for immediate correction of the areas of noncompliance and is subject to the approval of the administrator.

(e) At the end of the suspension, the administrator may reinstate the license for the term of the original license, revoke the license, issue a new license, or deny a reapplication.

(f) Upon revocation, the licensed program or facility shall cease operation. The licensee whose license has been revoked may not apply for a similar license within a three (3) year period from the date of revocation.

(g) Except in those instances wherein there is a determination that there exists a danger to the public health, safety, or welfare or there is a determination that the childcare provider has committed a serious breach of state law, orders, or regulation, the director shall utilize progressive penalties for noncompliance of any rule, regulation or order relating to childcare providers. Progressive penalties could include written notice of noncompliance, education and training, suspending enrollment to the program, assessing fines, suspension of license, and revocation of license.

(h) Any child day care provider, as defined in this chapter, who has exhausted all administrative remedies within the department of human services and who aggrieved by a final order of the department of human services, may file for judicial review in the superior court of Providence county pursuant to § 42-35-15.

(i) The Rhode Island Family Court shall retain jurisdiction over those complaints investigated by the department of children, youth and families, pursuant to chapter 72.1, regardless of whether licensing and monitoring is performed under chapter 12.5 of this title or chapter 72.1 of this title.

42-12.5-7. Penalties for violations.

(a) Any person who violates any of the provisions of this chapter, or any regulations issued pursuant to this chapter, or who shall intentionally make any false statement or reports to the director with reference to the matters contained herein, shall, upon conviction for the first offense, be imprisoned for a term not exceeding six (6) months or be fined not exceeding five hundred dollars ($500), or both, and for a second or subsequent offense, shall be imprisoned for a term not exceeding one year or be fined not exceeding one thousand dollars ($1000), or both the fine and imprisonment.

(b) Anyone who maintains or conducts a program or facility without first having obtained
a license pursuant to this chapter, or who maintains or conducts a program or facility after a license
has been revoked or suspended, or who shall refuse to permit a reasonable inspection and
examination of a program or facility, shall be guilty of a misdemeanor and, upon conviction, shall
be fined not more than five hundred dollars ($500) for each week that the program or facility shall
have been maintained without a license or for each refusal to permit inspection and examination by
the director.

(c) Any individual, firm, corporation, or other entity who maintains or conducts a family
day care home without first having obtained a registration certificate for the home pursuant to this
chapter, shall be guilty of a misdemeanor and, upon conviction, shall be fined not less than twenty-
five dollars ($25.00) nor more than one hundred dollars ($100) for each week that the home shall
have been maintained without a valid registration certificate.

(d) The department shall refer any violations to the attorney general's office for
prosecution.

42-12.5-8. Open door policy.

There shall be an open door policy permitting any custodial parent or legal guardian to
have access to a day care facility for any program when their child is in attendance.

Business Regulatory Fairness in Administrative Procedures" are hereby amended to read as
follows:

42-35.1-5. Small business enforcement ombudsman.

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

(b) The ombudsman shall:

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

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

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

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

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

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

Affairs Department" are hereby amended to read as follows:

**42-66-2. Establishment of department -- Director.**

There is established within the executive branch of state government a department of
elderly affairs. The head director of the department shall be the director of elderly affairs, who shall
be a person qualified by training and experience to perform the duties of the office appointed by
and reporting directly to the governor, with the advice and consent of the senate. The director shall
be in the unclassified service, appointed by the governor with the advice and consent of the senate,
and shall serve at the pleasure of the governor and until the appointment and qualification of the
director's successor. The director shall receive a salary as provided by law.

SECTION 18. Section 42-64.13-8 of the General Laws in Chapter 42-64.13 entitled
"Rhode Island Regulatory Reform Act" is hereby amended to read as follows:

**42-64.13-8. Regulatory analysis responsibilities.**

The office of regulatory reform shall have the following regulatory analysis and reporting
responsibilities:

(1) The office of regulatory reform shall, upon the conclusion of each fiscal year, prepare
and publish a report on the regulatory processes of state and municipal agencies and permitting
authorities through a review and an analysis of proposed and existing rules and regulations to: (i)
Encourage agencies to eliminate, consolidate, simplify, expedite or otherwise improve permits,
permitting procedures and paperwork burdens affecting businesses, municipal government
undertakings, industries and other matters of economic development impact in the state; (ii)
Analyze the impact of proposed and existing rules and regulations on matters such as public health,
safety and welfare, including job creation, and make recommendations for simplifying regulations
and regulatory processes of state and municipal agencies and permitting authorities; (iii) Propose
to any state or municipal agency consideration for amendment or repeal of any existing rules or
procedures which may be obsolete, harmful to the economy or job growth in the state, or
excessively burdensome with respect to any state or federal statutes or regulations; and (iv) Assist
and coordinate with all agencies during the periodic review of rules required by § 42-35-3.4 of the Administrative Procedures Act.

(2) The ombudsman of the office department of business regulation regulatory reform shall implement the provisions of § 42-35.1-1 of the general laws entitled Small Business Regulatory Fairness and Administrative Procedures, and shall be the small business regulatory enforcement office pursuant to § 42-35.1-5 of the general laws.

SECTION 19. Section 42-72-5 of the General Laws in Chapter 42-72 entitled "Department of Children, Youth and Families" is hereby amended to read as follows:

42-72-5. Powers and scope of activities.

(a) The department is the principal agency of the state to mobilize the human, physical, and financial resources available to plan, develop, and evaluate a comprehensive and integrated statewide program of services designed to ensure the opportunity for children to reach their full potential. The services include prevention, early intervention, outreach, placement, care and treatment, and after-care programs; provided, however, that the department notifies the state police and cooperates with local police departments when it receives and/or investigates a complaint of sexual assault on a minor and concludes that probable cause exists to support the allegations(s).

The department also serves as an advocate for the needs of children.

(b) To accomplish the purposes and duties, as set forth in this chapter, the director is authorized and empowered:

(1) To establish those administrative and operational divisions of the department that the director determines is in the best interests of fulfilling the purposes and duties of this chapter;

(2) To assign different tasks to staff members that the director determines best suit the purposes of this chapter;

(3) To establish plans and facilities for emergency treatment, relocation, and physical custody of abused or neglected children that may include, but are not limited to, homemaker/educator child-case aides, specialized foster-family programs, day-care facilities, crisis teams, emergency parents, group homes for teenage parents, family centers within existing community agencies, and counseling services;

(4) To establish, monitor, and evaluate protective services for children including, but not limited to, purchase of services from private agencies and establishment of a policy and procedure manual to standardize protective services;

(5) To plan and initiate primary- and secondary-treatment programs for abused and neglected children;

(6) To evaluate the services of the department and to conduct periodic, comprehensive-
needs assessment;

(7) To license, approve, monitor, and evaluate all residential and non-residential child care institutions, group homes, foster homes, and programs;

(8) To recruit and coordinate community resources, public and private;

(9) To promulgate rules and regulations concerning the confidentiality, disclosure, and expungement of case records pertaining to matters under the jurisdiction of the department;

(10) To establish a minimum mandatory level of twenty (20) hours of training per year and provide ongoing staff development for all staff; provided, however, all social workers hired after June 15, 1991, within the department shall have a minimum of a bachelor's degree in social work or a closely related field, and must be appointed from a valid, civil-service list;

(11) To establish procedures for reporting suspected child abuse and neglect pursuant to chapter 11 of title 40;

(12) To promulgate all rules and regulations necessary for the execution of departmental powers pursuant to the Administrative Procedures Act, chapter 35 of title 42;

(13) To provide and act as a clearinghouse for information, data, and other materials relative to children;

(14) To initiate and carry out studies and analysis that will aid in solving local, regional, and statewide problems concerning children;

(15) To represent and act on behalf of the state in connection with federal-grant programs applicable to programs for children in the functional areas described in this chapter;

(16) To seek, accept, and otherwise take advantage of all federal aid available to the department, and to assist other agencies of the state, local agencies, and community groups in taking advantage of all federal grants and subventions available for children;

(17) To review and coordinate those activities of agencies of the state, and of any political subdivision of the state, that affect the full and fair utilization of community resources for programs for children, and initiate programs that will help ensure utilization;

(18) To administer the pilot, juvenile-restitution program, including the overseeing and coordinating of all local, community-based restitution programs, and the establishment of procedures for the processing of payments to children performing community service;

(19) To adopt rules and regulations that:

(i) For the twelve-month (12) period beginning on October 1, 1983, and for each subsequent twelve-month (12) period, establish specific goals as to the maximum number of children who will remain in foster care for a period in excess of two (2) years; and

(ii) Are reasonably necessary to implement the child-welfare services and foster-care
programs;

(20) May establish and conduct seminars for the purpose of educating children regarding sexual abuse;

(21) To establish fee schedules by regulations for the processing of requests from adoption placement agencies for adoption studies, adoption study updates, and supervision related to interstate and international adoptions. The fee shall equal the actual cost of the service(s) rendered, but in no event shall the fee exceed two thousand dollars ($2,000);

(22) To be responsible for the education of all children who are placed, assigned, or otherwise accommodated for residence by the department in a state-operated or -supported community residence licensed by a Rhode Island state agency. In fulfilling this responsibility, the department is authorized to enroll and pay for the education of students in the public schools or, when necessary and appropriate, to itself provide education in accordance with the regulations of the board of regents for elementary and secondary education either directly or through contract;

(23) To develop multidisciplinary service plans, in conjunction with the department of health, at hospitals prior to the discharge of any drug-exposed babies. The plan requires the development of a plan using all health-care professionals;

(24) To be responsible for the delivery of appropriate mental health services to seriously emotionally disturbed children and children with functional developmental disabilities. Appropriate mental health services may include hospitalization, placement in a residential treatment facility, or treatment in a community-based setting. The department is charged with the responsibility for developing the public policy and programs related to the needs of seriously emotionally disturbed children and children with functional developmental disabilities; In fulfilling its responsibilities the department shall:

(i) Plan a diversified and comprehensive network of programs and services to meet the needs of seriously emotionally disturbed children and children with functional developmental disabilities;

(ii) Provide the overall management and supervision of the state program for seriously emotionally disturbed children and children with functional developmental disabilities;

(iii) Promote the development of programs for preventing and controlling emotional or behavioral disorders in children;

(iv) Coordinate the efforts of several state departments and agencies to meet the needs of seriously emotionally disturbed children and children with functional developmental disabilities and to work with private agencies serving those children;

(v) Promote the development of new resources for program implementation in providing
services to seriously emotionally disturbed children and children with functional developmental disabilities.

The department shall adopt rules and regulations that are reasonably necessary to implement a program of mental health services for seriously emotionally disturbed children.

Each community, as defined in chapter 7 of title 16, shall contribute to the department, at least in accordance with rules and regulations to be adopted by the department, at least its average per-pupil cost for special education for the year in which placement commences, as its share of the cost of educational services furnished to a seriously emotionally disturbed child pursuant to this section in a residential treatment program that includes the delivery of educational services.

"Seriously emotionally disturbed child" means any person under the age of eighteen (18) years, or any person under the age of twenty-one (21) years, who began to receive services from the department prior to attaining eighteen (18) years of age and has continuously received those services thereafter; who has been diagnosed as having an emotional, behavioral, or mental disorder under the current edition of the Diagnostic and Statistical Manual and that disability has been ongoing for one year or more or has the potential of being ongoing for one year or more; and the child is in need of multi-agency intervention; and the child is in an out-of-home placement or is at risk of placement because of the disability.

A child with a “functional developmental disability” means any person under the age of eighteen (18) years or any person under the age of twenty-one (21) years who began to receive services from the department prior to attaining eighteen (18) years of age and has continuously received those services thereafter.

The term "functional developmental disability" includes autism spectrum disorders and means a severe, chronic disability of a person that:

(A) Is attributable to a mental or physical impairment or combination of mental physical impairments;

(B) Is manifested before the person attains age eighteen (18);

(C) Is likely to continue indefinitely;

(D) Results in age-appropriate, substantial, functional limitations in three (3) or more of the following areas of major life activity:

(I) Self-care;

(II) Receptive and expressive language;

(III) Learning;

(IV) Mobility;

(V) Self direction;
(VI) Capacity for independent living; and

(VII) Economic self-sufficiency; and

(E) Reflects the person’s need for a combination and sequence of special, interdisciplinary, or generic care, treatment, or other services that are of life-long or extended duration and are individually planned and coordinated.

Funding for these clients shall include funds that are transferred to the department of human services as part of the managed health-care-program transfer. However, the expenditures relating to these clients shall not be part of the department of human services’ caseload estimated for the semi-annual, caseload-estimating conference. The expenditures shall be accounted for separately;

(25) To provide access to services to any person under the age of eighteen (18) years, or any person under the age of twenty-one (21) years who began to receive child-welfare services from the department prior to attaining eighteen (18) years of age, has continuously received those services thereafter, and elects to continue to receive such services after attaining the age of eighteen (18) years. The general assembly has included funding in the FY 2008 DCYF budget in the amount of $10.5 million from all sources of funds and $6.0 million from general revenues to provide a managed system to care for children serviced between 18 to 21 years of age. The department shall manage this caseload to this level of funding;

(26) To initiate transition planning in cooperation with the department of behavioral healthcare, developmental disabilities and hospitals and local school departments for any child who receives services through DCYF; is seriously emotionally disturbed or developmentally delayed pursuant to paragraph (b)(24)(v); and whose care may or shall be administered by the department of behavioral healthcare, developmental disabilities and hospitals after the age of twenty-one (21) years; the transition planning shall commence at least twelve (12) months prior to the person’s twenty-first birthday and shall result in a collaborative plan submitted to the family court by both the department of behavioral healthcare, developmental disabilities and hospitals and the department of children, youth and families and shall require the approval of the court prior to the dismissal of the abuse, neglect, dependency, or miscellaneous petition before the child’s twenty-first birthday;

(27) To develop and maintain, in collaboration with other state and private agencies, a comprehensive continuum of care in this state for children in the care and custody of the department or at risk of being in state care. This continuum of care should be family centered and community based with the focus of maintaining children safely within their families or, when a child cannot live at home, within as close proximity to home as possible based on the needs of the child and resource availability. The continuum should include community-based prevention, family support,
and crisis-intervention services, as well as a full array of foster care and residential services, including residential services designed to meet the needs of children who are seriously emotionally disturbed, children who have a functional developmental disability, and youth who have juvenile justice issues. The director shall make reasonable efforts to provide a comprehensive continuum of care for children in the care and custody of DCYF, taking into account the availability of public and private resources and financial appropriations and the director shall submit an annual report to the general assembly as to the status of his or her efforts in accordance with the provisions of § 42-72-4(b)(13);

(28) To administer funds under the John H. Chafee Foster Care Independence and Educational and Training Voucher (ETV) Programs of Title IV-E of the Social Security Act [42 U.S.C. § 677] and the DCYF higher education opportunity grant program as outlined in chapter 72.8 of title 42, in accordance with rules and regulations as promulgated by the director of the department; and

(29) To process nationwide, criminal-record checks on prospective foster parents and any household member age 18 or older, prospective adoptive parents and any household member age 18 and older, operators of child-care facilities, persons seeking to act as volunteer court-appointed special advocates, persons seeking employment in a child-care facility or at the training school for youth or on behalf of any person seeking employment at DCYF, who are required to submit to nationwide, criminal-background checks as a matter of law.

(c) In order to assist in the discharge of his or her duties, the director may request from any agency of the state information pertinent to the affairs and problems of children.

SECTION 20. The title of Chapter 42-72.1 of the General Laws entitled "Licensing and Monitoring of Childcare Providers and Child-Placing Agencies" is hereby amended to read as follows:

CHAPTER 42-72.1
LICENSING AND MONITORING OF CHILDPLACING AGENCIES

CHAPTER 42-72.1
LICENSING AND MONITORING OF CHILD PLACING AGENCIES, CHILD CARING AGENCIES, FOSTER AND ADOPTIVE HOMES, AND CHILDREN'S BEHAVIORAL HEALTH PROGRAMS


(a) The director of the department of children, youth, and families, pursuant to § 42-72-5(b)(7) and § 42-72-5(b)(24), shall establish within the department a unit to license and monitor child care providers and child-placing agencies, child caring agencies, foster and adoptive homes, and children’s behavioral health programs to protect the health, safety and well being of children temporarily separated from or being cared for away from their natural families.

(b) Services for children requiring licensure under this chapter shall include all child care providers and child placing agencies, child caring agencies, foster and adoptive homes, and children’s behavioral health programs which offer services within the state, except as defined in § 42-72.1-5.


As used in this chapter:

1. "Administrator of licensing" means the director of the licensing unit (or his/her designee) that carries out the provisions of this chapter, hereafter referred to as the "administrator".

2. "Applicant" means a child placing agency, child caring agencies, foster and adoptive homes, and children’s behavioral health programs or childcare provider that applies for a license to operate.

3. "Child" means any person less than eighteen (18) years of age; provided, that a child over eighteen (18) years of age who is nevertheless subject to continuing jurisdiction of the family court, pursuant to chapter 1 of title 14, or defined as emotionally disturbed according to chapter 7 of title 40.1, shall be considered a child for the purposes of this chapter.

4. "Childcare provider" means a person or agency, which offers residential or nonresidential care and/or treatment for a child outside of his/her natural home.

5. "Child day care or childcare" means daily care and/or supervision offered commercially to the public for any part of a twenty-four (24) hour day to children away from their homes.

6. "Child day-care center or childcare center" means any person, firm, corporation, association, or agency who, on a regular or irregular basis, receives any child under the age of sixteen (16) years, for the purpose of care and/or supervision, not in a home or residence, apart from the child’s parent or guardian for any part of a twenty-four (24) hour day irrespective of compensation or reward. It shall include childcare programs that are offered to employees at the worksite. It does not include nursery schools or other programs of educational services subject to approval by the commissioner of elementary and secondary education.

7. "Child Caring Agency" means any facility that provides residential treatment, residential group home care or semi-independent living, or residential assessment and stabilization.
"Child-placing agency" means any private or public agency, which receives children for placement into independent living arrangements, supervised apartment living, residential group care facilities, family foster homes, or adoptive homes.

(6) “Children’s Behavioral Health Program” means any private or public agency which provides behavioral health services to children.

(7) “Department” means the department of children, youth and families (DCYF).

(8) “Director” means the director of the department of children, youth and families, or the director's designee.

(9) “Foster and Adoptive Homes” means one or more adults who are licensed to provide foster or adoptive caregiving in a family-based home setting.

(10) “Family day care home” means any home other than the child’s home in which child day care in lieu of parental care and/or supervision is offered at the same time to four (4) or more children who are not relatives of the care giver.

(11) “Group family day care home” means a residence occupied by an individual of at least twenty-one (21) years of age who provides care for not less than nine (9) and not more than twelve (12) children, with the assistance of one or more approved adults, for any part of a twenty-four (24) hour day. The maximum of twelve (12) children shall include children under six (6) years of age who are living in the home, school age children under the age of twelve (12) years whether they are living in the home or are received for care and children related to the provider who are received for care. These programs shall be subject to yearly licensing as addressed in this chapter and shall comply with all applicable state and local fire, health, and zoning regulations.

(12) “Licensee” means any person, firm, corporation, association, or agency, which holds a valid license under this chapter.

(13) “Regulation” means any requirement for licensure, promulgated pursuant to this chapter having the force of law.

(14) “Related” means any of the following relationships, by marriage, blood or adoption, even following the death or divorce of a natural parent: parent, grandparent, brother, sister, aunt, uncle, and first cousin. In a prosecution under this chapter or of any law relating thereto, a defendant who relies for a defense upon the relationship of any child to him or herself, the defendant shall have the burden of proof as to the relationship.


(a) The department shall issue, deny, and revoke licenses for, and monitor the operation of, facilities and programs by child placing agencies, child caring agencies, foster and adoptive homes, and children’s behavioral health programs and child care providers, as defined in § 42-72.1-2.
(b) The department shall adopt, amend, and rescind regulations in accordance with this chapter and implement its provisions. The regulations shall be promulgated and become effective in accordance with the provisions of the Administrative Procedures Act, chapter 35 of this title.

(c) The department through its licensing unit shall administer and manage the regulations pertaining to the licensing and monitoring of those agencies, and shall exercise all statutory and administrative powers necessary to carry out its functions.

(d) The administrator shall investigate complaints of noncompliance, and shall take licensing action as required.

(e) Regulations formulated pursuant to the foregoing authority shall include, but need not be limited to, the following:

1. Financial, administrative and organizational ability, and stability of the applicant;
2. Compliance with specific fire and safety codes and health regulations;
3. Character, health suitability, qualifications of child-placing agencies, child caring agencies, foster and adoptive homes, and children’s behavioral health programs childcare providers;
4. Staff/child ratios and workload assignments of staff providing care or supervision to children;
5. Type and content of records or documents that must be maintained to collect and retain information for the planning and caring for children;
6. Procedures and practices regarding basic childcare and placing services to ensure protection to the child regarding the manner and appropriateness of placement;
7. Service to families of children in care;
8. Program activities, including components related to physical growth, social, emotional, educational, and recreational activities, social services and habilitative or rehabilitative treatment; and
9. Investigation of previous employment, criminal record check and department records check, and
10. Immunization and testing requirements for communicable diseases, including, but not limited to, tuberculosis, of childcare providers and children at any child day-care center or family day-care home as is specified in regulations promulgated by the director of the department of health. Notwithstanding the foregoing, all licensing and monitoring authority shall remain with the department of children, youth and families.

(f) The administrator may:

1. Prescribe any forms for reports, statements, notices, and other documents deemed...
necessary;

(2) Prepare and publish manuals and guides explaining this chapter and the regulations to facilitate compliance with and enforcement of the regulations;

(3) Prepare reports and studies to advance the purpose of this chapter;

(4) Provide consultation and technical assistance, as requested, to assist licensees in maintaining compliance; and

(5) Refer to the advisory council for children and families for advice and consultation on licensing matters.

(g) The department may promulgate rules and regulations for the establishment of child day care centers located on the second floor.

(h) When the department is otherwise unsuccessful in remedying noncompliance with the provisions of this chapter and the regulations promulgated under it, it may petition the family court for an order enjoining the noncompliance or for any order that equity and justice may require.

(i) The department shall collaborate with the departments of human services, elementary and secondary education, and health to provide monitoring, mentoring, training, technical assistance, and other services which are necessary and appropriate to improving the quality of childcare offered by childcare providers who are certified, licensed, or approved by the department or the department of elementary and secondary education or who are seeking certification, licensure, or approval pursuant to this chapter or § 16-48-2, including non-English speaking providers.

(j) The department shall adopt, amend, and rescind regulations in the same manner as set forth above in order to permit the placement of a pregnant minor in a group residential facility which provides a shelter for pregnant adults as its sole purpose.

(i) Notwithstanding the transfer of licensing to and the licensing and monitoring of day and child care facilities to the department of human services, pursuant to chapter 42-12.5, the department of children, youth and families will continue to be the agency responsible for investigating any complaint of abuse and neglect that is alleged to have occurred at a day care or child care facility. Any appeal of an investigative finding of abuse or neglect against a staff member, paid or otherwise, including managerial or contract personnel, or visitor may be appealed to the Rhode Island Family Court.

(j) The Rhode Island Family Court shall retain jurisdiction over those complaints investigated by the department of children, youth and families, pursuant to this chapter, regardless of whether licensing and monitoring is performed under chapter 12.5 of this title or chapter 72.1 of this title.
42-72.1-4. License required.  

(a) No person shall provide continuing full-time care for a child apart from the child’s parents, or receive or place children in child care services, including day care arrangements, without a license issued pursuant to this chapter. This requirement does not apply to a person related by blood, marriage, guardianship or adoption to the child. Licensing requirements for child day care services are governed by §42-12.5-4 et seq., unless that arrangement is for the purposes of day care.  

(b) The licensing requirement does not apply to shelter operations for parents with children, boarding schools, recreation camps, nursing homes, hospitals, maternity residences, and centers for developmentally disabled children.  

(c) No person, firm, corporation, association, or agency, other than a parent shall place, offer to place, or assist in the placement of a child in Rhode Island, for the purpose of adoption, unless the person, firm, corporation, or agency shall have been licensed for those purposes by the department or is a governmental child-placing agency, and that license shall not have been rescinded at the time of placement of a child for the purpose of adoption. The above does not apply when a person, firm, corporation, association, or agency places, offers to place, or assists in the placement of a child in Rhode Island, for the purpose of adoption through a child-placement agency duly licensed for child-placement in the state or through the department of children, youth, and families, nor when the child is placed with a father, sister, brother, aunt, uncle, grandparent, or stepparent of the child.  

(d) No parent shall assign or otherwise transfer to another not related to him or her by blood or marriage, his or her rights or duties with respect to the permanent care and custody of his or her child under eighteen (18) years of age unless duly authorized so to do by an order or decree of court.  

(e) No person shall bring or send into the state any child for the purpose of placing him or her out, or procuring his or her adoption, or placing him or her in a foster home without first obtaining the written consent of the director, and that person shall conform to the rules of the director and comply with the provisions of the Interstate Compact on the Placement of Children, chapter 15 of title 40.  

(f) No person, firm, corporation, association, or agency shall operate a family day care home without a registration certificate issued by the department.  

(g) No state, county, city, or political subdivision shall operate a child placing or child care agency, child caring agency, foster and adoptive home, or children’s behavioral health program or facility without a license issued pursuant to this chapter.
No person shall be exempt from a required license by reason of public or private, sectarian, non-sectarian, court-operated child placement program, foster and adoptive home, or children’s behavioral health program status, or by any other reason of funding, sponsorship, or affiliation.

42-72.1-5. General licensing provisions.

The following general licensing provisions shall apply:

(1) A license issued under this chapter is not transferable and applies only to the licensee and the location stated in the application and remains the property of the department. A license shall be publicly displayed. A license shall be valid for one year from the date of issue and upon continuing compliance with the regulations, except that a certificate issued to a family day care home, a license issued to a foster parent, and/or a license issued to a program for mental health services for “seriously emotionally disturbed children” as defined in § 42-72-5(b)(24) shall be valid for two (2) years from the date of issue.

(2) Every license application issued pursuant to § 42-72.1-4 shall be accompanied by a nonrefundable application fee paid to the State of Rhode Island as follows:

(a) Adoption and foster care child placing agency license—one thousand dollars ($1000);
(b) Child day care center license—five hundred dollars ($500);
(c) Group family day care home license—two hundred and fifty dollars ($250);
(d) Family day care home license—one hundred dollars ($100).

(3) All fees collected by the State pursuant to paragraph (2) of this section shall be deposited by the general treasurer as general revenues.

(4) A licensee shall comply with applicable state fire and health safety standards.

(5) The department may grant a provisional license to an applicant, excluding any foster parent applicant, who is not able to demonstrate compliance with all of the regulations because the program or residence is not in full operation; however, the applicant must meet all regulations that can be met in the opinion of the administrator before the program is fully operational. The provisional license shall be granted for a limited period not to exceed six (6) months and shall be subject to review every three (3) months.

(6) The department may grant a probationary license to a licensee who is temporarily unable to comply with a rule or rules when the noncompliance does not present an immediate threat to the health and well-being of the children, and when the licensee has obtained a plan approved by the administrator to correct the areas of noncompliance within the probationary period. A probationary license shall be issued for up to twelve (12) months; it may be extended for an additional six (6) months at the discretion of the administrator. A probationary license that states
the conditions of probation may be issued by the administrator at any time for due cause. Any prior
existing license is invalidated when a probationary license is issued. When the probationary license
expires, the administrator may reinstate the original license to the end of its term, issue a new
license or revoke the license.

(7) The administrator will establish criteria and procedure for granting variances as part of
the regulations.

(8) The above exceptions (probationary and provisional licensing and variances) do not
apply to and shall not be deemed to constitute any variance from state fire and health safety
standards. However, if a request for a variance of fire inspection deficiencies has been submitted
to the fire safety code board of appeal and review, DCYF may grant a provisional license to
terminate no later than thirty (30) days following the board's decision on said variance.

(9) A license under this chapter shall be granted to a school age child day care program
without the necessity for a separate fire, building, or radon inspection, when said child day care
program is conducted at a Rhode Island elementary or secondary school which has already been
found in compliance with said inspections, provided that an applicant complies with all other
provisions of DCYF regulations, or has been granted appropriate variances by the department.

42-72.1-6. Violations, suspensions and revocations of license.

(a) When a licensee violates the terms of the license, the provisions of this chapter, or any
regulation thereunder, the department may pursue the administrative remedies herein provided, in
addition to other civil or criminal remedies according to the general laws.

(b) After notice and hearing, as provided by the Administrative Procedures Act, chapter 35
of this title, the administrator may revoke the license, or suspend the license for a period not
exceeding six (6) months.

(c) During a suspension, the agency, facility or program shall cease operation.

(d) To end a suspension, the licensee shall, within thirty (30) days of the notice of
suspension, submit a plan of corrective action to the administrator. The plan shall outline the steps
and timetables for immediate correction of the areas of noncompliance and is subject to the
approval of the administrator.

(e) At the end of the suspension, the administrator may reinstate the license for the term of
the original license, revoke the license, issue a new license, or deny a reapplication.

(f) Upon revocation, the licensed agency, program or facility shall cease operation. The
licensee whose license has been revoked may not apply for a similar license within a three (3) year
period from the date of revocation.

(g) Except in those instances wherein there is a determination that there exists a danger to
the public health, safety, or welfare or there is a determination that the childcare provider has committed a serious breach of State law, orders, or regulation, the director shall utilize progressive penalties for noncompliance of any rule, regulation or order relating to childcare providers. Progressive penalties could include written notice of noncompliance, education and training, suspending enrollment to the program, assessing fines, suspension of license, and revocation of license.

**42-72.1-7. Penalties for violations.**

(a) Any person who violates any of the provisions of this chapter, or any regulations issued pursuant to this chapter, or who shall intentionally make any false statement or reports to the director with reference to the matters contained herein, shall, upon conviction for the first offense, be imprisoned for a term not exceeding six (6) months or be fined not exceeding five hundred dollars ($500), or both, and for a second or subsequent offense, shall be imprisoned for a term not exceeding one year or be fined not exceeding one thousand dollars ($1000), or both the fine and imprisonment.

(b) Anyone who maintains or conducts a program, agency, or facility without first having obtained a license, or who maintains or conducts a program, agency, or facility after a license has been revoked or suspended, or who shall refuse to permit a reasonable inspection and examination of a program, agency, or facility, shall be guilty of a misdemeanor and, upon conviction, shall be fined not more than five hundred dollars ($500) for each week that the program, agency, or facility shall have been maintained without a license or for each refusal to permit inspection and examination by the director.

(c) Any individual, firm, corporation, or other entity who maintains or conducts a family day care home without first having obtained a registration certificate for the home, shall be guilty of a misdemeanor and, upon conviction, shall be fined not less than twenty-five dollars ($25.00) nor more than one hundred dollars ($100) for each week that the home shall have been maintained without a valid registration certificate.

(d) The department shall refer any violations to the attorney general's office for prosecution.

SECTION 22. Section 42-72.1-8 of the General Laws in Chapter 42-72.1 entitled "Licensing and Monitoring of Childcare Providers and Child-Placing Agencies" is hereby repealed.

**42-72.1-8. Open door policy.**

There shall be an open door policy permitting any custodial parent or legal guardian to have access to a day care facility for any program when their child is in attendance.

SECTION 23. Section 42-72.11-1 of the General Laws in Chapter 42-72.11 entitled
"Administrative Penalties for Childcare Licensing Violations" is hereby amended to read as follows:

**42-72.11-1. Definitions.**

As used in this chapter, the following words, unless the context clearly requires otherwise, shall have the following meanings:

1. "Administrative penalty" means a monetary penalty not to exceed the civil penalty specified by statute or, where not specified by statute, an amount not to exceed five hundred dollars ($500).
2. "Director" means the director of the department of children, youth and families human services or his or her duly authorized agent.
3. "Person" means any public or private corporation, individual, partnership, association, or other entity that is licensed as a child day care center, family child day care home, group family child day care home or any officer, employee or agent thereof.
4. "Citation" means a notice of an assessment of an administrative penalty issued by the director or his or her duly authorized agent.
5. "Department" means the department of human services.

**SECTION 24.** Sections 42-154-1 and 42-154-3 of the General Laws in Chapter 42-154 entitled "Division of Elderly Affairs" are hereby amended to read as follows:

**42-154-1. Establishment of division -- Director.**

(a) There is hereby established within the executive branch of state government and the department of human services a division of elderly affairs, effective July 1, 2011. The division shall reside within the department of human services for administrative purposes only. The head of the division shall be the director of the division of elderly affairs, appointed by and reporting directly to the governor, with the advice and consent of the senate, who shall be a person qualified through and by training and experience to perform the duties of the division. The director shall be in the unclassified service.

(b) Effective July 1, 2019, the division of elderly affairs, as established pursuant to subsection (a) of this section, shall be henceforth referred to and renamed as the "office of healthy aging."

**42-154-3. Construction of references.**

Effective July 1, 2011, all references in the general laws to the department of elderly affairs established pursuant to chapter 42-66 ("Elderly Affairs Department") shall be deemed to mean and refer to the division of elderly affairs within the department of human services as set forth in this chapter. Effective July 1, 2019, all references in the general laws to either the department of elderly services or the division of elderly affairs shall mean and refer to the office of healthy aging.
affairs established pursuant to chapter 42-66 ("Elderly Affairs Department") or the division of
elderly affairs established pursuant to § 42-154-1(a) shall be deemed to mean and refer to the office
of healthy aging within the department of human services.

SECTION 25. Sections 1 through 4 shall take effect on January 1, 2020. The remaining
sections of this article shall take effect upon passage.
ARTICLE 5 AS AMENDED
RELATING TO TAXES, REVENUES AND FEES

SECTION 1. Section 19-14-4 of the General Laws in Chapter 19-14 entitled "Licensed Activities" is hereby amended to read as follows:

19-14-4. Annual fee.
(a) Each licensee shall pay an annual license fee as follows:
(1) Each small-loan lender license and each branch certificate, the sum of five hundred fifty dollars ($550);
(2) Each loan-broker license and each branch certificate, the sum of five hundred fifty dollars ($550);
(3) Each lender license and each branch certificate, the sum of one thousand one hundred dollars ($1,100);
(4) Each sale of checks license, the sum of three hundred sixty dollars ($360);
(5) Each check cashing license, the sum of three hundred sixty dollars ($360);
(6) Each electronic money transfer license, the sum of three hundred sixty dollars ($360);
(7) Each registration to provide debt-management services, the sum of two hundred dollars ($200);
(8) Each mortgage-loan originator license, the sum of one thousand four hundred dollars ($1,400);
and
(9) Each third-party loan-servicer license and each branch certificate, the sum of one thousand one hundred dollars ($1,100).
(b) Any licensee who shall not pay the annual fee by December 31 of each year shall be subject to a daily penalty of twenty-five dollars ($25) per day, subject to a maximum of seven hundred fifty dollars ($750). The penalty shall be paid to the director to, and for the use of, the state. The penalty may be waived for good cause by the director, or the director's designee, upon written request.

SECTION 2. Section 19-14-9-12 of the General Laws in Chapter 19-14.9 entitled "Rhode Island Fair Debt Collection Practices Act" is hereby amended to read as follows:

19-14-9-12. Registration required.
(1) After July 1, 2008, no person shall engage within this state in the business of a debt
collector, or engage in soliciting the right to collect or receive payment for another of an account, bill, or other indebtedness, or advertise for or solicit in print the right to collect or receive payment for another of an account, bill, or other indebtedness, without first registering with the director, or the director's designee.

(2) The application for registration shall be in writing; shall contain information as the director may determine; and shall be accompanied by a registration fee of one seven hundred fifty dollars ($100,750).

(3) The registration shall be for a period of one year. Each registration shall plainly state the name of the registrant and the city or town with the name of the street and number, if any, of the place where the business is to be carried on; provided that the business shall at all times be conducted in the name of the registrant as it appears on the registration.

(4) No person registered to act within this state as a debt collector shall do so under any other name or at any other place of business than that named in the registration. The registration shall be for a single location but may, with notification to the director, be moved to a different location. A registration shall not be transferable or assignable.

(5) This section shall not apply:

(a) To the servicer of a debt by a mortgage; or

(b) To any debt collector located out of this state, provided that the debt collector:

(1) Is collecting debts on behalf of an out-of-state creditor for a debt that was incurred out of state; and

(2) Only collects debts in this state using interstate communication methods, including telephone, facsimile, or mail.

(c) To any regulated institution as defined under § 19-1-1, national banking association, federal savings bank, federal savings and loan association, federal credit union, or any bank, trust company, savings bank, savings and loan association, or credit union organized under the laws of this state, or any other state of the United States, or any subsidiary of the above; but except as provided herein, this section shall apply to a subsidiary or affiliate, as defined by the director, of an exempted entity and of a bank holding company established in accordance with state or federal law.

SECTION 3. Section 23-17-38.1 of the General Laws in Chapter 23-17 entitled "Licensing of Health-Care Facilities" is hereby amended to read as follows:

23-17-38.1. Hospitals -- Licensing fee.

(a) There is also imposed a hospital licensing fee at the rate of five and eight hundred fifty-six thousandths percent (5.856%) upon the net patient services revenue of every hospital for the hospital's first fiscal year ending on or after January 1, 2016, except that the license fee for all
hospitals located in Washington County, Rhode Island shall be discounted by thirty-seven percent (37%). The discount for Washington County hospitals is subject to approval by the Secretary of the U.S. Department of Health and Human Services of a state plan amendment submitted by the executive office of health and human services for the purpose of pursuing a waiver of the uniformity requirement for the hospital license fee. This licensing fee shall be administered and collected by the tax administrator, division of taxation within the department of revenue, and all the administration, collection, and other provisions of chapter 51 of title 44 shall apply. Every hospital shall pay the licensing fee to the tax administrator on or before July 10, 2018, and payments shall be made by electronic transfer of monies to the general treasurer and deposited to the general fund.

Every hospital shall, on or before June 14, 2018, make a return to the tax administrator containing the correct computation of net patient services revenue for the hospital fiscal year ending September 30, 2016, and the licensing fee due upon that amount. All returns shall be signed by the hospital's authorized representative, subject to the pains and penalties of perjury.

(b) There is also imposed a hospital licensing fee at the rate of six percent (6%) upon the net patient-services revenue of every hospital for the hospital's first fiscal year ending on or after January 1, 2017, except that the license fee for all hospitals located in Washington County, Rhode Island shall be discounted by thirty-seven percent (37%). The discount for Washington County hospitals is subject to approval by the Secretary of the U.S. Department of Health and Human Services of a state plan amendment submitted by the executive office of health and human services for the purpose of pursuing a waiver of the uniformity requirement for the hospital license fee. This licensing fee shall be administered and collected by the tax administrator, division of taxation within the department of revenue, and all the administration, collection, and other provisions of chapter 51 of title 44 shall apply. Every hospital shall pay the licensing fee to the tax administrator on or before July 10, 2019, and payments shall be made by electronic transfer of monies to the general treasurer and deposited to the general fund. Every hospital shall, on or before June 14, 2019, make a return to the tax administrator containing the correct computation of net patient services revenue for the hospital fiscal year ending September 30, 2017, and the licensing fee due upon that amount. All returns shall be signed by the hospital's authorized representative, subject to the pains and penalties of perjury.

(b) There is also imposed a hospital licensing fee at the rate of six percent (6%) upon the net patient-services revenue of every hospital for the hospital's first fiscal year ending on or after January 1, 2018, except that the license fee for all hospitals located in Washington County, Rhode Island shall be discounted by thirty-seven percent (37%). The discount for Washington County hospitals is subject to approval by the Secretary of the U.S. Department of Health and Human Services of a state plan amendment submitted by the executive office of health and human services for the purpose of pursuing a waiver of the uniformity requirement for the hospital license fee. This licensing fee shall be administered and collected by the tax administrator, division of taxation within the department of revenue, and all the administration, collection, and other provisions of chapter 51 of title 44 shall apply. Every hospital shall pay the licensing fee to the tax administrator on or before July 10, 2019, and payments shall be made by electronic transfer of monies to the general treasurer and deposited to the general fund. Every hospital shall, on or before June 14, 2019, make a return to the tax administrator containing the correct computation of net patient services revenue for the hospital fiscal year ending September 30, 2017, and the licensing fee due upon that amount. All returns shall be signed by the hospital's authorized representative, subject to the pains and penalties of perjury.
Services of a state plan amendment submitted by the executive office of health and human services for the purpose of pursuing a waiver of the uniformity requirement for the hospital license fee. This licensing fee shall be administered and collected by the tax administrator, division of taxation within the department of revenue, and all the administration, collection, and other provisions of chapter 51 of title 44 shall apply. Every hospital shall pay the licensing fee to the tax administrator on or before July 13, 2020, and payments shall be made by electronic transfer of monies to the general treasurer and deposited to the general fund. Every hospital shall, on or before June 15, 2020, make a return to the tax administrator containing the correct computation of net patient-services revenue for the hospital fiscal year ending September 30, 2018, and the licensing fee due upon that amount. All returns shall be signed by the hospital's authorized representative, subject to the pains and penalties of perjury.

(c) There is also imposed a hospital licensing fee for state fiscal year 2021 against each hospital in the state. The hospital licensing fee is equal to five percent (5.0%) of the net patient-services revenue of every hospital for the hospital's first fiscal year ending on or after January 1, 2018, except that the license fee for all hospitals located in Washington County, Rhode Island shall be discounted by thirty-seven percent (37%). The discount for Washington County hospitals is subject to approval by the Secretary of the U.S. Department of Health and Human Services of a state plan amendment submitted by the executive office of health and human services for the purpose of pursuing a waiver of the uniformity requirement for the hospital license fee. This licensing fee shall be administered and collected by the tax administrator, division of taxation within the department of revenue, and all the administration, collection, and other provisions of chapter 51 of title 44 shall apply. Every hospital shall pay the licensing fee to the tax administrator on or before July 13, 2021, and payments shall be made by electronic transfer of monies to the general treasurer and deposited to the general fund. Every hospital shall, on or before June 15, 2020, make a return to the tax administrator containing the correct computation of net patient-services revenue for the hospital fiscal year ending September 30, 2018, and the licensing fee due upon that amount. All returns shall be signed by the hospital's authorized representative, subject to the pains and penalties of perjury.

(d) For purposes of this section the following words and phrases have the following meanings:

(1) "Hospital" means the actual facilities and buildings in existence in Rhode Island, licensed pursuant to § 23-17-1 et seq. on June 30, 2010, and thereafter any premises included on that license, regardless of changes in licensure status pursuant to chapter 17.14 of title 23 (hospital conversions) and § 23-17-6(b) (change in effective control), that provides short-term acute inpatient
and/or outpatient care to persons who require definitive diagnosis and treatment for injury, illness, disabilities, or pregnancy. Notwithstanding the preceding language, the negotiated Medicaid managed care payment rates for a court-approved purchaser that acquires a hospital through receivership, special mastership, or other similar state insolvency proceedings (which court-approved purchaser is issued a hospital license after January 1, 2013) shall be based upon the newly negotiated rates between the court-approved purchaser and the health plan, and such rates shall be effective as of the date that the court-approved purchaser and the health plan execute the initial agreement containing the newly negotiated rate. The rate-setting methodology for inpatient hospital payments and outpatient hospital payments set forth in §§ 40-8-13.4(b) and 40-8-13.4(b)(2), respectively, shall thereafter apply to negotiated increases for each annual twelve-month (12) period as of July 1 following the completion of the first full year of the court-approved purchaser's initial Medicaid managed care contract.

(2) "Gross patient-services revenue" means the gross revenue related to patient care services.

(3) "Net patient-services revenue" means the charges related to patient care services less (i) charges attributable to charity care; (ii) bad debt expenses; and (iii) contractual allowances.

(d) The tax administrator shall make and promulgate any rules, regulations, and procedures not inconsistent with state law and fiscal procedures that he or she deems necessary for the proper administration of this section and to carry out the provisions, policy, and purposes of this section.

(e) The licensing fee imposed by this section (b) shall apply to hospitals as defined herein that are duly licensed on July 1, 2018, and shall be in addition to the inspection fee imposed by § 23-17-38 and to any licensing fees previously imposed in accordance with § 23-17-38.1.

(g) The licensing fee imposed by section (c) shall apply to hospitals as defined herein that are duly licensed on July 1, 2020 and shall be in addition to the inspection fee imposed by § 23-17-38 and to any licensing fees previously imposed in accordance with § 23-17-38.1.

SECTION 4. Section 42-17.1-9.1 of the General Laws in Chapter 42-17.1 entitled "Department of Environmental Management" is hereby amended to read as follows:

42-17.1-9.1. User fees at state beaches, parks, and recreation areas.

(a) The department of environmental management in pursuance of its administrative duties and responsibilities may charge a user fee for any state beach, or recreational area under its jurisdiction, and fees for the use of its services or facilities.

(b) The fee may be on a daily or annual basis, or both, and may be based on vehicle parking or other appropriate means. The fees may recognize the contribution of Rhode Island taxpayers to
support the facilities in relation to other users of the state's facilities. The fee structure may
acknowledge the need to provide for all people, regardless of circumstances.

(c) An additional fee for camping and other special uses may be charged where appropriate.
Rates so charged should be comparable to equivalent commercial facilities.

(d) All such fees shall be established after a public hearing.

(e) All daily fees from beach parking, which shall also include fees charged and collected
at Ninigret conservation area and Charlestown breachway, shall be shared with the municipality in
which the facility is located on the basis of seventy-three percent (73%) retained by the state and
twenty-seven percent (27%) remitted to the municipality; provided, further, from July 1, 2016, until
October 1, 2021, the beach fees charged and collected under this subsection shall be equal to
those in effect on June 30, 2011. Further, purchasers of season passes between May 14, 2016, and
June 30, 2016, shall be eligible to receive a credit for the difference between the amount of the July
1, 2016, fee and the amount originally paid. Said credits may be applied against the purchase of a
season pass in 2017.

(f) Fifty percent (50%) of all user and concession fees received by the state shall be
deposited as general revenues. For the year beginning July 1, 1979, the proportion of user and
concession fees to be received by the state shall be sixty-five percent (65%); for the year beginning
July 1, 1980, eighty-five percent (85%); and for the year beginning July 1, 1981, and all years
thereafter, one hundred percent (100%). The general revenue monies appropriated are hereby
specifically dedicated to meeting the costs of development, renovation of, and acquisition of state-
owned recreation areas and for regular maintenance, repair and operation of state owned recreation
areas. Purchases of vehicles and equipment and repairs to facilities shall not exceed four hundred
thousand dollars ($400,000) annually. Notwithstanding the provisions of § 37-1-1 or any other
provision of the general laws, the director of the department of environmental management is
hereby authorized to accept any grant, devise, bequest, donation, gift, or assignment of money,
bonds, or other valuable securities for deposit in the same manner as provided above for user and
concession fees retained by the state.

(g) No fee shall be charged to any school or other nonprofit organization provided that a
representative of the school or other organization gives written notice of the date and time of their
arrival to the facility.

SECTION 5. Section 42-63.1-3 of the General Laws in Chapter 42-63.1 entitled "Tourism
and Development" is hereby amended to read as follows:

42-63.1-3. Distribution of tax.

(a) For returns and tax payments received on or before December 31, 2015, except as
provided in § 42-63.1-12, the proceeds of the hotel tax, excluding such portion of the hotel tax
collected from residential units offered for tourist or transient use through a hosting platform, shall
be distributed as follows by the division of taxation and the city of Newport:

(1) Forty-seven percent (47%) of the tax generated by the hotels in the district, except as
otherwise provided in this chapter, shall be given to the regional tourism district wherein the hotel
is located; provided, however, that from the tax generated by the hotels in the city of Warwick,
three-one percent (31%) of the tax shall be given to the Warwick regional tourism district
established in § 42-63.1-5(a)(5) and sixteen percent (16%) of the tax shall be given to the Greater
Providence-Warwick Convention and Visitors' Bureau established in § 42-63.1-11; and provided
further, that from the tax generated by the hotels in the city of Providence, sixteen percent (16%)
of that tax shall be given to the Greater Providence-Warwick Convention and Visitors' Bureau
established by § 42-63.1-11, and thirty-one percent (31%) of that tax shall be given to the
Convention Authority of the city of Providence established pursuant to the provisions of chapter
84 of the public laws of January, 1980; provided, however, that the receipts attributable to the
district as defined in § 42-63.1-5(a)(7) shall be deposited as general revenues, and that the receipts
attributable to the district as defined in § 42-63.1-5(a)(8) shall be given to the Rhode Island
commerce corporation as established in chapter 64 of title 42.

(2) Twenty-five percent (25%) of the hotel tax shall be given to the city or town where the
hotel, which generated the tax, is physically located, to be used for whatever purpose the city or
town decides.

(3) Twenty-one (21%) of the hotel tax shall be given to the Rhode Island commerce
corporation established in chapter 64 of title 42, and seven percent (7%) to the Greater Providence-
Warwick Convention and Visitors' Bureau.

(b) For returns and tax payments received after December 31, 2015, except as provided in
§ 42-63.1-12, the proceeds of the hotel tax, excluding such portion of the hotel tax collected from
residential units offered for tourist or transient use through a hosting platform, shall be distributed
as follows by the division of taxation and the city of Newport:

(1) For the tax generated by the hotels in the Aquidneck Island district, as defined in § 42-
63.1-5, forty-two percent (42%) of the tax shall be given to the Aquidneck Island district, twenty-
five (25%) of the tax shall be given to the city or town where the hotel, which generated the tax, is
physically located, five percent (5%) of the tax shall be given to the Greater Providence-Warwick
Convention and Visitors Bureau established in § 42-63.1-11, and twenty-eight percent (28%) of
the tax shall be given to the Rhode Island commerce corporation established in chapter 64 of title
42.
(2) For the tax generated by the hotels in the Providence district as defined in § 42-63.1-5, twenty-eight percent (28%) of the tax shall be given to the Providence district, twenty-five percent (25%) of the tax shall be given to the city or town where the hotel, which generated the tax, is physically located, twenty-three percent (23%) of the tax shall be given to the Greater Providence-Warwick Convention and Visitors Bureau established in § 42-63.1-11, and twenty-four percent (24%) of the tax shall be given to the Rhode Island commerce corporation established in chapter 64 of title 42.

(3) For the tax generated by the hotels in the Warwick district as defined in § 42-63.1-5, twenty-eight percent (28%) of the tax shall be given to the Warwick District, twenty-five percent (25%) of the tax shall be given to the city or town where the hotel, which generated the tax, is physically located, twenty-three percent (23%) of the tax shall be given to the Greater Providence-Warwick Convention and Visitors Bureau established in § 42-63.1-11, and twenty-four percent (24%) of the tax shall be given to the Rhode Island commerce corporation established in chapter 64 of title 42.

(4) For the tax generated by the hotels in the Statewide district, as defined in § 42-63.1-5, twenty-five percent (25%) of the tax shall be given to the city or town where the hotel, which generated the tax, is physically located, five percent (5%) of the tax shall be given to the Greater Providence-Warwick Convention and Visitors Bureau established in § 42-63.1-11, and seventy percent (70%) of the tax shall be given to the Rhode Island commerce corporation established in chapter 64 of title 42.

(5) With respect to the tax generated by hotels in districts other than those set forth in subdivisions (b)(1) through (b)(4), forty-two percent (42%) of the tax shall be given to the regional tourism district, as defined in § 42-63.1-5, wherein the hotel is located, twenty-five percent (25%) of the tax shall be given to the city or town where the hotel, which generated the tax, is physically located, five percent (5%) of the tax shall be given to the Greater Providence-Warwick Convention and Visitors Bureau established in § 42-63.1-11, and twenty-eight percent (28%) of the tax shall be given to the Rhode Island commerce corporation established in chapter 64 of title 42.

(c) For returns and tax payments received before July 1, 2019, the proceeds of the hotel tax collected from residential units offered for tourist or transient use through a hosting platform shall be distributed as follows by the division of taxation and the city of Newport: twenty-five percent (25%) of the tax shall be given to the city or town where the residential unit, which generated the tax, is physically located, and seventy-five percent (75%) of the tax shall be given to the Rhode Island commerce corporation established in chapter 64 of title 42.

(d) The Rhode Island commerce corporation shall be required in each fiscal year to spend on the promotion and marketing of Rhode Island as a destination for tourists or businesses an
amount of money of no less than the total proceeds of the hotel tax it receives pursuant to this chapter for such fiscal year.

(c) Notwithstanding the foregoing provisions of this section, for returns and tax payments received on or after July 1, 2016, and on or before June 30, 2017, except as provided in § 42-63.1-12, the proceeds of the hotel tax, excluding such portion of the hotel tax collected from residential units offered for tourist or transient use through a hosting platform, shall be distributed in accordance with the distribution percentages established in subsections (a)(1) through (a)(3) of this section by the division of taxation and the city of Newport.

(f) For returns and tax payments received on or after July 1, 2018, except as provided in § 42-63.1-12, the proceeds of the hotel tax, excluding such portion of the hotel tax collected from residential units offered for tourist or transient use through a hosting platform, shall be distributed as follows by the division of taxation and the city of Newport:

(1) For the tax generated by the hotels in the Aquidneck Island district, as defined in § 42-63.1-5, forty-five percent (45%) of the tax shall be given to the Aquidneck Island district, twenty-five (25%) of the tax shall be given to the city or town where the hotel, which generated the tax, is physically located, five percent (5%) of the tax shall be given to the Greater Providence-Warwick Convention and Visitors Bureau established in § 42-63.1-11, and twenty-five percent (25%) of the tax shall be given to the Rhode Island commerce corporation established in chapter 64 of title 42.

(2) For the tax generated by the hotels in the Providence district as defined in § 42-63.1-5, thirty percent (30%) of the tax shall be given to the Providence district, twenty-five percent (25%) of the tax shall be given to the city or town where the hotel, which generated the tax, is physically located, twenty-four (24%) of the tax shall be given to the Greater Providence-Warwick Convention and Visitors Bureau established in § 42-63.1-11, and twenty-one (21%) of the tax shall be given to the Rhode Island commerce corporation established in chapter 64 of title 42.

(3) For the tax generated by the hotels in the Warwick district as defined in § 42-63.1-5, thirty percent (30%) of the tax shall be given to the Warwick District, twenty-five percent (25%) of the tax shall be given to the city or town where the hotel, which generated the tax, is physically located, twenty-four percent (24%) of the tax shall be given to the Greater Providence-Warwick Convention and Visitors Bureau established in § 42-63.1-11, and twenty-one (21%) of the tax shall be given to the Rhode Island commerce corporation established in chapter 64 of title 42.

(4) For the tax generated by the hotels in the Statewide district, as defined in § 42-63.1-5, twenty-five percent (25%) of the tax shall be given to the city or town where the hotel, which generated the tax, is physically located, five percent (5%) of the tax shall be given to the Greater Providence-Warwick Convention and Visitors Bureau established in § 42-63.1-11, and seventy...
percent (70%) of the tax shall be given to the Rhode Island commerce corporation established in chapter 64 of title 42.

(5) With respect to the tax generated by hotels in districts other than those set forth in subdivisions (b)(1) through (b)(4), forty-five percent (45%) of the tax shall be given to the regional tourism district, as defined in § 42-63.1-5, wherein the hotel is located, twenty-five percent (25%) of the tax shall be given to the city or town where the hotel, which generated the tax, is physically located, five percent (5%) of the tax shall be given to the Greater Providence-Warwick Convention and Visitors Bureau established in § 42-63.1-11, and twenty-five (25%) of the tax shall be given to the Rhode Island commerce corporation established in chapter 64 of title 42.

(g) For returns and tax payments received on or after July 1, 2019, except as provided in § 42-63.1-12, the proceeds of the hotel tax, including such portion of the hotel tax collected from residential units offered for tourist or transient use through a hosting platform, shall be distributed as follows by the division of taxation and the city of Newport:

(1) For the tax generated in the Aquidneck Island district, as defined in § 42-63.1-5, forty-five percent (45%) of the tax shall be given to the Aquidneck Island district, twenty-five percent (25%) of the tax shall be given to the city or town where the hotel or residential unit, which generated the tax, is physically located, five percent (5%) of the tax shall be given to the Greater Providence-Warwick Convention and Visitors Bureau established in § 42-63.1-11, and twenty-five percent (25%) of the tax shall be given to the Rhode Island commerce corporation established in chapter 64 of title 42.

(2) For the tax generated in the Providence district as defined in § 42-63.1-5, thirty percent (30%) of the tax shall be given to the Providence district, twenty-five percent (25%) of the tax shall be given to the city or town where the hotel or residential unit, which generated the tax, is physically located, twenty-four percent (24%) of the tax shall be given to the Greater Providence-Warwick Convention and Visitors Bureau established in § 42-63.1-11, and twenty-one percent (21%) of the tax shall be given to the Rhode Island commerce corporation established in chapter 64 of title 42.

(3) For the tax generated in the Warwick district as defined in § 42-63.1-5, thirty percent (30%) of the tax shall be given to the Warwick District, twenty-five percent (25%) of the tax shall be given to the city or town where the hotel or residential unit, which generated the tax, is physically located, twenty-four percent (24%) of the tax shall be given to the Greater Providence-Warwick Convention and Visitors Bureau established in § 42-63.1-11, and twenty-one percent (21%) of the tax shall be given to the Rhode Island commerce corporation established in chapter 64 of title 42.

(4) For the tax generated in the Statewide district, as defined in § 42-63.1-5, twenty-five percent (25%) of the tax shall be given to the city or town where the hotel or residential unit, which
generated the tax, is physically located, five percent (5%) of the tax shall be given to the Greater Providence-Warwick Convention and Visitors Bureau established in § 42-63.1-11, and seventy percent (70%) of the tax shall be given to the Rhode Island commerce corporation established in chapter 64 of title 42.

(5) With respect to the tax generated in districts other than those set forth in subsections (g)(1) through (g)(4) of this section, forty-five percent (45%) of the tax shall be given to the regional tourism district, as defined in § 42-63.1-5, wherein the hotel or residential unit is located, twenty-five percent (25%) of the tax shall be given to the city or town where the hotel or residential unit, which generated the tax, is physically located, five percent (5%) of the tax shall be given to the Greater Providence-Warwick Convention and Visitors Bureau established in § 42-63.1-11, and twenty-five percent (25%) of the tax shall be given to the Rhode Island commerce corporation established in chapter 64 of title 42.

SECTION 6. Section 42-142-8 of the General Laws in Chapter 42-142 entitled "Department of Revenue" is hereby amended to read as follows:


(a) The director of the department of revenue is authorized to establish within the department of revenue a collection unit for the purpose of assisting state agencies in the collection of debts owed to the state. The director of the department of revenue may enter into an agreement with any state agency(ies) to collect any delinquent debt owed to the state.

(b) The director of the department of revenue shall initially implement a pilot program to assist the agency(ies) with the collection of delinquent debts owed to the state.

(c) The agency(ies) participating in the pilot program shall refer to the collection unit within the department of revenue, debts owed by delinquent debtors where the nature and amount of the debt owed has been determined and reconciled by the agency and the debt is: (i) The subject of a written settlement agreement and/or written waiver agreement and the delinquent debtor has failed to timely make payments under said agreement and/or waiver and is therefore in violation of the terms of said agreement and/or waiver; (ii) The subject of a final administrative order or decision and the debtor has not timely appealed said order or decision; (iii) The subject of final order, judgment or decision of a court of competent jurisdiction and the debtor has not timely appealed said order, judgment or decision. The collection unit shall not accept a referral of any delinquent debt unless it satisfies subsection (c)(i), (ii) or (iii) of this section.

(d) Any agency(ies) entering into an agreement with the department of revenue to allow the collection unit of the department to collect a delinquent debt owed to the state shall indemnify the department of revenue against injuries, actions, liabilities, or proceedings arising from the
collection, or attempted collection, by the collection unit of the debt owed to the state.

(e) Before referring a delinquent debt to the collection unit, the agency(ies) must notify the debtor of its intention to submit the debt to the collection unit for collection and of the debtor's right to appeal that decision not less than thirty (30) days before the debt is submitted to the collection unit.

(f) At such time as the agency(ies) refers a delinquent debt to the collection unit, the agency shall: (i) Represent in writing to the collection unit that it has complied with all applicable state and federal laws and regulations relating to the collection of the debt, including, but not limited to, the requirement to provide the debtor with the notice of referral to the collection unit under subsection (e) of this section; and (ii) Provide the collection unit personnel with all relevant supporting documentation including, but not limited to, notices, invoices, ledgers, correspondence, agreements, waivers, decisions, orders, and judgments necessary for the collection unit to attempt to collect the delinquent debt.

(g) The referring agency(ies) shall assist the collection unit by providing any and all information, expertise, and resources deemed necessary by the collection unit to collect the delinquent debts referred to the collection unit.

(h) Upon receipt of a referral of a delinquent debt from an agency(ies), the amount of the delinquent debt shall accrue interest at the annual rate of interest established by law for the referring agency or at an annual rate of 13%, whichever percentage rate is greater, with such rate determined by adding two percent (2%) to the prime rate which was in effect on October 1 of the preceding year; provided however, in no event shall the rate of interest exceed twenty-one percent (21%) per annum nor be less than eighteen percent (18%) per annum.

(i) Upon receipt of a referral of a delinquent debt from the agency(ies), the collection unit shall provide the delinquent debtor with a "Notice of Referral" advising the debtor that:

(1) The delinquent debt has been referred to the collection unit for collection; and

(2) The collection unit will initiate, in its names, any action that is available under state law for the collection of the delinquent debt, including, but not limited to, referring the debt to a third party to initiate said action.

(j) Upon receipt of a referral of a delinquent debt from an agency(ies), the director of the department of revenue shall have the authority to institute, in its name, any action(s) that are available under state law for collection of the delinquent debt and interest, penalties, and/or fees thereon and to, with or without suit, settle the delinquent debt.

(k) In exercising its authority under this section, the collection unit shall comply with all state and federal laws and regulations related to the collection of debts.
Upon the receipt of payment from a delinquent debtor, whether a full or partial payment, the collection unit shall disburse/deposit the proceeds of said payment in the following order:

1. To the appropriate federal account to reimburse the federal government funds owed to them by the state from funds recovered; and
2. The balance of the amount collected to the referring agency.

Notwithstanding the above, the establishment of a collection unit within the department of revenue shall be contingent upon an annual appropriation by the general assembly of amounts necessary and sufficient to cover the costs and expenses to establish, maintain, and operate the collection unit including, but not limited to, computer hardware and software, maintenance of the computer system to manage the system, and personnel to perform work within the collection unit.

In addition to the implementation of any pilot program, the collection unit shall comply with the provisions of this section in the collection of all delinquent debts under this section.

The department of revenue is authorized to promulgate rules and regulations as it deems appropriate with respect to the collection unit.

By September 1, 2020, and each year thereafter, the department of revenue shall specifically assess the performance, effectiveness, and revenue impact of the collections associated with this section, including, but not limited to, the total amounts referred and collected by each referring agency during the previous state fiscal year to the governor, the speaker of the house of representatives, the president of the senate, the chairpersons of the house and senate finance committees, and the house and senate fiscal advisors. Such report shall include the net revenue impact to the state of the collection unit.

No operations of a collection unit pursuant to this chapter shall be authorized after June 30, 2021.

**SECTION 7.** Sections 44-11-2.2 and 44-11-19 of the General Laws in Chapter 44-11 entitled "Business Corporation Tax" are hereby amended to read as follows:

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

(a) Definitions.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

(b) Withholding.

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

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

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

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

(2) The tax administrator has determined by regulation, ruling, or instruction that the member's income is not subject to withholding;
(3) The member elects to have the tax due paid as part of a composite return filed by the pass-through entity under subsection (d); or

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

(d) Composite return.

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

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

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

(e) Partnership Level Audit

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

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

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

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

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

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

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

SECTION 8. Chapter 44-11 of the General Laws entitled "Business Corporation Tax" is hereby amended by adding thereto the following section:

44-11-2.3. Pass-through entities -- Election to pay state income tax at the entity level.

(a) Definitions. As used in this section:

(1) "Election" means the annual election to be made by the pass-through entity by filing the prescribed tax form and remitting the appropriate tax.

(2) "Net income" means the net ordinary income, net rental real estate income, other net rental income, guaranteed payments, and other business income less specially allocated depreciation and deductions allowed pursuant to § 179 of the United States Revenue Code (26 U.S.C. § 179), all of which would be reported on federal tax form schedules C and E. Net income for purposes of this section does not include specially allocated investment income or any other types of deductions.

(3) "Owner" means an individual who is a shareholder of an S Corporation; a partner in a general partnership, a limited partnership, or a limited liability partnership; a member of a limited liability company, a beneficiary of a trust; or a sole proprietor.

(4) "Pass-through entity" means a corporation that for the applicable tax year is treated as
an S Corporation under I.R.C. 1362(a) (26 U.S.C. § 1362(a)), or a general partnership, limited
partnership, limited liability partnership, trust, limited liability company or unincorporated sole
proprietorship that for the applicable tax year is not taxed as a corporation for federal tax purposes
under the state’s regulations.

(5) “State tax credit” means the amount of tax paid by the pass-through entity at the entity
level which is passed through to an owner on a pro rata basis.

(b) Elections.

(1) For tax years beginning on or after January 1, 2019, a pass-through entity may elect to
pay the state tax at the entity level at the rate of five and ninety-nine hundredths percent (5.99%).

(2) If a pass-through entity elects to pay an entity tax under this subsection, the entity shall
not have to comply with the provisions of § 44-11-2.2 regarding withholding on non-resident
owners. In that instance, the entity shall not have to comply with the provisions of § 44-11-2.2
regarding withholding on non-resident owners.

(c) Reporting.

(1) The pass-through entity shall report the pro rata share of the state income taxes paid by
the entity which sums will be allowed as a state tax credit for an owner on his or her personal
income tax return.

(2) The pass-through entity shall also report the pro rata share of the state income taxes
paid by the entity as an income (addition) modification to be reported by an owner on his or her
personal income tax returns.

(d) State tax credit shall be the amount of tax paid by the pass-through entity, at the entity
level, which is passed through to the owners, on a pro rata basis.

(e) A similar type of tax imposed by another state on the owners’ income paid at the state
entity level shall be deemed to be allowed as a credit for taxes paid to another jurisdiction in
accordance with the provisions of § 44-30-18.

(f) “Combined reporting” as set forth in § 44-11-4.1 shall not apply to reporting under this
section.

General Laws in Chapter 44-18 entitled "Sales and Use Taxes - Liability and Computation" are
hereby amended to read as follows:

44-18-7. Sales defined.

"Sales" means and includes:

(1) Any transfer of title or possession, exchange, barter, lease, or rental, conditional or
otherwise, in any manner or by any means of tangible personal property for a consideration. "Transfer of possession", "lease", or "rental" includes transactions found by the tax administrator to be in lieu of a transfer of title, exchange, or barter.

(2) The producing, fabricating, processing, printing, or imprinting of tangible personal property for a consideration for consumers who furnish either directly or indirectly the materials used in the producing, fabricating, processing, printing, or imprinting.

(3) The furnishing and distributing of tangible personal property for a consideration by social, athletic, and similar clubs and fraternal organizations to their members or others.

(4) The furnishing, preparing, or serving for consideration of food, meals, or drinks, including any cover, minimum, entertainment, or other charge in connection therewith.

(5) A transaction whereby the possession of tangible personal property is transferred, but the seller retains the title as security for the payment of the price.

(6) Any withdrawal, except a withdrawal pursuant to a transaction in foreign or interstate commerce, of tangible personal property from the place where it is located for delivery to a point in this state for the purpose of the transfer of title or possession, exchange, barter, lease, or rental, conditional or otherwise, in any manner or by any means whatsoever, of the property for a consideration.

(7) A transfer for a consideration of the title or possession of tangible personal property, which has been produced, fabricated, or printed to the special order of the customer, or any publication.

(8) The furnishing and distributing of electricity, natural gas, artificial gas, steam, refrigeration, and water.

(9)(i) The furnishing for consideration of intrastate, interstate, and international telecommunications service sourced in this state in accordance with §§ 44-18.1-15 and 44-18.1-16 and all ancillary services, and any maintenance services of telecommunication equipment other than as provided for in § 44-18-12(b)(ii). For the purposes of chapters 18 and 19 of this title only, telecommunication service does not include service rendered using a prepaid telephone calling arrangement.

(ii) Notwithstanding the provisions of paragraph (i) of this subdivision, in accordance with the Mobile Telecommunications Sourcing Act (4 U.S.C. §§ 116 -- 126), subject to the specific exemptions described in 4 U.S.C. § 116(c), and the exemptions provided in §§ 44-18-8 and 44-18-12, mobile telecommunications services that are deemed to be provided by the customer's home service provider are subject to tax under this chapter if the customer's place of primary use is in this state regardless of where the mobile telecommunications services originate, terminate, or pass.
through. Mobile telecommunications services provided to a customer, the charges for which are
billed by or for the customer's home service provider, shall be deemed to be provided by the
customer's home service provider.

(10) The furnishing of service for transmission of messages by telegraph, cable, or radio
and the furnishing of community antenna television, subscription television, and cable television
services.

(11) The rental of living quarters in any hotel, rooming house, or tourist camp.

(12) The transfer for consideration of prepaid telephone calling arrangements and the
recharge of prepaid telephone calling arrangements sourced to this state in accordance with §§ 44-
calling service and prepaid wireless calling service.

(13) The sale, storage, use, or other consumption of over-the-counter drugs as defined in §
44-18-7.1(h)(ii).

(14) The sale, storage, use, or other consumption of prewritten computer software delivered
electronically or by load and leave as defined in § 44-18-7.1(g)(v).

(15) The sale, storage, use, or other consumption of vendor-hosted prewritten computer
software as defined in § 44-18-7.1(g)(vii).

(16) The sale, storage, use, or other consumption of specified digital products as defined in
44-18-7.1(x).

(17) The sale, storage, use, or other consumption of medical marijuana as defined in § 21-
28.6-3.

(18) The furnishing of services in this state as defined in § 44-18-7.3.


(a) "Agreement" means the streamlined sales and use tax agreement.

(b) "Alcoholic beverages" means beverages that are suitable for human consumption and
contain one-half of one percent (.5%) or more of alcohol by volume.

(c) "Bundled transaction" is the retail sale of two or more products, except real property
and services to real property, where (1) The products are otherwise distinct and identifiable, and
(2) The products are sold for one non-itemized price. A "bundled transaction" does not include the
sale of any products in which the "sales price" varies, or is negotiable, based on the selection by
the purchaser of the products included in the transaction.

(i) "Distinct and identifiable products" does not include:

(A) Packaging -- such as containers, boxes, sacks, bags, and bottles -- or other materials --
such as wrapping, labels, tags, and instruction guides -- that accompany the "retail sale" of the
products and are incidental or immaterial to the "retail sale" thereof. Examples of packaging that are incidental or immaterial include grocery sacks, shoeboxes, dry cleaning garment bags, and express delivery envelopes and boxes.

(B) A product provided free of charge with the required purchase of another product. A product is "provided free of charge" if the "sales price" of the product purchased does not vary depending on the inclusion of the products "provided free of charge."

(C) Items included in the member state's definition of "sales price," pursuant to appendix C of the agreement.

(ii) The term "one non-itemized price" does not include a price that is separately identified by product on binding sales or other supporting sales-related documentation made available to the customer in paper or electronic form including, but not limited to, an invoice, bill of sale, receipt, contract, service agreement, lease agreement, periodic notice of rates and services, rate card, or price list.

(iii) A transaction that otherwise meets the definition of a "bundled transaction" as defined above, is not a "bundled transaction" if it is:

(A) The "retail sale" of tangible personal property and a service where the tangible personal property is essential to the use of the service, and is provided exclusively in connection with the service, and the true object of the transaction is the service; or

(B) The "retail sale" of services where one service is provided that is essential to the use or receipt of a second service and the first service is provided exclusively in connection with the second service and the true object of the transaction is the second service; or

(C) A transaction that includes taxable products and nontaxable products and the "purchase price" or "sales price" of the taxable products is de minimis.

1. De minimis means the seller's "purchase price" or "sales price" of the taxable products is ten percent (10%) or less of the total "purchase price" or "sales price" of the bundled products.

2. Sellers shall use either the "purchase price" or the "sales price" of the products to determine if the taxable products are de minimis. Sellers may not use a combination of the "purchase price" and "sales price" of the products to determine if the taxable products are de minimis.

3. Sellers shall use the full term of a service contract to determine if the taxable products are de minimis; or

(D) The "retail sale" of exempt tangible personal property and taxable tangible personal property where:

1. The transaction includes "food and food ingredients", "drugs", "durable medical
equipment”, “mobility enhancing equipment”, “over-the-counter drugs”, “prosthetic devices” (all as defined in this section) or medical supplies; and

2. Where the seller's "purchase price" or "sales price" of the taxable tangible personal property is fifty percent (50%) or less of the total "purchase price" or "sales price" of the bundled tangible personal property. Sellers may not use a combination of the "purchase price" and "sales price" of the tangible personal property when making the fifty percent (50%) determination for a transaction.

(d) "Certified automated system (CAS)” means software certified under the agreement to calculate the tax imposed by each jurisdiction on a transaction, determine the amount of tax to remit to the appropriate state, and maintain a record of the transaction.

(e) "Certified service provider (CSP)” means an agent certified under the agreement to perform all the seller's sales and use tax functions, other than the seller's obligation to remit tax on its own purchases.

(f) Clothing and related items.

(i) "Clothing" means all human wearing apparel suitable for general use.

(ii) "Clothing accessories or equipment” means incidental items worn on the person or in conjunction with "clothing.” "Clothing accessories or equipment” does not include "clothing”, "sport or recreational equipment”, or "protective equipment.”

(iii) "Protective equipment” means items for human wear and designed as protection of the wearer against injury or disease or as protections against damage or injury of other persons or property but not suitable for general use. "Protective equipment” does not include "clothing”, "clothing accessories or equipment”, and "sport or recreational equipment.”

(iv) "Sport or recreational equipment” means items designed for human use and worn in conjunction with an athletic or recreational activity that are not suitable for general use. "Sport or recreational equipment” does not include "clothing”, "clothing accessories or equipment”, and “protective equipment.”

(g) Computer and related items.

(i) "Computer” means an electronic device that accepts information in digital or similar form and manipulates it for a result based on a sequence of instructions.

(ii) "Computer software” means a set of coded instructions designed to cause a "computer" or automatic data processing equipment to perform a task.

(iii) "Delivered electronically” means delivered to the purchaser by means other than tangible storage media.

(iv) "Electronic” means relating to technology having electrical, digital, magnetic, wireless,
optical, electromagnetic, or similar capabilities.

(v) "Load and leave" means delivery to the purchaser by use of a tangible storage media where the tangible storage media is not physically transferred to the purchaser.

(vi) "Prewritten computer software" means "computer software," including prewritten upgrades, that is not designed and developed by the author or other creator to the specifications of a specific purchaser. The combining of two (2) or more "prewritten computer software" programs or prewritten portions thereof does not cause the combination to be other than "prewritten computer software." "Prewritten computer software" includes software designed and developed by the author or other creator to the specifications of a specific purchaser when it is sold to a person other than the specific purchaser. Where a person modifies or enhances "computer software" of which the person is not the author or creator, the person shall be deemed to be the author or creator only of such person’s modifications or enhancements. "Prewritten computer software" or a prewritten portion thereof that is modified or enhanced to any degree, where such modification or enhancement is designed and developed to the specifications of a specific purchaser, remains "prewritten computer software"; provided, however, that where there is a reasonable, separately stated charge or an invoice or other statement of the price given to the purchaser for such modification or enhancement, such modification or enhancement shall not constitute "prewritten computer software."

(vii) "Vendor-hosted prewritten computer software" means prewritten computer software that is accessed through the internet and/or a vendor-hosted server regardless of whether the access is permanent or temporary and regardless of whether any downloading occurs.

(h) Drugs and related items.

(i) "Drug" means a compound, substance, or preparation, and any component of a compound, substance, or preparation, other than "food and food ingredients," "dietary supplements" or "alcoholic beverages":

(A) Recognized in the official United States Pharmacopoeia, official Homeopathic Pharmacopoeia of the United States, or official National Formulary, and supplement to any of them;

or

(B) Intended for use in the diagnosis, cure, mitigation, treatment, or prevention of disease;

or

(C) Intended to affect the structure or any function of the body.

"Drug" shall also include insulin and medical oxygen whether or not sold on prescription.

(ii) "Over-the-counter drug" means a drug that contains a label that identifies the product as a drug as required by 21 C.F.R. § 201.66. The "over-the-counter drug" label includes:
(A) A "Drug Facts" panel; or

(B) A statement of the "active ingredient(s)" with a list of those ingredients contained in the compound, substance, or preparation.

"Over-the-counter drug" shall not include "grooming and hygiene products."

(iii) "Grooming and hygiene products" are soaps and cleaning solutions, shampoo, toothpaste, mouthwash, antiperspirants, and suntan lotions and screens, regardless of whether the items meet the definition of "over-the-counter drugs."

(iv) "Prescription" means an order, formula, or recipe issued in any form of oral, written, electronic, or other means of transmission by a duly licensed practitioner authorized by the laws of the member state.

(i) "Delivery charges" means charges by the seller of personal property or services for preparation and delivery to a location designated by the purchaser of personal property or services including, but not limited to: transportation, shipping, postage, handling, crating, and packing.

"Delivery charges" shall not include the charges for delivery of "direct mail" if the charges are separately stated on an invoice or similar billing document given to the purchaser.

(j) "Direct mail" means printed material delivered or distributed by United States mail or other delivery service to a mass audience or to addressees on a mailing list provided by the purchaser or at the direction of the purchaser when the cost of the items are not billed directly to the recipients. "Direct mail" includes tangible personal property supplied directly or indirectly by the purchaser to the direct mail seller for inclusion in the package containing the printed material.

"Direct mail" does not include multiple items of printed material delivered to a single address.

(k) "Durable medical equipment" means equipment including repair and replacement parts for same which:

(i) Can withstand repeated use; and

(ii) Is primarily and customarily used to serve a medical purpose; and

(iii) Generally is not useful to a person in the absence of illness or injury; and

(iv) Is not worn in or on the body.

Durable medical equipment does not include mobility enhancing equipment.

(l) Food and related items.

(i) "Food and food ingredients" means substances, whether in liquid, concentrated, solid, frozen, dried, or dehydrated form, that are sold for ingestion or chewing by humans and are consumed for their taste or nutritional value. "Food and food ingredients" does not include "alcoholic beverages", "tobacco", "candy", "dietary supplements", and "soft drinks."

(ii) "Prepared food" means:
(A) Food sold in a heated state or heated by the seller;
(B) Two (2) or more food ingredients mixed or combined by the seller for sale as a single item; or
(C) Food sold with eating utensils provided by the seller, including: plates, knives, forks, spoons, glasses, cups, napkins, or straws. A plate does not include a container or packaging used to transport the food.

"Prepared food" in (B) does not include food that is only cut, repackaged, or pasteurized by the seller, and eggs, fish, meat, poultry, and foods containing these raw animal foods requiring cooking by the consumer as recommended by the Food and Drug Administration in chapter 3, part 401.11 of its Food Code so as to prevent food borne illnesses.

(iii) "Candy" means a preparation of sugar, honey, or other natural or artificial sweeteners in combination with chocolate, fruits, nuts, or other ingredients or flavorings in the form of bars, drops, or pieces. "Candy" shall not include any preparation containing flour and shall require no refrigeration.

(iv) "Soft drinks" means non-alcoholic beverages that contain natural or artificial sweeteners. "Soft drinks" do not include beverages that contain milk or milk products, soy, rice, or similar milk substitutes, or greater than fifty percent (50%) of vegetable or fruit juice by volume.

(v) "Dietary supplement" means any product, other than "tobacco", intended to supplement the diet that:
   (A) Contains one or more of the following dietary ingredients:
   1. A vitamin;
   2. A mineral;
   3. An herb or other botanical;
   4. An amino acid;
   5. A dietary substance for use by humans to supplement the diet by increasing the total dietary intake; or
   6. A concentrate, metabolite, constituent, extract, or combination of any ingredient described above; and
   (B) Is intended for ingestion in tablet, capsule, powder, softgel, gelcap, or liquid form, or if not intended for ingestion in such a form, is not represented as conventional food and is not represented for use as a sole item of a meal or of the diet; and
   (C) Is required to be labeled as a dietary supplement, identifiable by the "supplemental facts" box found on the label and as required pursuant to 21 C.F.R. § 101.36.

(m) "Food sold through vending machines" means food dispensed from a machine or other
mechanical device that accepts payment.

(n) "Hotel" means every building or other structure kept, used, maintained, advertised as, or held out to the public to be a place where living quarters are supplied for pay to transient or permanent guests and tenants and includes a motel.

(i) "Living quarters" means sleeping rooms, sleeping or housekeeping accommodations, or any other room or accommodation in any part of the hotel, rooming house, or tourist camp that is available for or rented out for hire in the lodging of guests.

(ii) "Rooming house" means every house, boat, vehicle, motor court, or other structure kept, used, maintained, advertised, or held out to the public to be a place where living quarters are supplied for pay to transient or permanent guests or tenants, whether in one or adjoining buildings.

(iii) "Tourist camp" means a place where tents or tent houses, or camp cottages, or cabins or other structures are located and offered to the public or any segment thereof for human habitation.

(o) "Lease or rental" means any transfer of possession or control of tangible personal property for a fixed or indeterminate term for consideration. A lease or rental may include future options to purchase or extend. Lease or rental does not include:

(i) A transfer of possession or control of property under a security agreement or deferred payment plan that requires the transfer of title upon completion of the required payments;

(ii) A transfer of possession or control of property under an agreement that requires the transfer of title upon completion of required payments and payment of an option price does not exceed the greater of one hundred dollars ($100) or one percent of the total required payments; or

(iii) Providing tangible personal property along with an operator for a fixed or indeterminate period of time. A condition of this exclusion is that the operator is necessary for the equipment to perform as designed. For the purpose of this subsection, an operator must do more than maintain, inspect, or set-up the tangible personal property.

(iv) Lease or rental does include agreements covering motor vehicles and trailers where the amount of consideration may be increased or decreased by reference to the amount realized upon sale or disposition of the property as defined in 26 U.S.C. § 7701(h)(1).

(v) This definition shall be used for sales and use tax purposes regardless if a transaction is characterized as a lease or rental under generally accepted accounting principles, the Internal Revenue Code, the Uniform Commercial Code, or other provisions of federal, state, or local law.

(vi) This definition will be applied only prospectively from the date of adoption and will have no retroactive impact on existing leases or rentals. This definition shall neither impact any existing sale-leaseback exemption or exclusions that a state may have, nor preclude a state from
adoption a sale-leaseback exemption or exclusion after the effective date of the agreement.

(p) "Mobility enhancing equipment" means equipment, including repair and replacement parts to same, that:

(i) Is primarily and customarily used to provide or increase the ability to move from one place to another and that is appropriate for use either in a home or a motor vehicle; and

(ii) Is not generally used by persons with normal mobility; and

(iii) Does not include any motor vehicle or equipment on a motor vehicle normally provided by a motor vehicle manufacturer.

Mobility enhancing equipment does not include durable medical equipment.

(q) "Model 1 Seller" means a seller that has selected a CSP as its agent to perform all the seller's sales and use tax functions, other than the seller's obligation to remit tax on its own purchases.

(r) "Model 2 Seller" means a seller that has selected a CAS to perform part of its sales and use tax functions, but retains responsibility for remitting the tax.

(s) "Model 3 Seller" means a seller that has sales in at least five member states, has total annual sales revenue of at least five hundred million dollars ($500,000,000), has a proprietary system that calculates the amount of tax due each jurisdiction, and has entered into a performance agreement with the member states that establishes a tax performance standard for the seller. As used in this definition, a seller includes an affiliated group of sellers using the same proprietary system.

(t) "Prosthetic device" means a replacement, corrective, or supportive device including repair and replacement parts for same worn on or in the body to:

(i) Artificially replace a missing portion of the body;

(ii) Prevent or correct physical deformity or malfunction; or

(iii) Support a weak or deformed portion of the body.

(u) "Purchaser" means a person to whom a sale of personal property is made or to whom a service is furnished.

(v) "Purchase price" applies to the measure subject to use tax and has the same meaning as sales price.

(w) "Seller" means a person making sales, leases, or rentals of personal property or services.

(x) Specified Digital Products

(i) “Specified digital products” means electronically transferred:

(A) “Digital Audio-Visual Works” which means a series of related images which, when
shown in succession, impart an impression of motion, together with accompanying sounds, if any;

(B) “Digital Audio Works” which means works that result from the fixation of a series of
musical, spoken, or other sounds, including ringtones, and/or:

(C) “Digital Books” which means works that are generally recognized in the ordinary and
usual sense as “books”.

(ii) For purposes of the definition of “digital audio works”, “ringtones” means digitized
sound files that are downloaded onto a device and that may be used to alert the customer with
respect to a communication.

(iii) For purposes of the definitions of “specified digital products”, “transferred
electronically” means obtained by the purchaser by means other than tangible storage media.

(q) “State” means any state of the United States and the District of Columbia.

(q) “Telecommunications” tax base/exemption terms.

(i) Telecommunication terms shall be defined as follows:

(A) “Ancillary services” means services that are associated with or incidental to the
provision of “telecommunications services”, including, but not limited to, “detailed
telecommunications billing”, “directory assistance”, “vertical service”, and “voice mail services”.

(B) “Conference bridging service” means an “ancillary service” that links two (2) or more
participants of an audio or video conference call and may include the provision of a telephone
number. “Conference bridging service” does not include the “telecommunications services” used
to reach the conference bridge.

(C) “Detailed telecommunications billing service” means an “ancillary service” of
separately stating information pertaining to individual calls on a customer's billing statement.

(D) “Directory assistance” means an “ancillary service” of providing telephone number
information, and/or address information.

(E) “Vertical service” means an “ancillary service” that is offered in connection with one
or more “telecommunications services”, which offers advanced calling features that allow
customers to identify callers and to manage multiple calls and call connections, including
“conference bridging services”.

(F) “Voice mail service” means an “ancillary service” that enables the customer to store,
send, or receive recorded messages. “Voice mail service” does not include any “vertical services”
that the customer may be required to have in order to utilize the “voice mail service”.

(G) “Telecommunications service” means the electronic transmission, conveyance, or
routing of voice, data, audio, video, or any other information or signals to a point, or between or
among points. The term “telecommunications service” includes such transmission, conveyance, or
routing in which computer processing applications are used to act on the form, code, or protocol of
the content for purposes of transmission, conveyance, or routing without regard to whether such
service is referred to as voice over internet protocol services or is classified by the Federal
Communications Commission as enhanced or value added. "Telecommunications service" does
not include:

(1) Data processing and information services that allow data to be generated, acquired,
stored, processed, or retrieved and delivered by an electronic transmission to a purchaser where
such purchaser's primary purpose for the underlying transaction is the processed data or
information;

(2) Installation or maintenance of wiring or equipment on a customer's premises;

(3) Tangible personal property;

(4) Advertising, including, but not limited to, directory advertising;

(5) Billing and collection services provided to third parties;

(6) Internet access service;

(7) Radio and television audio and video programming services, regardless of the medium,
including the furnishing of transmission, conveyance, and routing of such services by the
programming service provider. Radio and television audio and video programming services shall
include, but not be limited to, cable service as defined in 47 U.S.C. § 522(6) and audio and video
programming services delivered by commercial mobile radio service providers as defined in 47
C.F.R. § 20.3;

(8) "Ancillary services"; or

(9) Digital products "delivered electronically", including, but not limited to: software,
music, video, reading materials, or ring tones.

(H) "800 service" means a "telecommunications service" that allows a caller to dial a toll-
free number without incurring a charge for the call. The service is typically marketed under the
name "800", "855", "866", "877", and "888" toll-free calling, and any subsequent numbers
designated by the Federal Communications Commission.

(I) "900 service" means an inbound toll "telecommunications service" purchased by a
subscriber that allows the subscriber's customers to call in to the subscriber's prerecorded
announcement or live service. "900 service" does not include the charge for: collection services
provided by the seller of the "telecommunications services" to the subscriber, or service or product
sold by the subscriber to the subscriber's customer. The service is typically marketed under the
name "900 service," and any subsequent numbers designated by the Federal Communications
Commission.
(J) "Fixed wireless service" means a "telecommunications service" that provides radio communication between fixed points.

(K) "Mobile wireless service" means a "telecommunications service" that is transmitted, conveyed, or routed regardless of the technology used, whereby the origination and/or termination points of the transmission, conveyance, or routing are not fixed, including, by way of example only, "telecommunications services" that are provided by a commercial mobile radio service provider.

(L) "Paging service" means a "telecommunications service" that provides transmission of coded radio signals for the purpose of activating specific pagers; such transmissions may include messages and/or sounds.

(M) "Prepaid calling service" means the right to access exclusively "telecommunications services", which must be paid for in advance and that enables the origination of calls using an access number or authorization code, whether manually or electronically dialed, and that is sold in predetermined units or dollars of which the number declines with use in a known amount.

(N) "Prepaid wireless calling service" means a "telecommunications service" that provides the right to utilize "mobile wireless service", as well as other non-telecommunications services, including the download of digital products "delivered electronically", content and "ancillary services" which must be paid for in advance that is sold in predetermined units of dollars of which the number declines with use in a known amount.

(O) "Private communications service" means a telecommunications service that entitles the customer to exclusive or priority use of a communications channel or group of channels between or among termination points, regardless of the manner in which such channel or channels are connected, and includes switching capacity, extension lines, stations, and any other associated services that are provided in connection with the use of such channel or channels.

(P) "Value-added non-voice data service" means a service that otherwise meets the definition of "telecommunications services" in which computer processing applications are used to act on the form, content, code, or protocol of the information or data primarily for a purpose other than transmission, conveyance, or routing.

(ii) "Modifiers of Sales Tax Base/Exemption Terms" -- the following terms can be used to further delineate the type of "telecommunications service" to be taxed or exempted. The terms would be used with the broader terms and subcategories delineated above.

(A) "Coin-operated telephone service" means a "telecommunications service" paid for by inserting money into a telephone accepting direct deposits of money to operate.

(B) "International" means a "telecommunications service" that originates or terminates in the United States and terminates or originates outside the United States, respectively. United States
includes the District of Columbia or a U.S. territory or possession.

(C) "Interstate" means a "telecommunications service" that originates in one United States state, or a United States territory or possession, and terminates in a different United States state or a United States territory or possession.

(D) "Intrastate" means a "telecommunications service" that originates in one United States state or a United States territory or possession, and terminates in the same United States state or a United States territory or possession.

(E) "Pay telephone service" means a "telecommunications service" provided through any pay telephone.

(F) "Residential telecommunications service" means a "telecommunications service" or "ancillary services" provided to an individual for personal use at a residential address, including an individual dwelling unit such as an apartment. In the case of institutions where individuals reside, such as schools or nursing homes, "telecommunications service" is considered residential if it is provided to and paid for by an individual resident rather than the institution.

The terms "ancillary services" and "telecommunications service" are defined as a broad range of services. The terms "ancillary services" and "telecommunications service" are broader than the sum of the subcategories. Definitions of subcategories of "ancillary services" and "telecommunications service" can be used by a member state alone or in combination with other subcategories to define a narrower tax base than the definitions of "ancillary services" and "telecommunications service" would imply. The subcategories can also be used by a member state to provide exemptions for certain subcategories of the more broadly defined terms.

A member state that specifically imposes tax on, or exempts from tax, local telephone or local telecommunications service may define "local service" in any manner in accordance with § 44-18.1-28, except as limited by other sections of this Agreement.

(Tobacco) "Tobacco" means cigarettes, cigars, chewing, or pipe tobacco, or any other item that contains tobacco.

44-18-7.3. Services defined.

(a) "Services" means all activities engaged in for other persons for a fee, retainer, commission, or other monetary charge, which activities involve the performance of a service in this state as distinguished from selling property.

(b) The following businesses and services performed in this state, along with the applicable 2002-2017 North American Industrial Classification System (NAICS) codes, are included in the definition of services:

(1) Taxicab and limousine services including but not limited to:
(i) Taxicab services including taxi dispatchers (485310); and
(ii) Limousine services (485320).

(2) Other road transportation service including but not limited to:
(i) Charter bus service (485510);
(ii) "Transportation network companies" (TNC) defined as an entity that uses a digital network to connect transportation network company riders to transportation network operators who provide prearranged rides. Any TNC operating in this state is a retailer as provided in § 44-18-15 and is required to file a business application and registration form and obtain a permit to make sales at retail with the tax administrator, to charge, collect, and remit Rhode Island sales and use tax; and
(iii) All other transit and ground passenger transportation (485999).

(3) Pet care services (812910) except veterinary and testing laboratories services.

(4)(i) "Room reseller” or "reseller” means any person, except a tour operator as defined in § 42-63.1-2, having any right, permission, license, or other authority from or through a hotel as defined in § 42-63.1-2, to reserve, or arrange the transfer of occupancy of, accommodations the reservation or transfer of which is subject to this chapter, such that the occupant pays all or a portion of the rental and other fees to the room reseller or reseller. Room reseller or reseller shall include, but not be limited to, sellers of travel packages as defined in this section. Notwithstanding the provisions of any other law, where said reservation or transfer of occupancy is done using a room reseller or reseller, the application of the sales and use tax under §§ 44-18-20 and 44-18-36.1 shall be as follows: The room reseller or reseller is required to register with, and shall collect and pay to, the tax administrator the sales and use and hotel taxes, with said taxes being calculated upon the amount of rental and other fees paid by the occupant to the room reseller or reseller, less the amount of any rental and other fees paid by the room reseller or reseller to the hotel. The hotel shall collect and pay to the tax administrator said taxes upon the amount of rental and other fees paid to the hotel by the room reseller or reseller and/or the occupant. No assessment shall be made by the tax administrator against a hotel because of an incorrect remittance of the taxes under this chapter by a room reseller or reseller. No assessment shall be made by the tax administrator against a room reseller or reseller because of an incorrect remittance of the taxes under this chapter by a hotel. If the hotel has paid the taxes imposed under this chapter, the occupant and/or room reseller or reseller, as applicable, shall reimburse the hotel for said taxes. If the room reseller or reseller has paid said taxes, the occupant shall reimburse the room reseller or reseller for said taxes. Each hotel and room reseller or reseller shall add and collect, from the occupant or the room reseller or the reseller, the full amount of the taxes imposed on the rental and other fees. When added to the rental and other fees, the taxes shall be a debt owed by the occupant.
to the hotel or room reseller or reseller, as applicable, and shall be recoverable at law in the same manner as other debts. The amount of the taxes collected by the hotel and/or room reseller or reseller from the occupant under this chapter shall be stated and charged separately from the rental and other fees, and shall be shown separately on all records thereof, whether made at the time the transfer of occupancy occurs, or on any evidence of the transfer issued or used by the hotel or the room reseller or the reseller. A room reseller or reseller shall not be required to disclose to the occupant the amount of tax charged by the hotel; provided, however, the room reseller or reseller shall represent to the occupant that the separately stated taxes charged by the room reseller or reseller include taxes charged by the hotel. No person shall operate a hotel in this state, or act as a room reseller or reseller for any hotel in the state, unless the tax administrator has issued a permit pursuant to § 44-19-1.

(ii) “Travel package” means a room, or rooms, bundled with one or more other, separate components of travel such as air transportation, car rental, or similar items, which travel package is charged to the customer or occupant for a single, retail price. When the room occupancy is bundled for a single consideration, with other property, services, amusement charges, or any other items, the separate sale of which would not otherwise be subject to tax under this chapter, the entire single consideration shall be treated as the rental or other fees for room occupancy subject to tax under this chapter; provided, however, that where the amount of the rental, or other fees for room occupancy is stated separately from the price of such other property, services, amusement charges, or other items, on any sales slip, invoice, receipt, or other statement given the occupant, and such rental and other fees are determined by the tax administrator to be reasonable in relation to the value of such other property, services, amusement charges, or other items, only such separately stated rental and other fees will be subject to tax under this chapter. The value of the transfer of any room, or rooms, bundled as part of a travel package may be determined by the tax administrator from the room reseller's and/or reseller's and/or hotel's books and records that are kept in the regular course of business.

(5) Investigation, Guard, and Armored Car Services (56161, 561611, 561612 & 561613).

(c) All services as defined herein are required to file a business application and registration form and obtain a permit to make sales at retail with the tax administrator, to charge, collect, and remit Rhode Island sales and use tax.

(d) The tax administrator is authorized to promulgate rules and regulations in accordance with the provisions of chapter 35 of title 42 to carry out the provisions, policies, and purposes of this chapter.

44-18-8. Retail sale or sale at retail defined.
A "retail sale" or "sale at retail" means any sale, lease, or rentals of tangible personal property, prewritten computer software delivered electronically or by load and leave, vendor-hosted prewritten computer software, specified digital products, or services as defined in § 44-18-7.3 for any purpose other than resale, sublease, or subrent in the regular course of business. The sale of tangible personal property to be used for purposes of rental in the regular course of business is considered to be a sale for resale. In regard to telecommunications service as defined in § 44-18-7(9), retail sale does not include the purchase of telecommunications service by a telecommunications provider from another telecommunication provider for resale to the ultimate consumer; provided, that the purchaser submits to the seller a certificate attesting to the applicability of this exclusion, upon receipt of which the seller is relieved of any tax liability for the sale.


(a) "Retailer" includes:

(1) Every person engaged in the business of making sales at retail including prewritten computer software delivered electronically or by load and leave, vendor-hosted prewritten computer software, specified digital products, sales of services as defined in § 44-18-7.3, and sales at auction of tangible personal property owned by the person or others.

(2) Every person making sales of tangible personal property including prewritten computer software delivered electronically or by load and leave, or vendor-hosted prewritten computer software or specified digital products, or sales of services as defined in § 44-18-7.3, through an independent contractor or other representative, if the retailer enters into an agreement with a resident of this state, under which the resident, for a commission or other consideration, directly or indirectly refers potential customers, whether by a link on an internet website or otherwise, to the retailer, provided the cumulative gross receipts from sales by the retailer to customers in the state who are referred to the retailer by all residents with this type of an agreement with the retailer, is in excess of five thousand dollars ($5,000) during the preceding four (4) quarterly periods ending on the last day of March, June, September and December. Such retailer shall be presumed to be soliciting business through such independent contractor or other representative, which presumption may be rebutted by proof that the resident with whom the retailer has an agreement did not engage in any solicitation in the state on behalf of the retailer that would satisfy the nexus requirement of the United States Constitution during such four (4) quarterly periods.

(3) Every person engaged in the business of making sales for storage, use, or other consumption of: (i) tangible personal property, (ii) sales at auction of tangible personal property owned by the person or others, (iii) prewritten computer software delivered electronically or by
load and leave, (iv) vendor-hosted prewritten computer software, (v) specified digital products, and
(vi) services as defined in § 44-18-7.3.

(4) A person conducting a horse race meeting with respect to horses, which are claimed
during the meeting.

(5) Every person engaged in the business of renting any living quarters in any hotel as
defined in § 42-63.1-2, rooming house, or tourist camp.

(6) Every person maintaining a business within or outside of this state who engages in the
regular or systematic solicitation of sales of tangible personal property, prewritten computer
software delivered electronically or by load and leave, vendor-hosted prewritten computer
software, and/or specified digital products in this State by means of:

(i) Advertising in newspapers, magazines, and other periodicals published in this state, sold
over the counter in this state or sold by subscription to residents of this state, billboards located in
this state, airborne advertising messages produced or transported in the airspace above this state,
display cards and posters on common carriers or any other means of public conveyance
incorporated or operated primarily in this state, brochures, catalogs, circulars, coupons, pamphlets,
samples, and similar advertising material mailed to, or distributed within this state to residents of
this state;

(ii) Telephone;

(iii) Computer assisted shopping networks; and

(iv) Television, radio or any other electronic media, which is intended to be broadcast to
consumers located in this state.

(b) When the tax administrator determines that it is necessary for the proper administration
of chapters 18 and 19 of this title to regard any salespersons, representatives, truckers, peddlers, or
canvassers as the agents of the dealers, distributors, supervisors, employers, or persons under whom
they operate or from whom they obtain the tangible personal property sold by them, irrespective of
whether they are making sales on their own behalf or on behalf of the dealers, distributors,
supervisors, or employers, the tax administrator may so regard them and may regard the dealers,
distributors, supervisors, or employers as retailers for purposes of chapters 18 and 19 of this title.

44-18-15.2. "Remote seller" and "remote sale" defined -- Collection of sales and use
tax by remote seller.

(a) As used in this section:

(1) "Remote seller" means any seller, other than a marketplace facilitator or referrer, who
does not have a physical presence in this state and makes retail sales to purchasers.

(b) Upon passage of any federal law authorizing states to require remote sellers to collect
and remit sales and use taxes, this state will require a remote seller making remote sales in the state to pay, collect, and remit sales and use taxes at the rate imposed under § 44-18-18, and in accordance with the provisions of this article, chapters 18.1 and 19 of this title, and applicable federal law.


A tax is imposed upon sales at retail in this state including charges for rentals of living quarters in hotels as defined in § 42-63.1-2, rooming houses, or tourist camps, at the rate of six percent (6%) of the gross receipts of the retailer from the sales or rental charges; provided, that the tax imposed on charges for the rentals applies only to the first period of not exceeding thirty (30) consecutive calendar days of each rental; provided, further, that for the period commencing July 1, 1990, the tax rate is seven percent (7%). The tax is paid to the tax administrator by the retailer at the time and in the manner provided. Excluded from this tax are those living quarters in hotels, rooming houses, or tourist camps for which the occupant has a written lease for the living quarters which lease covers a rental period of twelve (12) months or more. In recognition of the work being performed by the streamlined sales and use tax governing board, upon passage of any federal law that authorizes states to require remote sellers to collect and remit sales and use taxes, the rate imposed under this section shall be reduced from seven percent (7%) to six and one-half percent (6.5%). The six and one-half percent (6.5%) rate shall take effect on the date that the state requires remote sellers to collect and remit sale and use taxes.

44-18-18.1. Local meals and beverage tax.

(a) There is hereby levied and imposed, upon every purchaser of a meal and/or beverage, in addition to all other taxes and fees now imposed by law, a local meals and beverage tax upon each and every meal and/or beverage sold within the state of Rhode Island in or from an eating and/or drinking establishment, whether prepared in the eating and/or drinking establishment or not and whether consumed at the premises or not, at a rate of one percent of the gross receipts. The tax shall be paid to the tax administrator by the retailer at the time and in the manner provided.

(b) All sums received by the division of taxation under this section as taxes, penalties, or forfeitures, interest, costs of suit, and fines shall be distributed at least quarterly and credited and paid by the state treasurer to the city or town where the meals and beverages are delivered.

(c) When used in this section, the following words have the following meanings:

(1) "Beverage" means all nonalcoholic beverages, as well as alcoholic beverages, beer, lager beer, ale, porter, wine, similar fermented malt, or vinous liquor.

(2) "Eating and/or drinking establishment" means and includes restaurants, bars, taverns, lounges, cafeterias, lunch counters, drive-ins, roadside ice cream and refreshment stands, fish-and-
chip places, fried chicken places, pizzerias, food-and-drink concessions, or similar facilities in
amusement parks, bowling alleys, clubs, caterers, drive-in theatres, industrial plants, race tracks,
shore resorts or other locations, lunch carts, mobile canteens and other similar vehicles, and other
like places of business that furnish or provide facilities for immediate consumption of food at tables,
chairs, or, counters or from trays, plates, cups, or other tableware, or in parking facilities provided
primarily for the use of patrons in consuming products purchased at the location. Ordinarily, eating
establishment does not mean and include food stores and supermarkets. Eating establishments does
not mean "vending machines," a self-contained automatic device that dispenses for sale foods,
beverages, or confection products. Retailers selling prepared foods in bulk, either in customer-
furnished containers or in the seller's containers, for example "Soup and Sauce" establishments, are
deemed to be selling prepared foods ordinarily for immediate consumption and, as such, are
considered eating establishments.

(3) "Meal" means any prepared food or beverage offered or held out for sale by an eating
and/or drinking establishment for the purpose of being consumed by any person to satisfy the
appetite and that is ready for immediate consumption. All such food and beverage, unless otherwise
specifically exempted or excluded herein shall be included, whether intended to be consumed on
the seller's premises or elsewhere, whether designated as breakfast, lunch, snack, dinner, supper, or
by some other name, and without regard to the manner, time, or place of service.

(d) This local meals and beverage tax shall be administered and collected by the division
of taxation, and unless provided to the contrary in this chapter, all of the administration, collection,
and other provisions of chapters 18 and 19 of this title apply.

In recognition of the work being performed by the streamlined sales and use tax governing
board, upon passage of any federal law that authorizes states to require remote sellers to collect and
remit sales and use taxes, the rate imposed under this section shall be increased from one percent
(1%) to one and one half percent (1.5%). The one and one half percent (1.5%) rate shall take effect
on the date that the state requires remote sellers to collect and remit sales and use taxes.


(a) An excise tax is imposed on the storage, use, or other consumption in this state of
tangible personal property; prewritten computer software delivered electronically or by load and
leave; vendor-hosted prewritten computer software; specified digital products; or services as
defined in § 44-18-7.3, including a motor vehicle, a boat, an airplane, or a trailer, purchased from
any retailer at the rate of six percent (6%) of the sale price of the property.

(b) An excise tax is imposed on the storage, use, or other consumption in this state of a
motor vehicle, a boat, an airplane, or a trailer purchased from other than a licensed motor vehicle
dealer or other than a retailer of boats, airplanes, or trailers respectively, at the rate of six percent
of the sale price of the motor vehicle, boat, airplane, or trailer.

(c) The word "trailer," as used in this section and in § 44-18-21, means and includes those
defined in § 31-1-5(a) -- (f) and also includes boat trailers, camping trailers, house trailers, and
mobile homes.

(d) Notwithstanding the provisions contained in this section and in § 44-18-21 relating to
the imposition of a use tax and liability for this tax on certain casual sales, no tax is payable in any
casual sale:

(1) When the transferee or purchaser is the spouse, mother, father, brother, sister, or child
of the transferor or seller;

(2) When the transfer or sale is made in connection with the organization, reorganization,
dissolution, or partial liquidation of a business entity, provided:

(i) The last taxable sale, transfer, or use of the article being transferred or sold was subjected
to a tax imposed by this chapter;

(ii) The transferee is the business entity referred to or is a stockholder, owner, member, or
partner; and

(iii) Any gain or loss to the transferor is not recognized for income tax purposes under the
provisions of the federal income tax law and treasury regulations and rulings issued thereunder;

(3) When the sale or transfer is of a trailer, other than a camping trailer, of the type
ordinarily used for residential purposes and commonly known as a house trailer or as a mobile
home; or

(4) When the transferee or purchaser is exempt under the provisions of § 44-18-30 or other
general law of this state or special act of the general assembly of this state.

(e) The term "casual" means a sale made by a person other than a retailer, provided, that in
the case of a sale of a motor vehicle, the term means a sale made by a person other than a licensed
motor vehicle dealer or an auctioneer at an auction sale. In no case is the tax imposed under the
provisions of subsections (a) and (b) of this section on the storage, use, or other consumption in
this state of a used motor vehicle less than the product obtained by multiplying the amount of the
retail dollar value at the time of purchase of the motor vehicle by the applicable tax rate; provided,
that where the amount of the sale price exceeds the amount of the retail dollar value, the tax is
based on the sale price. The tax administrator shall use as his or her guide the retail dollar value as
shown in the current issue of any nationally recognized, used-vehicle guide for appraisal purposes
in this state. On request within thirty (30) days by the taxpayer after payment of the tax, if the tax
administrator determines that the retail dollar value as stated in this subsection is inequitable or
unreasonable, he or she shall, after affording the taxpayer reasonable opportunity to be heard, re-
determine the tax.

(f) Every person making more than five (5) retail sales of tangible personal property or
prewritten computer software delivered electronically or by load and leave, or vendor-hosted
prewritten computer software, or specified digital products, or services as defined in § 44-18-7.3
during any twelve-month (12) period, including sales made in the capacity of assignee for the
benefit of creditors or receiver or trustee in bankruptcy, is considered a retailer within the provisions
of this chapter.

(g)(1) "Casual sale" includes a sale of tangible personal property not held or used by a
seller in the course of activities for which the seller is required to hold a seller's permit or permits
or would be required to hold a seller's permit or permits if the activities were conducted in this
state, provided that the sale is not one of a series of sales sufficient in number, scope, and character
(more than five (5) in any twelve-month (12) period) to constitute an activity for which the seller
is required to hold a seller's permit or would be required to hold a seller's permit if the activity were
conducted in this state.

(2) Casual sales also include sales made at bazaars, fairs, picnics, or similar events by
nonprofit organizations, that are organized for charitable, educational, civic, religious, social,
recreational, fraternal, or literary purposes during two (2) events not to exceed a total of six (6)
days duration each calendar year. Each event requires the issuance of a permit by the division of
taxation. Where sales are made at events by a vendor that holds a sales tax permit and is not a
nonprofit organization, the sales are in the regular course of business and are not exempt as casual
sales.

(h) The use tax imposed under this section for the period commencing July 1, 1990, is at
the rate of seven percent (7%). In recognition of the work being performed by the streamlined sales
and use tax governing board, upon passage of any federal law that authorizes states to require
remote sellers to collect and remit sales and use taxes, effective the first (1st) day of the first (1st)
state fiscal quarter following the change, the rate imposed under § 44-18-18 shall be reduced from
seven percent (7.0%) to six and one-half percent (6.5%). The six and one-half percent (6.5%) rate
shall take effect on the date that the state requires remote sellers to collect and remit sales and use
taxes.


(a) Every person storing, using, or consuming in this state tangible personal property,
including a motor vehicle, boat, airplane, or trailer, purchased from a retailer, and a motor vehicle,
boat, airplane, or trailer, purchased from other than a licensed motor vehicle dealer or other than a
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relating to taxes, revenues and fees
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retailer of boats, airplanes, or trailers respectively; or storing, using or consuming specified
prewritten computer software delivered electronically or by load and leave, or vendor-hosted
prewritten computer software, or specified digital products, or services as defined in § 44-18-7.3 is
liable for the use tax. The person's liability is not extinguished until the tax has been paid to this
state, except that a receipt from a retailer engaging in business in this state or from a retailer who
is authorized by the tax administrator to collect the tax under rules and regulations that he or she
may prescribe, given to the purchaser pursuant to the provisions of § 44-18-22, is sufficient to
relieve the purchaser from further liability for the tax to which the receipt refers.

(b) Each person before obtaining an original or transferral registration for any article or
commodity in this state, which article or commodity is required to be licensed or registered in the
state, shall furnish satisfactory evidence to the tax administrator that any tax due under this chapter
with reference to the article or commodity has been paid, and for the purpose of effecting
compliance, the tax administrator, in addition to any other powers granted to him or her, may invoke
the provisions of § 31-3-4 in the case of a motor vehicle. The tax administrator, when he or she
deems it to be for the convenience of the general public, may authorize any agency of the state
concerned with the licensing or registering of these articles or commodities to collect the use tax
on any articles or commodities which the purchaser is required by this chapter to pay before
receiving an original or transferral registration. The general assembly shall annually appropriate a
sum that it deems necessary to carry out the purposes of this section. Notwithstanding the
provisions of §§ 44-18-19, 44-18-22, and 44-18-24, the sales or use tax on any motor vehicle and/or
recreational vehicle requiring registration by the administrator of the division of motor vehicles
shall not be added by the retailer to the sale price or charge but shall be paid directly by the
purchaser to the tax administrator, or his or her authorized deputy or agent as provided in this
section.

(c) In cases involving total loss or destruction of a motor vehicle occurring within one
hundred twenty (120) days from the date of purchase and upon which the purchaser has paid the
use tax, the amount of the tax constitutes an overpayment. The amount of the overpayment may be
credited against the amount of use tax on any subsequent vehicle which the owner acquires to
replace the lost or destroyed vehicle or may be refunded, in whole or in part.


Every retailer engaging in business in this state and making sales of tangible personal
property or prewritten computer software delivered electronically or by load and leave, or vendor-
hosted prewritten computer software, or specified digital products, or services as defined in § 44-
18-7.3, for storage, use, or other consumption in this state, not exempted under this chapter shall,
at the time of making the sales, or if the storage, use, or other consumption of the tangible personal
property, prewritten computer software delivered electronically or by load and leave, vendor-hosted
prewritten computer software, or specified digital products, or services as defined in § 44-18-7.3,
is not then taxable under this chapter, at the time the storage, use, or other consumption becomes
taxable, collect the tax from the purchaser and give to the purchaser a receipt in the manner and
form prescribed by the tax administrator.

As used in §§ 44-18-21 and 44-18-22 the term "engaging in business in this state" means
the selling or delivering in this state, or any activity in this state related to the selling or delivering
in this state of tangible personal property or prewritten computer software delivered electronically
or by load and leave, or vendor-hosted prewritten computer software, or specified digital products,
for storage, use, or other consumption in this state; or services as defined in § 44-18-7.3 in this
state. This term includes, but is not limited to, the following acts or methods of transacting business:
(1) Maintaining, occupying, or using in this state permanently or temporarily, directly or
indirectly or through a subsidiary, representative, or agent by whatever name called and whether or
not qualified to do business in this state, any office, place of distribution, sales or sample room or
place, warehouse or storage place, or other place of business;
(2) Having any subsidiary, representative, agent, salesperson, canvasser, or solicitor
permanently or temporarily, and whether or not the subsidiary, representative, or agent is qualified
to do business in this state, operate in this state for the purpose of selling, delivering, or the taking
of orders for any tangible personal property, or prewritten computer software delivered
electronically or by load and leave, or vendor-hosted prewritten computer software, or specified
digital products, or services as defined in § 44-18-7.3;
(3) The regular or systematic solicitation of sales of tangible personal property, or
prewritten computer software delivered electronically or by load and leave, or vendor-hosted
prewritten computer software, or specified digital products, or services as defined in § 44-18-7.3,
in this state by means of:
   (i) Advertising in newspapers, magazines, and other periodicals published in this state, sold
over the counter in this state or sold by subscription to residents of this state, billboards located in
this state, airborne advertising messages produced or transported in the air space above this state,
display cards and posters on common carriers or any other means of public conveyance
incorporated or operating primarily in this state, brochures, catalogs, circulars, coupons, pamphlets,
samples, and similar advertising material mailed to, or distributed within this state to residents of
this state;
(ii) Telephone;

(iii) Computer-assisted shopping networks; and

(iv) Televison, radio or any other electronic media, which is intended to be broadcast to consumers located in this state.

44-18-25. Presumption that sale is for storage, use, or consumption -- Resale certificate.

It is presumed that all gross receipts are subject to the sales tax, and that the use of all tangible personal property, or prewritten computer software delivered electronically or by load and leave, or vendor-hosted prewritten computer software, or specified digital products, or services as defined in § 44-18-7.3, are subject to the use tax, and that all tangible personal property, or prewritten computer software delivered electronically or by load and leave, or vendor-hosted prewritten computer software, or specified digital products, or services as defined in § 44-18-7.3, sold or in processing or intended for delivery or delivered in this state is sold or delivered for storage, use, or other consumption in this state, until the contrary is established to the satisfaction of the tax administrator. The burden of proving the contrary is upon the person who makes the sale and the purchaser, unless the person who makes the sale takes from the purchaser a certificate to the effect that the purchase was for resale. The certificate shall contain any information and be in the form that the tax administrator may require.


There are exempted from the taxes imposed by this chapter the following gross receipts:

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

(2) Newspapers.

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

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

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

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

(4) Containers.

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

(A) Non-returnable containers, including boxes, paper bags, and wrapping materials that
are biodegradable and all bags and wrapping materials utilized in the medical and healing arts,
when sold without the contents to persons who place the contents in the container and sell the
contents with the container.

(B) Containers when sold with the contents if the sale price of the contents is not required
to be included in the measure of the taxes imposed by this chapter.

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

(D) Keg and barrel containers, whether returnable or not, when sold to alcoholic beverage
producers who place the alcoholic beverages in the containers.

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

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

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

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

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

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

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

(iii) "Consumed" includes mere obsolescence.

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

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

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

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

(9) Food and food ingredients. From the sale and storage, use, or other consumption in this state of food and food ingredients as defined in § 44-18-7.1(l).

For the purposes of this exemption "food and food ingredients" shall not include candy, soft drinks, dietary supplements, alcoholic beverages, tobacco, food sold through vending machines, or prepared food, as those terms are defined in § 44-18-7.1, unless the prepared food is:

(i) Sold by a seller whose primary NAICS classification is manufacturing in sector 311, except sub-sector 3118 (bakeries);

(ii) Sold in an unheated state by weight or volume as a single item;

(iii) Bakery items, including: bread, rolls, buns, biscuits, bagels, croissants, pastries, donuts, danish, cakes, tortes, pies, tarts, muffins, bars, cookies, tortillas; and

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

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

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

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

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

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

(13) Motor vehicles sold to nonresidents.

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

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

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

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

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

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

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

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

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

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

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

(iii) From the sale of: (a) Special adaptations, (b) The component parts of the special adaptations, for a "wheelchair accessible taxicab" as defined in § 39-14-1, and/or a "wheelchair accessible public motor vehicle" as defined in § 39-14.1-1.

(iv) For the purpose of this subdivision the exemption for a "specially adapted motor vehicle" means a use tax credit not to exceed the amount of use tax that would otherwise be due on the motor vehicle, exclusive of any adaptations. The use tax credit is equal to the cost of the special adaptations, including installation.

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

(21) Electricity and gas. From the sale and from the storage, use, or other consumption in this state of electricity and gas.

(22) Manufacturing machinery and equipment.

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

(ii) Machinery and equipment and related items are not deemed to be used in connection with the actual manufacture, conversion, or processing of tangible personal property, or in connection with the actual manufacture, conversion, or processing of computer software as that term is utilized in industry numbers 7371, 7372, and 7373 in the standard industrial classification manual prepared by the Technical Committee on Industrial Classification, Office of Statistical Standards, Executive Office of the President, United States Bureau of the Budget, as revised from time to time, to be sold to the extent the property is used in administration or distribution operations;
(iii) Machinery and equipment and related items used in connection with the actual manufacture, conversion, or processing of any computer software or any tangible personal property that is not to be sold and that would be exempt under subdivision (7) or this subdivision if purchased from a vendor or machinery and equipment and related items used during any manufacturing, converting, or processing function is exempt under this subdivision even if that operation, function, or purpose is not an integral or essential part of a continuous production flow or manufacturing process;

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

(23) Trade-in value of motor vehicles. From the sale and from the storage, use, or other consumption in this state of so much of the purchase price paid for a new or used automobile as is allocated for a trade-in allowance on the automobile of the buyer given in trade to the seller, or of the proceeds applicable only to the automobile as are received from the manufacturer of automobiles for the repurchase of the automobile whether the repurchase was voluntary or not towards the purchase of a new or used automobile by the buyer. For the purpose of this subdivision, the word "automobile" means a private passenger automobile not used for hire and does not refer to any other type of motor vehicle.

(24) Precious metal bullion.

(i) From the sale and from the storage, use, or other consumption in this state of precious metal bullion, substantially equivalent to a transaction in securities or commodities.

(ii) For purposes of this subdivision, "precious metal bullion" means any elementary precious metal that has been put through a process of smelting or refining, including, but not limited to: gold, silver, platinum, rhodium, and chromium, and that is in a state or condition that its value depends upon its content and not upon its form.

(iii) The term does not include fabricated precious metal that has been processed or manufactured for some one or more specific and customary industrial, professional, or artistic uses.

(25) Commercial vessels. From sales made to a commercial ship, barge, or other vessel of fifty (50) tons burden or over, primarily engaged in interstate or foreign commerce, and from the repair, alteration, or conversion of the vessels, and from the sale of property purchased for the use of the vessels including provisions, supplies, and material for the maintenance and/or repair of the vessels.
(26) Commercial fishing vessels. From the sale and from the storage, use, or other consumption in this state of vessels and other watercraft that are in excess of five (5) net tons and that are used exclusively for "commercial fishing", as defined in this subdivision, and from the repair, alteration, or conversion of those vessels and other watercraft, and from the sale of property purchased for the use of those vessels and other watercraft including provisions, supplies, and material for the maintenance and/or repair of the vessels and other watercraft and the boats nets, cables, tackle, and other fishing equipment appurtenant to or used in connection with the commercial fishing of the vessels and other watercraft. "Commercial fishing" means taking or attempting to take any fish, shellfish, crustacea, or bait species with the intent of disposing of it for profit or by sale, barter, trade, or in commercial channels. The term does not include subsistence fishing, i.e., the taking for personal use and not for sale or barter; or sport fishing; but shall include vessels and other watercraft with a Rhode Island party and charter boat license issued by the department of environmental management pursuant to § 20-2-27.1 that meet the following criteria: (i) The operator must have a current U.S.C.G. license to carry passengers for hire; (ii) U.S.C.G. vessel documentation in the coast wide fishery trade; (iii) U.S.C.G. vessel documentation as to proof of Rhode Island home port status or a Rhode Island boat registration to prove Rhode Island home port status; and (iv) The vessel must be used as a commercial passenger carrying fishing vessel to carry passengers for fishing. The vessel must be able to demonstrate that at least fifty percent (50%) of its annual gross income derives from charters or provides documentation of a minimum of one hundred (100) charter trips annually; and (v) The vessel must have a valid Rhode Island party and charter boat license. The tax administrator shall implement the provisions of this subdivision by promulgating rules and regulations relating thereto.

(27) Clothing and footwear. From the sales of articles of clothing, including footwear, intended to be worn or carried on or about the human body for sales prior to October 1, 2012. Effective October 1, 2012, the exemption will apply to the sales of articles of clothing, including footwear, intended to be worn or carried on or about the human body up to two hundred and fifty dollars ($250) of the sales price per item. For the purposes of this section, "clothing or footwear" does not include clothing accessories or equipment or special clothing or footwear primarily designed for athletic activity or protective use as these terms are defined in section 44-18-7.1(f). In recognition of the work being performed by the streamlined sales and use tax governing board, upon passage of any federal law that authorizes states to require remote sellers to collect and remit sales and use taxes, this unlimited exemption will apply as it did prior to October 1, 2012. The unlimited exemption on sales of clothing and footwear shall take effect on the date that the state requires remote sellers to collect and remit sales and use taxes.
(28) Water for residential use. From the sale and from the storage, use, or other consumption in this state of water furnished for domestic use by occupants of residential premises.

(29) Bibles. [Unconstitutional; see Ahlburn v. Clark, 728 A.2d 449 (R.I. 1999); see Notes to Decisions.] From the sale and from the storage, use, or other consumption in the state of any canonized scriptures of any tax-exempt nonprofit religious organization including, but not limited to, the Old Testament and the New Testament versions.

(30) Boats.

(i) From the sale of a boat or vessel to a bona fide nonresident of this state who does not register the boat or vessel in this state or document the boat or vessel with the United States government at a home port within the state, whether the sale or delivery of the boat or vessel is made in this state or elsewhere; provided, that the nonresident transports the boat within thirty (30) days after delivery by the seller outside the state for use thereafter solely outside the state.

(ii) The tax administrator, in addition to the provisions of §§ 44-19-27 and 44-19-28, may require the seller of the boat or vessel to keep records of the sales to bona fide nonresidents as the tax administrator deems reasonably necessary to substantiate the exemption provided in this subdivision, including the affidavit of the seller that the buyer represented himself or herself to be a bona fide nonresident of this state and of the buyer that he or she is a nonresident of this state.

(31) Youth activities equipment. From the sale, storage, use, or other consumption in this state of items for not more than twenty dollars ($20.00) each by nonprofit Rhode Island eleemosynary organizations, for the purposes of youth activities that the organization is formed to sponsor and support; and by accredited elementary and secondary schools for the purposes of the schools or of organized activities of the enrolled students.

(32) Farm equipment. From the sale and from the storage or use of machinery and equipment used directly for commercial farming and agricultural production; including, but not limited to: tractors, ploughs, harrows, spreaders, seeders, milking machines, silage conveyors, balers, bulk milk storage tanks, trucks with farm plates, mowers, combines, irrigation equipment, greenhouses and greenhouse coverings, graders and packaging machines, tools and supplies and other farming equipment, including replacement parts appurtenant to or used in connection with commercial farming and tools and supplies used in the repair and maintenance of farming equipment. “Commercial farming” means the keeping or boarding of five (5) or more horses or the production within this state of agricultural products, including, but not limited to, field or orchard crops, livestock, dairy, and poultry, or their products, where the keeping, boarding, or production provides at least two thousand five hundred dollars ($2,500) in annual gross sales to the operator, whether an individual, a group, a partnership, or a corporation for exemptions issued prior to July
For exemptions issued or renewed after July 1, 2002, there shall be two (2) levels. Level I shall be based on proof of annual, gross sales from commercial farming of at least twenty-five hundred dollars ($2,500) and shall be valid for purchases subject to the exemption provided in this subdivision except for motor vehicles with an excise tax value of five thousand dollars ($5,000) or greater. Level II shall be based on proof of annual gross sales from commercial farming of at least ten thousand dollars ($10,000) or greater and shall be valid for purchases subject to the exemption provided in this subdivision including motor vehicles with an excise tax value of five thousand dollars ($5,000) or greater. For the initial issuance of the exemptions, proof of the requisite amount of annual gross sales from commercial farming shall be required for the prior year; for any renewal of an exemption granted in accordance with this subdivision at either level I or level II, proof of gross annual sales from commercial farming at the requisite amount shall be required for each of the prior two (2) years. Certificates of exemption issued or renewed after July 1, 2002, shall clearly indicate the level of the exemption and be valid for four (4) years after the date of issue. This exemption applies even if the same equipment is used for ancillary uses, or is temporarily used for a non-farming or a non-agricultural purpose, but shall not apply to motor vehicles acquired after July 1, 2002, unless the vehicle is a farm vehicle as defined pursuant to § 31-1-8 and is eligible for registration displaying farm plates as provided for in § 31-3-31.

(33) Compressed air. From the sale and from the storage, use, or other consumption in the state of compressed air.

(34) Flags. From the sale and from the storage, consumption, or other use in this state of United States, Rhode Island or POW-MIA flags.

(35) Motor vehicle and adaptive equipment to certain veterans. From the sale of a motor vehicle and adaptive equipment to and for the use of a veteran with a service-connected loss of or the loss of use of a leg, foot, hand, or arm, or any veteran who is a double amputee, whether service connected or not. The motor vehicle must be purchased by and especially equipped for use by the qualifying veteran. Certificate of exemption or refunds of taxes paid is granted under rules or regulations that the tax administrator may prescribe.

(36) Textbooks. From the sale and from the storage, use, or other consumption in this state of textbooks by an "educational institution", as defined in subsection (18) of this section, and any educational institution within the purview of § 16-63-9(4), and used textbooks by any purveyor.

(37) Tangible personal property and supplies used in on-site hazardous waste recycling, reuse, or treatment. From the sale, storage, use, or other consumption in this state of tangible personal property or supplies used or consumed in the operation of equipment, the exclusive function of which is the recycling, reuse, or recovery of materials (other than precious metals, as
defined in subdivision (24)(ii) of this section) from the treatment of "hazardous wastes", as defined in § 23-19.1-4, where the "hazardous wastes" are generated in Rhode Island solely by the same taxpayer and where the personal property is located at, in, or adjacent to a generating facility of the taxpayer in Rhode Island. The taxpayer shall procure an order from the director of the department of environmental management certifying that the equipment and/or supplies as used or consumed, qualify for the exemption under this subdivision. If any information relating to secret processes or methods of manufacture, production, or treatment is disclosed to the department of environmental management only to procure an order, and is a "trade secret" as defined in § 28-21-10(b), it is not open to public inspection or publicly disclosed unless disclosure is required under chapter 21 of title 28 or chapter 24.4 of title 23.

(38) Promotional and product literature of boat manufacturers. From the sale and from the storage, use, or other consumption of promotional and product literature of boat manufacturers shipped to points outside of Rhode Island that either: (i) Accompany the product that is sold; (ii) Are shipped in bulk to out-of-state dealers for use in the sale of the product; or (iii) Are mailed to customers at no charge.

(39) Food items paid for by food stamps. From the sale and from the storage, use, or other consumption in this state of eligible food items payment for which is properly made to the retailer in the form of U.S. government food stamps issued in accordance with the Food Stamp Act of 1977, 7 U.S.C. § 2011 et seq.

(40) Transportation charges. From the sale or hiring of motor carriers as defined in § 39-12-2(l) to haul goods, when the contract or hiring cost is charged by a motor freight tariff filed with the Rhode Island public utilities commission on the number of miles driven or by the number of hours spent on the job.

(41) Trade-in value of boats. From the sale and from the storage, use, or other consumption in this state of so much of the purchase price paid for a new or used boat as is allocated for a trade-in allowance on the boat of the buyer given in trade to the seller or of the proceeds applicable only to the boat as are received from an insurance claim as a result of a stolen or damaged boat, towards the purchase of a new or used boat by the buyer.

(42) Equipment used for research and development. From the sale and from the storage, use, or other consumption of equipment to the extent used for research and development purposes by a qualifying firm. For the purposes of this subsection, "qualifying firm" means a business for which the use of research and development equipment is an integral part of its operation and "equipment" means scientific equipment, computers, software, and related items.

(43) Coins. From the sale and from the other consumption in this state of coins having
(44) Farm structure construction materials. Lumber, hardware, and other materials used in the new construction of farm structures, including production facilities such as, but not limited to: farrowing sheds, free stall and stanchion barns, milking parlors, silos, poultry barns, laying houses, fruit and vegetable storages, rooting cellars, propagation rooms, greenhouses, packing rooms, machinery storage, seasonal farm worker housing, certified farm markets, bunker and trench silos, feed storage sheds, and any other structures used in connection with commercial farming.

(45) Telecommunications carrier access service. Carrier access service or telecommunications service when purchased by a telecommunications company from another telecommunications company to facilitate the provision of telecommunications service.

(46) Boats or vessels brought into the state exclusively for winter storage, maintenance, repair, or sale. Notwithstanding the provisions of §§ 44-18-10, 44-18-11 and 44-18-20, the tax imposed by § 44-18-20 is not applicable for the period commencing on the first day of October in any year up to and including the 30th day of April next succeeding with respect to the use of any boat or vessel within this state exclusively for purposes of: (i) Delivery of the vessel to a facility in this state for storage, including dry storage and storage in water by means of apparatus preventing ice damage to the hull, maintenance, or repair; (ii) The actual process of storage, maintenance, or repair of the boat or vessel; or (iii) Storage for the purpose of selling the boat or vessel.

(47) Jewelry display product. From the sale and from the storage, use, or other consumption in this state of tangible personal property used to display any jewelry product; provided that title to the jewelry display product is transferred by the jewelry manufacturer or seller and that the jewelry display product is shipped out of state for use solely outside the state and is not returned to the jewelry manufacturer or seller.

(48) Boats or vessels generally. Notwithstanding the provisions of this chapter, the tax imposed by §§ 44-18-20 and 44-18-18 shall not apply with respect to the sale and to the storage, use, or other consumption in this state of any new or used boat. The exemption provided for in this subdivision does not apply after October 1, 1993, unless prior to October 1, 1993, the federal ten percent (10%) surcharge on luxury boats is repealed.

(49) Banks and regulated investment companies interstate toll-free calls. Notwithstanding the provisions of this chapter, the tax imposed by this chapter does not apply to the furnishing of interstate and international, toll-free terminating telecommunication service that is used directly and exclusively by or for the benefit of an eligible company as defined in this subdivision; provided that an eligible company employs on average during the calendar year no less than five hundred (500) "full-time equivalent employees" as that term is defined in § 42-64.5-2. For purposes of this
section, an "eligible company" means a "regulated investment company" as that term is defined in the Internal Revenue Code of 1986, 26 U.S.C. § 851, or a corporation to the extent the service is provided, directly or indirectly, to or on behalf of a regulated investment company, an employee benefit plan, a retirement plan or a pension plan, or a state-chartered bank.

(50) Mobile and manufactured homes generally. From the sale and from the storage, use, or other consumption in this state of mobile and/or manufactured homes as defined and subject to taxation pursuant to the provisions of chapter 44 of title 31.

(51) Manufacturing business reconstruction materials.

(i) From the sale and from the storage, use, or other consumption in this state of lumber, hardware, and other building materials used in the reconstruction of a manufacturing business facility that suffers a disaster, as defined in this subdivision, in this state. "Disaster" means any occurrence, natural or otherwise, that results in the destruction of sixty percent (60%) or more of an operating manufacturing business facility within this state. "Disaster" does not include any damage resulting from the willful act of the owner of the manufacturing business facility.

(ii) Manufacturing business facility includes, but is not limited to, the structures housing the production and administrative facilities.

(iii) In the event a manufacturer has more than one manufacturing site in this state, the sixty percent (60%) provision applies to the damages suffered at that one site.

(iv) To the extent that the costs of the reconstruction materials are reimbursed by insurance, this exemption does not apply.

(52) Tangible personal property and supplies used in the processing or preparation of floral products and floral arrangements. From the sale, storage, use, or other consumption in this state of tangible personal property or supplies purchased by florists, garden centers, or other like producers or vendors of flowers, plants, floral products, and natural and artificial floral arrangements that are ultimately sold with flowers, plants, floral products, and natural and artificial floral arrangements or are otherwise used in the decoration, fabrication, creation, processing, or preparation of flowers, plants, floral products, or natural and artificial floral arrangements, including descriptive labels, stickers, and cards affixed to the flower, plant, floral product, or arrangement, artificial flowers, spray materials, floral paint and tint, plant shine, flower food, insecticide, and fertilizers.

(53) Horse food products. From the sale and from the storage, use, or other consumption in this state of horse food products purchased by a person engaged in the business of the boarding of horses.

(54) Non-motorized recreational vehicles sold to nonresidents.

(i) From the sale, subsequent to June 30, 2003, of a non-motorized recreational vehicle to
a bona fide nonresident of this state who does not register the non-motorized recreational vehicle in this state, whether the sale or delivery of the non-motorized recreational vehicle is made in this state or at the place of residence of the nonresident; provided that a non-motorized recreational vehicle sold to a bona fide nonresident whose state of residence does not allow a like exemption to its nonresidents is not exempt from the tax imposed under § 44-18-20; provided, further, that in that event the bona fide nonresident pays a tax to Rhode Island on the sale at a rate equal to the rate that would be imposed in his or her state of residence not to exceed the rate that would have been imposed under § 44-18-20. Notwithstanding any other provisions of law, a licensed, non-motorized recreational vehicle dealer shall add and collect the tax required under this subdivision and remit the tax to the tax administrator under the provisions of chapters 18 and 19 of this title. Provided, that when a Rhode Island licensed, non-motorized recreational vehicle dealer is required to add and collect the sales and use tax on the sale of a non-motorized recreational vehicle to a bona fide nonresident as provided in this section, the dealer in computing the tax takes into consideration the law of the state of the nonresident as it relates to the trade-in of motor vehicles.

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

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

(iv) "Non-motorized recreational vehicle" means any portable dwelling designed and constructed to be used as a temporary dwelling for travel, camping, recreational, and vacation use that is eligible to be registered for highway use, including, but not limited to, "pick-up coaches" or "pick-up campers," "travel trailers," and "tent trailers" as those terms are defined in chapter 1 of title 31.

(55) Sprinkler and fire alarm systems in existing buildings. From the sale in this state of sprinkler and fire alarm systems; emergency lighting and alarm systems; and the materials necessary and attendant to the installation of those systems that are required in buildings and occupancies existing therein in July 2003 in order to comply with any additional requirements for
such buildings arising directly from the enactment of the Comprehensive Fire Safety Act of 2003  
and that are not required by any other provision of law or ordinance or regulation adopted pursuant 
to that act. The exemption provided in this subdivision shall expire on December 31, 2008.
(56) Aircraft. Notwithstanding the provisions of this chapter, the tax imposed by §§ 44-18-18 and 44-18-20 shall not apply with respect to the sale and to the storage, use, or other consumption in this state of any new or used aircraft or aircraft parts.
(57) Renewable energy products. Notwithstanding any other provisions of Rhode Island general laws, the following products shall also be exempt from sales tax: solar photovoltaic modules or panels, or any module or panel that generates electricity from light; solar thermal collectors, including, but not limited to, those manufactured with flat glass plates, extruded plastic, sheet metal, and/or evacuated tubes; geothermal heat pumps, including both water-to-water and water-to-air type pumps; wind turbines; towers used to mount wind turbines if specified by or sold by a wind turbine manufacturer; DC to AC inverters that interconnect with utility power lines; and manufactured mounting racks and ballast pans for solar collector, module, or panel installation. Not to include materials that could be fabricated into such racks; monitoring and control equipment, if specified or supplied by a manufacturer of solar thermal, solar photovoltaic, geothermal, or wind energy systems or if required by law or regulation for such systems but not to include pumps, fans or plumbing or electrical fixtures unless shipped from the manufacturer affixed to, or an integral part of, another item specified on this list; and solar storage tanks that are part of a solar domestic hot water system or a solar space heating system. If the tank comes with an external heat exchanger it shall also be tax exempt, but a standard hot water tank is not exempt from state sales tax.
(58) Returned property. The amount charged for property returned by customers upon rescission of the contract of sale when the entire amount exclusive of handling charges paid for the property is refunded in either cash or credit, and where the property is returned within one hundred twenty (120) days from the date of delivery.
(59) Dietary supplements. From the sale and from the storage, use, or other consumption of dietary supplements as defined in § 44-18-7.1(l)(v), sold on prescriptions.
(60) Blood. From the sale and from the storage, use, or other consumption of human blood.
(61) Agricultural products for human consumption. From the sale and from the storage, use, or other consumption of livestock and poultry of the kinds of products that ordinarily constitute food for human consumption and of livestock of the kind the products of which ordinarily constitute fibers for human use.
(62) Diesel emission control technology. From the sale and use of diesel retrofit technology that is required by § 31-47.3-4.
(63) Feed for certain animals used in commercial farming. From the sale of feed for animals as described in subsection (61) of this section.

(64) Alcoholic beverages. From the sale and storage, use, or other consumption in this state by a Class A licensee of alcoholic beverages, as defined in § 44-18-7.1, excluding beer and malt beverages; provided, further, notwithstanding § 6-13-1 or any other general or public law to the contrary, alcoholic beverages, as defined in § 44-18-7.1, shall not be subject to minimum markup.

(65) Seeds and plants used to grow food and food ingredients. From the sale, storage, use, or other consumption in this state of seeds and plants used to grow food and food ingredients as defined in § 44-18-7.1(l)(i). "Seeds and plants used to grow food and food ingredients" shall not include marijuana seeds or plants.

(66) Feminine hygiene products. From the sale and from the storage, use, or other consumption of tampons, panty liners, menstrual cups, sanitary napkins, and other similar products the principal use of which is feminine hygiene in connection with the menstrual cycle.


(a) There is imposed a hotel tax of five percent (5%) upon the total consideration charged for occupancy of any space furnished by any hotel, travel packages, or room reseller or reseller as defined in § 44-18-7.3(b) in this state. A house, condominium, or other resident dwelling shall be exempt from the five percent (5%) hotel tax under this subsection if the house, condominium, or other resident dwelling is rented in its entirety. The hotel tax is in addition to any sales tax imposed.

This hotel tax is administered and collected by the division of taxation and unless provided to the contrary in this chapter, all the administration, collection, and other provisions of chapters 18 and 19 of this title apply. Nothing in this chapter shall be construed to limit the powers of the convention authority of the city of Providence established pursuant to the provisions of chapter 84 of the public laws of 1980, except that distribution of hotel tax receipts shall be made pursuant to chapter 63.1 of title 42 rather than chapter 84 of the public laws of 1980.

(b) There is hereby levied and imposed, upon the total consideration charged for occupancy of any space furnished by any hotel in this state, in addition to all other taxes and fees now imposed by law, a local hotel tax at a rate of one percent (1%). The local hotel tax shall be administered and collected in accordance with subsection (a).

(c) All sums received by the division of taxation from the local hotel tax, penalties or forfeitures, interest, costs of suit and fines shall be distributed at least quarterly, credited and paid by the state treasurer to the city or town where the space for occupancy that is furnished by the hotel is located. Unless provided to the contrary in this chapter, all of the administration, collection, and other provisions of chapters 18 and 19 of this title shall apply.
(d) Notwithstanding the provisions of subsection (a) of this section, the city of Newport shall have the authority to collect from hotels located in the city of Newport the tax imposed by subsection (a) of this section.

(1) Within ten (10) days of collection of the tax, the city of Newport shall distribute the tax as provided in § 42-63.1-3. No later than the first day of March and the first day of September in each year in which the tax is collected, the city of Newport shall submit to the division of taxation a report of the tax collected and distributed during the six (6) month period ending thirty (30) days prior to the reporting date.

(2) The city of Newport shall have the same authority as the division of taxation to recover delinquent hotel taxes pursuant to chapter 44-19, and the amount of any hotel tax, penalty and interest imposed by the city of Newport until collected constitutes a lien on the real property of the taxpayer.

In recognition of the work being performed by the Streamlined Sales and Use Tax Governing Board, upon any federal law which requires remote sellers to collect and remit taxes, effective the first (1st) day of the first (1st) state fiscal quarter following the change, the rate imposed under § 44-18-36.1(b) shall be one and one-half percent (1.5%).

SECTION 10. Sections 44-18.2-2 and 44-18.2-3 of the General Laws in Chapter 44-18.2 entitled "Sales and Use Tax - Non-Collecting Retailers, Referrers, and Retail Sale Facilitators Act" are hereby amended to read as follows:

44-18.2-2. Definitions.

For the purposes of this chapter:

(1) "Division of taxation" means the Rhode Island department of revenue, division of taxation. The division may also be referred to in this chapter as the "division of taxation", "tax division", or "division."

(2) "In-state customer" means a person or persons who makes a purchase of tangible personal property, prewritten computer software delivered electronically or by load and leave as defined in § 44-18-7.1(g)(v), vendor-hosted prewritten computer software, specified digital products, and/or taxable services as defined under § 44-18-1 et seq. for use, storage, and/or other consumption in this state.

(3) "In-state software" means software used by in-state customers on their computers, smartphones, and other electronic and/or communication devices, including information or software such as cached files, cached software, or "cookies", or other data tracking tools, that are stored on property in this state or distributed within this state, for the purpose of purchasing tangible personal property, prewritten computer software delivered electronically or by load and leave,
vendor-hosted prewritten computer software, specified digital products, and/or taxable services.

(4) "Marketplace" means a physical or electronic place including, but not limited to, a store, booth, Internet website, catalog, television or radio broadcast, or a dedicated sales software application where tangible personal property, prewritten computer software delivered electronically or by load and leave, vendor-hosted prewritten computer software, specified digital products, and/or taxable services is/are sold or offered for sale for delivery in this state regardless of whether the tangible personal property, prewritten computer software delivered electronically or by load and leave, vendor-hosted prewritten computer software, or specified digital products have a physical presence in the state.

(5) "Marketplace facilitator" means any person or persons that contracts or otherwise agrees with a marketplace seller to facilitate for consideration, regardless of whether deducted as fees from the transaction, the sale of the marketplace seller's products through a physical or electronic marketplace operated by the person or persons, and engages:

(a) Directly or indirectly, through one or more affiliated persons in any of the following:

(i) Transmitting or otherwise communicating the offer or acceptance between the buyer and seller;

(ii) Owning or operating the infrastructure, electronic or physical, or technology that brings buyers and sellers together;

(iii) Providing a virtual currency that buyers are allowed or required to use to purchase products from the seller; or

(iv) Software development or research and development activities related to any of the activities described in (b) of this subsection (5), if such activities are directly related to a physical or electronic marketplace operated by the person or an affiliated person; and

(b) In any of the following activities with respect to the seller's products:

(i) Payment processing services;

(ii) Fulfillment or storage services;

(iii) Listing products for sale;

(iv) Setting prices;

(v) Branding sales as those of the marketplace facilitator;

(vi) Order taking;

(vii) Advertising or promotion; or

(viii) Providing customer service or accepting or assisting with returns or exchanges.

(6) "Marketplace seller" means a person, not a related party to a marketplace facilitator, who has an agreement with a marketplace facilitator and makes retail sales of tangible personal

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property, prewritten computer software delivered electronically or by load and leave, vendor-hosted
prewritten computer software, specified digital products, and/or taxable services through a
marketplace owned, operated, or controlled by a marketplace facilitator, whether or not such person
is required to register to collect and remit sales tax.

(7) "Non-collecting retailer" means any person or persons who meets at least one of the
following criteria:

(A) Uses in-state software to make sales at retail of tangible personal property, prewritten
computer software delivered electronically or by load and leave, and/or taxable services; or

(B) Sells, leases, or delivers in this state, or participates in any activity in this state in
connection with the selling, leasing, or delivering in this state, of tangible personal property,
prewritten computer software delivered electronically or by load and leave, and/or taxable services
for use, storage, distribution, or consumption within this state. This includes, but shall not be limited
to, any of the following acts or methods of transacting business:

(i) Engaging in, either directly or indirectly through a referrer, retail sale facilitator, or other
third party, direct response marketing targeted at in-state customers. For purposes of this
subsection, direct response marketing includes, but is not limited to, sending, transmitting, or
broadcasting via flyers, newsletters, telephone calls, targeted electronic mail, text messages, social
media messages, targeted mailings; collecting, analyzing and utilizing individual data on in-state
customers; using information or software, including cached files, cached software, or "cookies", or
other data tracking tools, that are stored on property in or distributed within this state; or taking any
other action(s) that use persons, tangible property, intangible property, digital files or information,
or software in this state in an effort to enhance the probability that the person's contacts with a
potential in-state customer will result in a sale to that in-state customer;

(ii) Entering into one or more agreements under which a person or persons who has
physical presence in this state refers, either directly or indirectly, potential in-state customers of
tangible personal property, prewritten computer software delivered electronically or by load and
leave, and/or taxable services to the non-collecting retailer for a fee, commission, or other
consideration whether by an internet-based link or an internet website, or otherwise. An agreement
under which a non-collecting retailer purchases advertisements from a person or persons in this
state to be delivered in this state on television, radio, in print, on the internet or by any other medium
in this state, shall not be considered an agreement under this subsection (ii), unless the
advertisement revenue or a portion thereof paid to the person or persons in this state consists of a
fee, commission, or other consideration that is based in whole or in part upon sales of tangible
personal property, prewritten computer software delivered electronically or by load and leave,
and/or taxable services; or

(iii) Using a retail sale facilitator to sell, lease, or deliver in this state, or participate in any activity in this state in connection with the selling, leasing, or delivering in this state, of tangible personal property, prewritten computer software delivered electronically or by load and leave, and/or taxable services for use, storage, or consumption in this state.

(C) Uses a sales process that includes listing, branding, or selling tangible personal property, prewritten computer software delivered electronically or by load and leave, and/or taxable services for sale, soliciting, processing orders, fulfilling orders, providing customer service and/or accepting or assisting with returns or exchanges occurring in this state, regardless of whether that part of the process has been subcontracted to an affiliate or third party. The sales process for which the in-state customer is charged not more than the basic charge for shipping and handling as used in this subsection shall not include shipping via a common carrier or the United States mail;

(D) Offers its tangible personal property, prewritten computer software delivered electronically or by load and leave, and/or taxable services for sale through one or more retail sale facilitators that has physical presence in this state;

(E) Is related to a person that has physical presence in this state, and such related person with a physical presence in this state:

(i) Sells tangible personal property, prewritten computer software delivered electronically or by load and leave, and/or taxable services that are the same or substantially similar to that sold by a non-collecting retailer under a business name that is the same or substantially similar to that of the non-collecting retailer;

(ii) Maintains an office, distribution facility, salesroom, warehouse, storage place, or other similar place of business in this state to facilitate the delivery of tangible personal property, prewritten computer software delivered electronically or by load and leave, and/or taxable services sold by the non-collecting retailer;

(iii) Uses, with consent or knowledge of the non-collecting retailer, trademarks, service marks, or trade names in this state that are the same or substantially similar to those used by the non-collecting retailer;

(iv) Delivers or has delivered (except for delivery by common carrier or United States mail for which the in-state customer is charged not more than the basic charge for shipping and handling), installs, or assembles tangible personal property in this state, or performs maintenance or repair services on tangible personal property in this state, which tangible personal property is sold to in-state customers by the non-collecting retailer;

(v) Facilitates the delivery of tangible personal property purchased from a non-collecting
retailer but delivered in this state by allowing an in-state customer to pick up the tangible personal
property at an office distribution facility, salesroom, warehouse, storage place, or other similar
place of business maintained in this state; or

(vi) Shares management, business systems, business practices, computer resources, communication systems, payroll, personnel, or other such business resources and activities with the non-collecting retailer, and/or engages in intercompany transactions with the non-collecting retailer, either or both of which relate to the activities that establish or maintain the non-collecting retailer's market in this state.

(F) Any person or persons who meets at least one of the criteria in subsections (7)(A) -- (7)(E) above shall be presumed to be a non-collecting retailer.

(G) The term "non-collecting retailer" will no longer apply to any entity that meets the definition of this subsection effective ninety (90) days after the enactment of this amended chapter, at which time such entity shall be classified as a "remote seller" as referenced in R.I. Gen. Laws § 44-18-15.2.

(8) "Person" means person as defined in § 44-18-6.

(9) "Referrer" means every person who:

(A) Contracts or otherwise agrees with a retailer to list and/or advertise for sale in this state tangible personal property, prewritten computer software delivered electronically or by load and leave, vendor-hosted prewritten computer software, and/or taxable services in any forum, including, but not limited to, a catalog or internet website;

(B) Receives a fee, commission, and/or other consideration from a retailer for the listing and/or advertisement;

(C) Transfers, via in-state software, internet link, or otherwise, an in-state customer to the retailer or the retailer's employee, affiliate, or website to complete a purchase; and

(D) Does not collect payments from the in-state customer for the transaction.

(E) A person or persons who engages in the activity set forth in all of the activities set forth in subsections (9)(A) -- (9)(D) above shall be presumed to be a referrer.

(10) "Related" means:

(A) Having a relationship with the non-collecting retailer within the meaning of the internal revenue code of 1986 as amended; or

(B) Having one or more ownership relationships and a purpose of having the ownership relationship is to avoid the application of this chapter.

(11) A "retail sale" or "sale at retail" means any retail sale or sale at retail as defined in § 44-18-8.
(12) "Retail sale facilitator" means any person or persons that facilitates a sale by a retailer by engaging in the following types of activities:

(A) Using in-state software to make sales at retail of tangible personal property, prewritten computer software delivered electronically or by load and leave, and/or taxable services; or

(B) Contracting or otherwise agreeing with a retailer to list and/or advertise for sale tangible personal property, prewritten computer software delivered electronically or by load and leave, and/or taxable services in any forum, including, but not limited to, a catalog or internet website; and

(C) Either directly or indirectly through agreements or arrangements with third parties, collecting payments from the in-state customer and transmitting those payments to a retailer. A person or persons may be a retail sale facilitator regardless of whether they deduct any fees from the transaction. The division may define in regulation circumstances under which a retail sale facilitator shall be deemed to facilitate a retail sale.

(D) A person or persons who engages in the type of activity set forth in subsection (12) (A) above or both of the types of activities set forth in subsections (12) (B) and (12) (C) above shall be presumed to be a retail sale facilitator.

(E) The term "retail sale facilitator" will no longer apply to any entity that meets the definition of this subsection effective ninety (90) days after the enactment of this amended chapter, at which time such entity shall be classified as a "marketplace facilitator" as referenced above in R.I. Gen. Laws § 44-18.2-2(5).

(13) A "retailer" means retailer as defined in § 44-18-15.

(14) Specified digital products refers to the same term as defined in § 44-18-7.1(x) effective July 1, 2019.

(15) "State" means the State of Rhode Island and Providence Plantations.

(16) "Streamlined agreement" means the Streamlined Sales and Use Tax Agreement as referenced in § 44-18.1-1 et seq.

(17) "Vendor-hosted prewritten computer software" refers to the same term as defined in R.I. Gen. Laws § 44-18-7.1(g)(vii) effective October 1, 2018.

44-18.2-3. Requirements for non-collecting retailers, referrers, and retail sale facilitators.

(A) Except as otherwise provided below in § 44-18.2-4, beginning on the later of July 15, 2017, or two (2) weeks after the enactment of this chapter, and for each tax year thereafter prior to ninety (90) days after the effective date of the amendment of this chapter, any non-collecting retailer, referrer, or retail sale facilitator, as defined in this chapter, that in the immediately
preceding calendar year either:

(i) Has gross revenue from the sale of tangible personal property, prewritten computer software delivered electronically or by load and leave, and/or has taxable services delivered into this state equal to or exceeding one hundred thousand dollars ($100,000); or

(ii) Has sold tangible personal property, prewritten computer software delivered electronically or by load and leave, and/or taxable services for delivery into this state in two hundred (200) or more separate transactions shall comply with the requirements in subsections (F), (G), and (H) as applicable.

(B) A non-collecting retailer, as defined in this chapter, shall comply with subsection (F) below if it meets the criteria of either subsection (A)(i) or (A)(ii) above.

(C) A referrer, as defined in this chapter, shall comply with subsection (G) below if it meets the criteria of either subsection (A)(i) or (A)(ii) above.

(D) A retail sale facilitator, as defined in this chapter, shall comply with subsection (H) below if it meets the criteria of either subsection (A)(i) or (A)(ii) above.

(E) Any noncollecting retailer, retail sale facilitator and/or referrer that is collecting and remitting sales tax into this state prior to the enactment of this amended chapter, date to be inserted after enactment, shall be deemed a remote seller and/or marketplace facilitator and/or referrer and shall continue to collect and remit sales tax.

Beginning on ninety (90) days after the enactment of this amended chapter, date to be inserted after enactment, any remote seller, marketplace seller, marketplace facilitator, and/or referrer, as defined in this chapter, who is not collecting and remitting sales tax shall comply with the requirements in subsection (I) if that remote seller, marketplace seller, marketplace facilitator, and/or referrer, as defined in this chapter: (i) has not been collecting or remitting sales tax in this state and, in the immediately preceding calendar year either:

(i) Has gross revenue from the sale of tangible personal property, prewritten computer software delivered electronically or by load and leave, vendor-hosted prewritten computer software, specified digital products, and/or has taxable services delivered into this state equal to or exceeding one hundred thousand dollars ($100,000); or

(ii) Has sold tangible personal property, prewritten computer software delivered electronically or by load and leave, vendor-hosted prewritten computer software, specified digital products, and/or taxable services for delivery into this state in two hundred (200) or more separate transactions.

(F) Non-collecting retailer. A non-collecting retailer shall either register in this state for a permit to make sales at retail and collect and remit sales and use tax on all taxable sales into the...
(1) Post a conspicuous notice on its website that informs in-state customers that sales or use tax is due on certain purchases made from the non-collecting retailer and that this state requires the in-state customer to file a sales or use tax return;

(2) At the time of purchase, notify in-state customers that sales or use tax is due on taxable purchases made from the non-collecting retailer and that the state of Rhode Island requires the in-state customer to file a sales or use tax return;

(3) Within forty-eight (48) hours of the time of purchase, notify in-state customers in writing that sales or use tax is due on taxable purchases made from the non-collecting retailer and that this state requires the in-state customer to file a sales or use tax return reflecting said purchase;

(4) On or before January 31 of each year, including January 31, 2018, for purchases made in calendar year 2017, send a written notice to all in-state customers who have cumulative annual taxable purchases from the non-collecting retailer totaling one hundred dollars ($100) or more for the prior calendar year. The notification shall show the name of the non-collecting retailer, the total amount paid by the in-state customer to the non-collecting retailer in the previous calendar year, and, if available, the dates of purchases, the dollar amount of each purchase, and the category or type of the purchase, including, whether the purchase is exempt or not exempt from taxation in Rhode Island. The notification shall include such other information as the division may require by rule and regulation. The notification shall state that the state of Rhode Island requires a sales or use tax return to be filed and sales or use tax to be paid on certain categories or types of purchases made by the in-state customer from the non-collecting retailer. The notification shall be sent separately to all in-state customers by first-class mail and shall not be included with any other shipments or mailings. The notification shall include the words "Important Tax Document Enclosed" on the exterior of the mailing; and

(5) Beginning on February 15, 2018, and not later than each February 15 thereafter, a non-collecting retailer that has not registered in this state for a permit to make sales at retail and collect and remit sales and use tax on all taxable sales into the state for any portion of the prior calendar year, shall file with the division on such form and/or in such format as the division prescribes an attestation that the non-collecting retailer has complied with the requirements of subsections (F) (1) -- (F) (4) herein.

(G) Referrer. At such time during any calendar year, or any portion thereof, that a referrer receives more than ten thousand dollars ($10,000) from fees, commissions, and/or other compensation paid to it by retailers with whom it has a contract or agreement to list and/or advertise for sale tangible personal property, prewritten computer software delivered electronically or by
load and leave, and/or taxable services, said referrer shall within thirty (30) days provide written
notice to all such retailers that the retailers' sales may be subject to this state's sales and use tax.

(H) Retail sale facilitator. Beginning January 15, 2018, and each year thereafter, a retail
sale facilitator shall provide the division of taxation with:

(i) A list of names and addresses of the retailers for whom during the prior calendar year
the retail sale facilitator collected Rhode Island sales and use tax; and
(ii) A list of names and addresses of the retailers who during the prior calendar year used
the retail sale facilitator to serve in-state customers but for whom the retail sale facilitator did not
collect Rhode Island sales and use tax.

(I) Remote sellers, referrers, and marketplace facilitators. A remote seller, referrer, and
marketplace facilitator shall register in this state for a permit to make sales at retail and collect and
remit sales and use tax on all taxable sales into the state.

(i) A marketplace facilitator shall collect sales and use tax on all sales made through the
marketplace to purchasers in this state whether or not the marketplace seller (1) has or is required
to have a permit to make sales at retail or (2) would have been required to collect and remit sales
and use tax had the sale not been made through the marketplace. A marketplace facilitator shall
certify to its marketplace sellers that it will collect and remit sales and use tax on sales of taxable items made through the marketplace. A marketplace seller that accepts a marketplace's collection certificate in good faith may exclude sales made through the marketplace from the marketplace seller's returns under Chapters 18 and 19 of Title 44 of the Rhode Island General Laws.

(ii) A marketplace facilitator with respect to a sale of tangible personal property,
prewritten computer software delivered electronically by load and leave, vendor-hosted prewritten
software, and/or taxable services it facilitates:

(A) shall have all the obligations and rights of a retailer under Chapters 18 and 19 of
Title 44 of the Rhode Island General Laws and under any regulations adopted pursuant thereto,
including, but not limited to, the duty to obtain a certificate of authority, to collect tax, file returns,
remit tax, and the right to accept a certificate or other documentation from a customer substantiating
an exemption or exclusion from tax, the right to receive a refund or credit allowed by law; and
(B) shall keep such records and information and cooperate with the tax administrator to ensure the
proper collection and remittance of tax imposed, collected, or required to be collected under
Chapters 18 and 19 of Title 44 of the Rhode Island General Laws.

(iv) A marketplace facilitator shall be subject to audit by the tax administrator with respect
to all retail sales for which it is required to collect and pay the tax imposed under Chapters 18 and
19 of Title 44 of the Rhode Island General Laws. Where the tax administrator audits the
marketplace facilitator, the tax administrator is prohibited from auditing the marketplace seller for
the same retail sales unless the marketplace facilitator seeks relief under this subsection (iv).
subsection (v).

(v) If the marketplace facilitator demonstrates to the tax administrator's satisfaction that the
marketplace facilitator has made a reasonable effort to obtain accurate information from the
marketplace seller about a retail sale and that the failure to collect and pay the correct amount of
tax imposed under Chapters 18 and 19 of Title 44 of the Rhode Island General Laws was due to
incorrect information provided to the marketplace facilitator by the marketplace seller, then the
marketplace facilitator shall be relieved of liability of the tax for that retail sale. This subsection (v)
does not apply with regard to a retail sale for which the marketplace facilitator is the seller or if the
marketplace facilitator and seller are affiliates. Where the marketplace facilitator is relieved under
this subsection (v), the seller is liable for the tax imposed under Chapters 18 and 19 of Title 44 of
the Rhode Island General Laws.

(vi) A class action may not be brought against a marketplace facilitator on behalf of
purchasers arising from or in any way related to an overpayment of sales or use tax collected by
the marketplace facilitator, regardless of whether such action is characterized as a tax refund claim.
Nothing in this subsection (vi) shall affect a purchaser's right to seek a refund as otherwise allowed
by law.

(J) Any person or entity that engages in any activity or activities of a non-collecting retailer,
referrer, and/or retail sale facilitator as defined herein shall be presumed to be a non-collecting
retailer, referrer, and/or retail sale facilitator as applicable even if referred to by another name or
designation. Said person or entity shall be subject to the terms and conditions set forth in this
chapter.

SECTION 11. Section 44-19-7 of the General Laws in Chapter 44-19 entitled "Sales and
Use Taxes - Enforcement and Collection" is hereby amended to read as follows:


Every retailer selling tangible personal property or prewritten computer software delivered
electronically or by load and leave or vendor-hosted prewritten computer software or specified
digital products for storage, use, or other consumption in this state, as well as services as defined
in § 44-18-7.3, in this state, or renting living quarters in any hotel as defined in § 42-63.1-2, rooming
house, or tourist camp in this state must register with the tax administrator and give the name and
address of all agents operating in this state, the location of all distribution or sales houses or offices,
or of any hotel as defined in § 42-63.1-2, rooming house, or tourist camp or other places of business
in this state, and other information that the tax administrator may require.

SECTION 12. Sections 44-30-59, 44-30-71.2, 44-30-71.4 and 44-30-84 of the General
Laws in Chapter 44-30 entitled "Personal Income Tax" are hereby amended to read as follows:


(a) Subject to regulations of the tax administrator, if the amount of a taxpayer's federal
taxable income reported on his or her federal income tax return for any taxable year beginning on
or after January 1, 1971, is changed or corrected by the United States Internal Revenue Service or
other competent authority, or as the result of a renegotiation of a contract or subcontract with the
United States, the taxpayer shall report the change or correction in federal taxable income within
ninety (90) days after the final determination of the change, correction, or renegotiation, or as
otherwise required by the tax administrator, and shall concede the accuracy of the determination or
state wherein it is erroneous. Any taxpayer filing an amended federal income tax return shall also
file within ninety (90) days thereafter an amended Rhode Island personal income tax return and
shall give any information that the tax administrator may require.

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

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

Withholding of tax from lottery, pari-mutuel betting, video lottery terminal games and casino
gaming winnings.

(a) Consistent with federal rules and regulations and procedures related to W-2G
withholdings, the director of lotteries shall:

(1) Deduct and withhold from the prize money, of any person winning a prize from
the state lottery, and

(2) Require the deduction and withholding from winnings from video lottery terminal
games and casino gaming as defined in § 42-61.2-1 a tax computed in such a manner as to result,
so far as practicable, in an amount substantially equivalent to the tax reasonably estimated to be
due resulting from the inclusion in the individual's Rhode Island income of his or her prize money
received during the calendar year. The method of determining the amount to be withheld shall be
prescribed by regulations of the tax administrator, which regulations and amounts shall be based
upon the federal rules, regulations and procedures.

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

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

(a) Employee leasing company certification.

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

(2) Employee leasing companies must apply to the division of taxation during the month of July of each year on forms prescribed by the tax administrator for a certificate executed by the tax administrator certifying that all taxes withheld from employees, or subject to withholding from employees have been remitted to the division of taxation including the withholding provisions of chapter 30 of this title and the contribution, interest, and penalty provisions pursuant to the Employment Security Act, chapters 42 -- 44 of title 28, and the Temporary Disability Insurance Act, chapters 39 -- 41 of title 28 have been remitted to the department of labor and training. No certificate shall be issued if taxes subject to withholding or contributions have not been withheld and remitted.

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

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

44-30-84. Interest on underpayment.

(a) General.

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

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

(b) Estimated tax. If an individual fails to file a declaration of estimated Rhode Island personal income tax as required by § 44-30-55, or to pay any installment of the tax as required by § 44-30-56, the individual shall pay interest at the annual rate provided by § 44-1-7 for the period the failure continues, until the fifteenth day of the fourth month following the close of the taxable year. The interest in respect of any unpaid installment shall be computed on the amount by which his or her actual payments and credits in respect of the tax are less than eighty percent (80%) of the installment at the time it is due. Notwithstanding the foregoing, no interest shall be payable if one of the exceptions specified in 26 U.S.C. § 6654(d)(1) or (2) would apply if the exceptions referred to the corresponding Rhode Island tax amounts and returns.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

(3) Notwithstanding the provisions of § 44-30-85.1(2), beginning on January 1, 2020, if any person fails to file a return by electronic means defined by the tax administrator as required hereunder, there shall be added to the amount of tax equal to fifty dollars ($50), unless there was reasonable cause for the failure and such failure was not due to negligence or willful neglect.

SECTION 14. Section 44-33.6-7 of the General Laws in Chapter 44-33.6 entitled "Historic Preservation Tax Credits 2013" is hereby amended to read as follows:

44-33.6-7. Timing and reapplication.

(a) Taxpayers shall have twelve (12) months from the approval of Part 2 application to commence substantial construction activities related to the subject substantial rehabilitation. Upon commencing substantial construction activities, the taxpayer shall submit an affidavit of commencement of substantial construction to the commission, together with evidence of such requirements having been satisfied. Furthermore, after commencement of substantial construction activities, no project shall remain idle prior to completion for a period of time exceeding six (6) months. In the event that a taxpayer does not commence substantial construction activities within twelve (12) months from the approval of Part 2 application, or in the event that a project remains idle prior to completion for a period of time exceeding six (6) months, the subject taxpayer shall forfeit all fees paid prior to such date and its then-current contract for tax credits shall be deemed null and void, and shall terminate without need for further action or documentation. Upon any such forfeiture and termination, a taxpayer may re-apply for tax credits pursuant to this chapter, however, notwithstanding anything contained herein to the contrary, one hundred percent (100%) of the fees required shall be paid upon reapplication and such fees shall be non-refundable. Additionally, any taxpayer reapplying for tax credits pursuant to this § 44-33.6-7 shall be required to submit evidence with its application establishing the reason for delay in commencement or the project sitting idle, as the case may be, and provide evidence, reasonably satisfactory to the commission, that such condition or event causing same has been resolved. All taxpayers shall submit a reasonably detailed project timeline to the commission together with the Part 2 application. The provisions of this section shall be further detailed and incorporated into the form of contract for tax credits used in connection with this chapter.
(b) Notwithstanding any other provision of law to the contrary, projects that have been approved for historic preservation tax credits and have been funded through the cultural arts and the economy grant program, as enacted in chapter 145 of the 2014 Pub. L., and whose tax credits expire on December 31, 2019, shall remain in full force and effect until December 31, 2022.

SECTION 15. Sections 44-44-3 and 44-44-3.7 of the General Laws in Chapter 44-44 entitled “Taxation of Beverage Containers, Hard-to-Dispose Material and Litter Control Participation Permittee” are hereby amended to read as follows:

**44-44-3. Imposition of tax on beverage containers.**

There shall be levied and imposed a tax of **four cents ($0.04)** **eight cents ($0.08)** on each case of beverage containers sold by a beverage wholesaler to a beverage retailer or consumer within this state. The tax shall be collected by the beverage wholesaler. The tax provided for in this section shall not be levied, imposed, or collected on reusable and refillable beverage containers.

**44-44-3.7. Imposition of tax on hard-to-dispose material.**

(a) There shall be levied and imposed a tax of **five cents ($0.05)** **ten cents ($0.10)** per quart (32 oz.) or **five and 2/100ths cents ($0.052)** **ten and 6/10 cents ($0.106)** per liter on lubricating oils, **ten cents ($0.10)** **twenty cents ($0.20)** per gallon or **two and 64/100th cents ($0.0264)** **five and 28/100th cents ($0.0528)** per liter on antifreeze, **one fourth of one cent ($0.0025)** **one half cent ($0.005)** per gallon or **66/10,000ths cents ($0.00066)** **one hundred thirty two thousandths ($0.00132)** per liter on organic solvents, and **fifty cents ($0.50)** **one dollar ($1.00)** per tire as defined above. The tax shall be separately stated and collected upon the sale by the hard-to-dispose material wholesalers to a hard-to-dispose material retailer. In the case of new motor vehicles, a fee of **three dollars ($3.00)** **six dollars ($6.00)** per vehicle shall be levied and paid to the division of motor vehicles in conjunction with titling of the vehicle. Every hard-to-dispose material retailer selling, using, or otherwise consuming in this state any hard-to-dispose material is liable for the tax imposed by this section. Its liability is not extinguished until the tax has been paid to the state, except that a receipt from a hard-to-dispose material wholesaler engaging in business in this state or from a hard-to-dispose material wholesaler who is authorized by the tax administrator to collect the tax under rules and regulations that he or she may prescribe given to the hard-to-dispose material retailer is sufficient to relieve the hard-to-dispose material retailer from further liability for the tax to which the receipt refers.

(b) In the event that a person purchases hard-to-dispose material for its own use or consumption and not for resale from a hard-to-dispose material wholesaler or retailer not engaged in business in this state or not authorized by the tax administrator to collect the tax, that person shall be liable for the tax imposed by this section.
SECTION 16. The provisions of 44-18-30 (12) in section 9 relating to urns, the provisions of 44-18-30 (66) in section 9 relating to feminine hygiene products, and the provisions of sections 9, 10 and 11 relating to specified digital products shall take effect October 1, 2019. The remainder of this article shall take effect July 1, 2019.
ARTICLE 6

RELATING TO DEBT MANAGEMENT ACT JOINT RESOLUTIONS

SECTION 1. This article shall serve as joint resolution required pursuant to Rhode Island General Law § 35-18-1, et seq.

SECTION 2. University of Rhode Island – Memorial Union – Auxiliary Enterprise

WHEREAS, The Council on Postsecondary Education and the University have a longstanding commitment to the overall development of their students; and

WHEREAS, The University believes that the Memorial Union celebrates life at URI and acts as the nexus for campus community, student engagement, and leadership. It is an intersection connecting the academic core of campus and the campus’s socially active residential community.

The student union at the University is an integral part of the educational ecosystem that shapes the student experience; and

WHEREAS, The Council on Postsecondary Education and the University of Rhode Island are proposing a project which involves the renovation and expansion of the Memorial Union to meet the ongoing and growing needs of their students; and

WHEREAS, The University engaged a qualified architectural firm, which has completed an advanced planning study for this renovation; and

WHEREAS, The Rhode Island Public Corporation Debt Management Act requires the General Assembly to provide its consent to the issuance or incurring by the State of Rhode Island and other public agencies of certain obligations including financing guarantees or other agreements; and

WHEREAS, The design and construction associated with this work of an Auxiliary Enterprise building will be financed through the Rhode Island Health and Educational Building Corporation (RIHEBC) revenue bonds, with an expected term of thirty (30) years; and

WHEREAS, The total project costs associated with completion of the project through the proposed financing method is fifty-one million five hundred thousand dollars ($51,500,000), including cost of issuance. Debt service payments would be supported by revenues derived from student fees and retail lease payments associated with the respective Auxiliary Enterprises of the University of Rhode Island occupying said facility. Total debt service on the bonds is not expected to exceed one hundred twelve million three hundred thousand dollars ($112,300,000) in the
aggregated based on an average interest rate of six (6%) percent; now, therefore be it

RESOLVED, That this General Assembly hereby approves financing in an amount not to exceed fifty-one million five hundred thousand dollars ($51,500,000) for the Memorial Union project for the auxiliary enterprise building on the University of Rhode Island campus; and be it further

RESOLVED, That this Joint Resolution shall take effect upon passage.

SECTION 3. University of Rhode Island – Fraternity Circle Master Plan Implementation

WHEREAS, The Rhode Island Council on Postsecondary Education and the University of Rhode Island are proposing a project which involves improvements to the sector of the Kingston Campus devoted to fraternity and sorority houses, referred to as Fraternity Circle, on the Kingston Campus; and

WHEREAS, The University of Rhode Island is underway with a utility and infrastructure project to replace, improve, and reorganize aged, incrementally developed utility and paved infrastructure in Fraternity Circle, referred to in the University’s Capital Improvement Plan as “Fraternity Circle Improvements” project, including improvements to water, wastewater, electrical, telecommunications, natural gas connections, and storm water management systems, as well as roadways, walkways, and parking lots as a first phase of improvements reflected in a “master plan” for this unique neighborhood of on-campus residences serving organizations of students; and

WHEREAS, The second phase of the overall improvements to Fraternity Circle, referred to on the University’s Capital Improvement Plan as the “Fraternity Circle Master Plan Implementation” project is needed to complete this district of campus; and

WHEREAS, The design and execution of this project will improve student life and the campus’s environmental impact; and

WHEREAS, These timely project commitments serve the objectives of both the University and the local community; and

WHEREAS, The Rhode Island Public Corporation Debt Management Act requires the General Assembly to provide its consent to the issuance or incurring by the State of Rhode Island and other public agencies of certain obligations including financing guarantees or other agreements; and

WHEREAS, The design and construction will be financed through Rhode Island Health and Educational Building Corporation revenue bonds, with an expected term of twenty (20) years; and

WHEREAS, The project costs associated with completion of the project and proposed financing method is two million one hundred thousand dollars ($2,100,000), including cost of
issuance. Debt Service payments would be supported by the University's unrestricted general fund. Total debt service on the bonds is not expected to exceed three million seven hundred thousand dollars ($3,700,000) in the aggregate based on an average interest rate of six percent (6%); now, therefore be it

RESOLVED, That this General Assembly hereby approves financing in an amount not to exceed two million one hundred thousand dollars ($2,100,000) for the Fraternity Circle Master Plan Implementation project at the University of Rhode Island; and be it further

RESOLVED, That, this Joint Resolution shall take effect upon passage.

SECTION 4. University of Rhode Island – Combined Health & Counseling Center – Auxiliary Enterprise

WHEREAS, The Council on Postsecondary Education and the University have a long-standing commitment to the health and wellness of their students; and

WHEREAS, The University has a desire to create a one-stop center to address the physical, emotional, and mental health of its students; and

WHEREAS, The Council on Postsecondary Education and the University of Rhode Island are proposing a project which involves the construction of a new Combined Health & Counseling Center to meet the ongoing and growing health needs of their students; and

WHEREAS, The University engaged a qualified architectural firm, which has completed an advanced planning study for this new building; and

WHEREAS, The Rhode Island Public Corporation Debt Management Act requires the General Assembly to provide its consent to the issuance or incurring by the State of Rhode Island and other public agencies of certain obligations including financing guarantees or other agreements; and

WHEREAS, The design and construction associated with this work of an Auxiliary Enterprise building will be financed through the Rhode Island Health and Educational Building Corporation (RIHEBC) revenue bonds, with an expected term of thirty (30) years; and

WHEREAS, The total project costs associated with completion of the project through the proposed financing method is twenty-six million nine hundred thousand dollars ($26,900,000), including cost of issuance. Debt service payments would be supported by revenues derived from student fees associated with the respective Auxiliary Enterprises of the University of Rhode Island occupying said facility. Total debt service on the bonds is not expected to exceed fifty-eight million seven hundred thousand dollars ($58,700,000) in the aggregate based on an average interest rate of six (6%) percent; now, therefore be it

RESOLVED, That this General Assembly hereby approves financing in an amount not to
exceed twenty-six million nine hundred thousand dollars ($26,900,000) for the Combined
Health & Counseling Center project for the auxiliary enterprise building on the University of Rhode
Island campus; and be it further

RESOLVED, That, this Joint Resolution shall take effect upon passage.

SECTION 5. Rhode Island Turnpike and Bridge Authority Project

WHEREAS, The Rhode Island Turnpike and Bridge Authority (the "authority") is a public
corporation of the state of Rhode Island (the "state"), constituting a public instrumentality and
agency exercising public and essential governmental functions of the state, created by the general
assembly pursuant to chapter 12 of title 24 (as enacted, reenacted and amended, the "act"); and

WHEREAS, The state recognizes that the Pell Bridge, the Jamestown Verrazzano Bridge,
the Mount Hope Bridge, the Sakonnet River Bridge and other facilities of or within the control of
the authority are an essential part of the state's transportation system and facilitates the tourism
industry; and it is the policy of the state that the public welfare and the further economic
development and the prosperity of the state requires the maintenance of such facilities and the
financing thereof; and

WHEREAS, The act provides that the authority shall have the power to charge and collect
tolls for the use of its facilities; and

WHEREAS, Pursuant to § 31-36-20, three and one-half cents ($0.035) per gallon of the
motor fuel tax is transferred to the authority to be used for maintenance, operations, capital
expenditures and debt service on any of its projects as defined in chapter 12 of title 24; and

WHEREAS, The act also provides that the authority shall have the power to acquire, hold
and dispose of real and personal property in the exercise of its powers and performance of its duties;
and

WHEREAS, The act authorizes the authority to make and enter into all contracts and
agreements necessary or incidental to the performance of its duties and the execution of its powers
under the act, to issue revenue bonds of the authority for any of its purposes and to refund its bonds,
borrow money in anticipation of the issuance of its bonds, and secure its bonds and notes by the
pledge of its tolls and other revenues; and

WHEREAS, In furtherance of its corporate purposes, the authority is authorized to issue
from time to time its negotiable revenue bonds and notes in one or more series in such principal
amounts for the purpose of paying all or a part of the costs of any one or more projects authorized
by the act, making provision for working capital and a reserve for interest; and

WHEREAS, Pursuant to §§ 35-18-3 and 35-18-4 of the Rhode Island Public Corporation
Debt Management Act (as enacted, reenacted and amended, the "Debt Management Act"), the
authority hereby requests the approval of the general assembly of the authority's issuance of not
more than fifty million dollars ($50,000,000) Rhode Island Turnpike and Bridge Authority
Revenue Bonds with a term not to exceed thirty (30) years and six (6) months (together with any
notes issued in anticipation of the issuance of bonds, the "bonds") to be secured by toll, transfers
of motor fuel taxes and/or other revenues, in any combination, for the purpose of providing funds
to finance the renovation, renewal, repair, rehabilitation, retrofitting, upgrading and improvement
of the Pell Bridge, the Jamestown Verrazzano Bridge, the Sakonnet River Bridge, Mount Hope
Bridge, and other projects authorized under the act, replacement of the components thereof,
working capital, capitalized interest, a debt service reserve and the costs of issuing and insuring the
bonds (the "project"); and

WHEREAS, The project constitutes essential public facilities directly benefiting the state;
and

WHEREAS, The authority is authorized pursuant to § 24-12-28 of the act to secure its
bonds by a pledge of the tolls and other revenues received by the authority; and

WHEREAS, The state shall directly benefit economically from the project by the repair,
maintenance and improvement of the state transportation infrastructure; and

WHEREAS, In the event that not all of the bond proceeds are used to carry out the specified
project, the authority will use any remaining funds to pay debt service on the bonds; now, therefore,
be it

RESOLVED AND ENACTED, That this general assembly finds that the project is an
essential public facility and is of a type and nature consistent with the purposes and within the
powers of the authority to undertake, and hereby approves the authority's issuance of not more than
fifty million dollars ($50,000,000) in bonds, which amount is in addition to all prior authorizations;
and be further

RESOLVED, That the bonds will be special obligations of the authority payable from
funds received by the authority from tolls, transfers of motor fuel taxes and other revenues received
by the authority, in any combination or priority as may be designated in the proceedings of the
authority authorizing the issuance of such debt. The total debt service on the bonds is estimated to
average approximately three million five hundred ninety-four thousand dollars ($3,594,000) per
year or approximately one hundred nine million three hundred sixteen thousand dollars
($109,316,000) in the aggregate, prior to the receipt of any federal subsidy and/or assistance, at an
average interest rate of approximately six percent (6%) and approximately a thirty (30) year
maturity; and be it further

RESOLVED, That the authority may issue interest bearing or discounted notes from time
to time in anticipation of the authorization or issue of bonds or in anticipation of the receipt of federal aid for the purposes of this joint resolution, the amount of original notes issued in anticipation of bonds may not exceed the amount of bonds which may be issued under this joint resolution and the amount of original notes issued in anticipation of federal aid may not exceed the amount of available federal aid as estimated by the authority, any such notes issued hereunder shall be payable within five (5) years from their respective dates, but the principal of and interest on notes issued for a shorter period may be renewed or paid from time to time by the issue of other notes hereunder, provided the period from the date of an original note to the maturity of any note issued to renew or pay the same debt or the interest thereon shall not exceed five (5) years, and any such refunding of notes with notes or bonds may be effected without complying with § 35-18-3(5); and be it further

RESOLVED, That the bonds will not constitute indebtedness of the state or any of its subdivisions or a debt for which the full faith and credit of the state or any of its subdivisions is pledged.

RESOLVED, That, this Joint Resolution shall take effect upon passage.

SECTION 6. Issuance of GARVEE Bonds

WHEREAS, The Rhode Island department of transportation ("the department") has completed a detailed review of available funding sources for transportation reconstruction, maintenance, and repair and has determined that the funding available to carry out an immediate program of bridge reconstruction and preventative maintenance (the "program") is insufficient; and

WHEREAS, The limitation in funding has occurred, in part, due to the absence of a state-funded capital investment program in transportation infrastructure, and the level funding of federal appropriations to the state, along with a reduction in federal funding through the elimination of federal earmarks and expiration of additional special federal funds; and

WHEREAS, Congress has enacted the Fixing America's Surface Transportation (FAST) Act, which provides an increase in available federal funding; and

WHEREAS, The department has explored various options to finance the costs of a robust infrastructure program and concluded that the federal-aid financing program authorized in federal law by Section 311 of the National Highway System Designation Act of 1995 and commonly referred to as the Grant Anticipation Revenue Vehicle Program ("GARVEE program") represents the best financing mechanism for the state of Rhode Island inasmuch as the GARVEE program accelerates the funding available to ensure that more Rhode Island bridges do not become structurally deficient; and

WHEREAS, The GARVEE program allows a state to issue bonds ("GARVEE Bonds") or
other debt instruments backed by future appropriations for federal-aid transportation projects whereby such amounts are used to cover an assortment of bond-related costs, including principal and interest payments, issuance costs, insurance, and other costs incidental to financing; and

WHEREAS, Among other advantages, GARVEE Bonds may be issued as special revenue bonds without a full faith and credit pledge by the state of Rhode Island; and

WHEREAS, This general assembly finds that the reconstruction, maintenance, and repair of the transportation infrastructure of the state is critical for economic development and the general welfare of both businesses and residents; and

WHEREAS, The general assembly has studied the issue of sustainable transportation funding and has determined that no single approach, instrument or method is able to provide sufficient revenue to maintain the state transportation system in a state of good repair; and

WHEREAS, The department has determined that GARVEE Bonds should be utilized to fund the bridge replacement, reconstruction, and maintenance component of the ten (10) year capital program known as RhodeWorks; and

WHEREAS, In connection with the issuance of GARVEE Bonds, the state of Rhode Island, acting by and through RIDOT, may elect to receive in lieu of certain monies which would otherwise have been received as reimbursement from FHWA for project costs for bridges in the RhodeWorks program, debt service payments to repay indebtedness in the form of bonds or notes issued to finance the costs of the construction and financing bridges in the RhodeWorks program; and

WHEREAS, The Rhode Island Public Corporation Debt Management Act (chapter 8 of title 35) requires the general assembly to provide its consent to the issuance of certain obligations for essential public facilities of the type referenced herein; and

WHEREAS, The design, construction, equipping and completion of these improvements will be financed in whole or in part through revenue bonds issued pursuant to the GARVEE program by the Rhode Island commerce corporation ("commerce corporation") or through revenue bonds issued pursuant to the GARVEE program by another agency, instrumentality or quasi-public corporation established by the state of Rhode Island now or hereafter and otherwise authorized and empowered pursuant to law to issue bonds of the type referenced herein for the types of projects enumerated herein, with such issuance having an expected term of fifteen (15) years, and annual revenues for the operation and maintenance of the bridges to be included in the annual operating budget of RIDOT; and

WHEREAS, The capital costs and anticipated bond issuance amounts associated with these projects are estimated to be two hundred million dollars ($200,000,000); now, therefore, be it
RESOLVED AND ENACTED, That the bridges in the RhodeWorks program are each essential public facilities and critical to ensure the economic viability of the citizens, businesses, transportation, marine trades and port facilities of the state of Rhode Island and otherwise in the best interests of the state of Rhode Island, and that this general assembly hereby approves financing not to exceed two hundred million dollars ($200,000,000) in principal amount of GARVEE Bonds, the repayment of which shall be derived from and supported by FHWA funds due the state of Rhode Island. The term of the GARVEE Bonds shall not exceed fifteen (15) years and the total debt service on the GARVEE Bonds shall not exceed two hundred seventy-five million dollars ($275,000,000); and be it further

RESOLVED, That the governor of the state of Rhode Island or the director of the department of transportation or the director of the department of administration or the chief executive officer or the chief operating officer of the commerce corporation each be and each hereafter are, acting singly, authorized and empowered by the general assembly to enter into a financing lease, guarantee, loan and trust agreement, indenture or other obligations or contracts or agreements and to take such other actions as such official shall deem necessary or appropriate in order to issue or facilitate the issuance of the GARVEE Bonds and to provide the commerce corporation or any subsidiary thereof or other instrumentality, agency or quasi-public corporation otherwise authorized and empowered to issue the bonds specified in this Joint Resolution for the RhodeWorks program with the necessary debt service payments up to the amount specified above and the necessary security for such bonds consistent with the provisions of this Joint Resolution, including any action to pledge, assign or otherwise transfer the right to receive all or any portion of future FHWA appropriations for federal-aid transportation projects or other revenues permitted by the laws of the state of Rhode Island to secure or provide for the payment of any such GARVEE Bonds; and be it further

RESOLVED, That, this Joint Resolution shall take effect upon passage.

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

RELATING TO MOTOR VEHICLES

SECTION 1. Section 31-2-27 of the General Laws in Chapter 31-2 entitled "Division of Motor Vehicles" is hereby amended to read as follows:

31-2-27. Technology surcharge fee.

(a) The division of motor vehicles shall collect a technology surcharge fee of one dollar and fifty cents ($1.50) per transaction for every division of motor vehicles' fee transaction, except as otherwise provided by law and provided no surcharge fee is assessed on motor vehicle inspection transactions conducted pursuant to § 31-38-4. One dollar and fifty cents ($1.50) of each two dollars and fifty cents ($2.50) All technology surcharge fees collected pursuant to this section shall be deposited into the information technology investment fund established pursuant to § 42-11-2.5 and shall be used for project-related payments and/or ongoing maintenance of and enhancements to the division of motor vehicles' computer system and to reimburse the information technology investment fund for advances made to cover project-related payments. The remaining one dollar ($1.00) shall be deposited into a restricted receipt account managed by the division of motor vehicles and restricted to the project-related payments and/or ongoing maintenance of and enhancements to the division of motor vehicles’ computer system.

(b) Authorization to collect the technology surcharge fee provided for in subsection (a) shall sunset and expire on June 30, 2022.

(b) Beginning July 1, 2022, the full two dollars and fifty cents ($2.50) shall be deposited into the division of motor vehicles restricted account and restricted to the project-related payments and/or ongoing maintenance of and enhancements to the division of motor vehicles’ computer system.

SECTION 2. Section 31-3-33 of the General Laws in Chapter 31-3 entitled "Registration of Vehicles" is hereby amended to read as follows:

31-3-33. Renewal of registration.

(a) Application for renewal of a vehicle registration shall be made by the owner on a proper application form and by payment of the registration fee for the vehicle as provided by law.

(b) The division of motor vehicles may receive applications for renewal of registration, and
may grant the renewal and issue new registration cards and plates at any time prior to expiration of
registration.

(c) Upon renewal, owners will be issued a renewal sticker for each registration plate that
shall be placed at the bottom, right-hand corner of the plate. Owners shall be issued a new, fully
reflective plate beginning January 1, 2020 June 1, 2020, at the time of initial registration or at the
renewal of an existing registration and reissuance will be conducted no less than every ten (10)
years.

(d) No later than August 15, 2019, and every fifteenth day of the month through August
15, 2020, the division of motor vehicles shall submit a report outlining the previous month's activity
and progress towards the implementation of the license plate reissuance to the chairpersons of the

house finance and senate finance committee, the house fiscal advisor, and the senate fiscal advisor.
The report shall include, but not be limited to, information on the status of project plans, obstacles
to implementation, and actions taken toward implementation.

SECTION 3. Section 31-6-1 of the General Laws in Chapter 31-6 entitled “Registration
Fees” is hereby amended to read as follows:

31-6-1. Amount of registration and miscellaneous fees.

(a) The following registration fees shall be paid to the division of motor vehicles for the
registration of motor vehicles, trailers, semi-trailers, and school buses subject to registration for
each year of registration:

(1) For the registration of every automobile, when equipped with pneumatic tires, the gross
weight of which is not more than four thousand pounds (4,000 lbs.): thirty dollars ($30.00).

(2) For the registration of every motor truck or tractor when equipped with pneumatic tires,
the gross weight of which is not more than four thousand pounds (4,000 lbs.): thirty-four dollars
($34.00).

(3) For the registration of every automobile, motor truck or tractor, when equipped with
pneumatic tires, the gross weight of which is:

(i) More than four thousand pounds (4,000 lbs.), but not more than five thousand pounds
(5,000 lbs.): forty dollars ($40.00);

(ii) More than five thousand pounds (5,000 lbs.), but not more than six thousand pounds
(6,000 lbs.): forty-eight dollars ($48.00);

(iii) More than six thousand pounds (6,000 lbs.), but not more than seven thousand pounds
(7,000 lbs.): fifty-six dollars ($56.00);

(iv) More than seven thousand pounds (7,000 lbs.), but not more than eight thousand
pounds (8,000 lbs.): sixty-four dollars ($64.00);
(v) More than eight thousand pounds (8,000 lbs.), but not more than nine thousand pounds (9,000 lbs.): seventy dollars ($70.00);
(vi) More than nine thousand pounds (9,000 lbs.), but not more than ten thousand pounds (10,000 lbs.): seventy-eight dollars ($78.00);
(vii) More than ten thousand pounds (10,000 lbs.), but not more than twelve thousand pounds (12,000 lbs.): one hundred six dollars ($106);
(viii) More than twelve thousand pounds (12,000 lbs.), but not more than fourteen thousand pounds (14,000 lbs.): one hundred twenty-four dollars ($124);
(ix) More than fourteen thousand pounds (14,000 lbs.), but not more than sixteen thousand pounds (16,000 lbs.): one hundred forty dollars ($140);
(x) More than sixteen thousand pounds (16,000 lbs.), but not more than eighteen thousand pounds (18,000 lbs.): one hundred fifty-eight dollars ($158);
(xi) More than eighteen thousand pounds (18,000 lbs.), but not more than twenty thousand pounds (20,000 lbs.): one hundred seventy-six dollars ($176);
(xii) More than twenty thousand pounds (20,000 lbs.), but not more than twenty-two thousand pounds (22,000 lbs.): one hundred ninety-four dollars ($194);
(xiii) More than twenty-two thousand pounds (22,000 lbs.), but not more than twenty-four thousand pounds (24,000 lbs.): two hundred ten dollars ($210);
(xiv) More than twenty-four thousand pounds (24,000 lbs.), but not more than twenty-six thousand pounds (26,000 lbs.): two hundred thirty dollars ($230);
(xv) More than twenty-six thousand pounds (26,000 lbs.), but not more than twenty-eight thousand pounds (28,000 lbs.): two hundred thirty-six dollars ($236);
(xvi) More than twenty-eight thousand pounds (28,000 lbs.), but not more than thirty thousand pounds (30,000 lbs.): three hundred sixteen dollars ($316);
(xvii) More than thirty thousand pounds (30,000 lbs.), but not more than thirty-two thousand pounds (32,000 lbs.): four hundred and twenty-two dollars ($422);
(xviii) More than thirty-two thousand pounds (32,000 lbs.), but not more than thirty-four thousand pounds (34,000 lbs.): four hundred and forty-eight dollars ($448);
(xix) More than thirty-four thousand pounds (34,000 lbs.), but not more than thirty-six thousand pounds (36,000 lbs.): four hundred and seventy-six dollars ($476);
(xx) More than thirty-six thousand pounds (36,000 lbs.), but not more than thirty-eight thousand pounds (38,000 lbs.): five hundred and two dollars ($502);
(xxi) More than thirty-eight thousand pounds (38,000 lbs.), but not more than forty thousand pounds (40,000 lbs.): five hundred and twenty-eight dollars ($528);
(xxii) More than forty thousand pounds (40,000 lbs.), but not more than forty-two thousand pounds (42,000 lbs.): five hundred and fifty-four dollars ($554);

(xxiii) More than forty-two thousand pounds (42,000 lbs.), but not more than forty-six thousand pounds (46,000 lbs.): six hundred and eight dollars ($608);

(xxiv) More than forty-six thousand pounds (46,000 lbs.), but not more than fifty thousand pounds (50,000 lbs.): six hundred and sixty dollars ($660);

(xxv) More than fifty thousand pounds (50,000 lbs.), but not more than fifty-four thousand pounds (54,000 lbs.): seven hundred and twelve dollars ($712);

(xxvi) More than fifty-four thousand pounds (54,000 lbs.), but not more than fifty-eight thousand pounds (58,000 lbs.): seven hundred and sixty-eight dollars ($768);

(xxvii) More than fifty-eight thousand pounds (58,000 lbs.), but not more than sixty-two thousand pounds (62,000 lbs.): eight hundred and sixteen dollars ($816);

(xxviii) More than sixty-two thousand pounds (62,000 lbs.), but not more than sixty-six thousand pounds (66,000 lbs.): eight hundred and seventy-six dollars ($876);

(xxix) More than sixty-six thousand pounds (66,000 lbs.), but not more than seventy thousand pounds (70,000 lbs.): nine hundred and twenty-four dollars ($924);

(0) More than seventy thousand pounds (70,000 lbs.), but not more than seventy-four thousand pounds (74,000 lbs.): nine hundred and seventy-two dollars ($972);

(00) Over seventy-four thousand pounds (74,000 lbs.): nine hundred and seventy-two dollars ($972), plus twenty-four dollars ($24.00) per two thousand pounds (2,000 lbs.) gross weight.

(4) For the registration of every semi-trailer to be used with a truck-tractor, as defined in § 31-1-4(f), shall be as follows: an annual fee of twelve dollars ($12.00) for a one-year registration; for multi-year registrations the fee of fifty dollars ($50.00) for a five-year (5) registration; and eighty dollars ($80.00) for an eight-year (8) registration. However, when in use, the weight of the resulting semi-trailer unit and its maximum carrying capacity shall not exceed the gross weight of the original semi-trailer unit from which the gross weight of the tractor was determined. A registration certificate and registration plate shall be issued for each semi-trailer so registered. There shall be no refund of payment of such fee, except that when a plate is returned prior to ninety (90) days before the effective date of that year's registration, the pro rate amount, based on the unused portion of the multi-year registration plate period at time of surrender, shall be refunded. A multi-year semi-trailer registration may be transferred to another semi-trailer subject to the provisions and fee set forth in § 31-6-11. Thirty percent (30%) of the semi-trailer registration fee shall be retained by the division of motor vehicles to defray the costs of implementation of the
(5) For the registration of every automobile, motor truck, or tractor, when equipped with other than pneumatic tires, there shall be added to the above gross weight fees a charge of ten cents (10¢) for each one hundred pounds (100 lbs.) of gross weight.

(6) For the registration of every public bus, the rates provided for motor vehicles for hire plus two dollars ($2.00) for each passenger that bus is rated to carry, the rating to be determined by the administrator of the division of motor vehicles.

(7) For the registration of every motorcycle, or motor-driven cycle, thirteen dollars ($13.00). Three dollars ($3.00) from that sum shall be turned over to the department of education to assist in the payment of the cost of the motorcycle driver's education program as enumerated in § 31-10.1-1.1.

(8) For the registration of every trailer, not including semi-trailers used with a truck-tractor as defined in § 31-1-4(d), with a gross weight of three thousand pounds (3,000 lbs.) or less, five dollars ($5.00). Trailers with a gross weight of more than three thousand pounds (3,000 lbs.) shall be assessed a registration fee of one dollar and fifty cents ($1.50) per thousand pounds (1,000 lbs.).

(9) The annual registration fee for a motor vehicle, commonly described as a boxcar and/or locomotive, and used only by La Societe Des 40 Hommes et 8 Chevaux for civic demonstration, parades, convention purposes, or social welfare work, shall be two dollars ($2.00).

(10) For the registration of every motor vehicle, trailer, or semi-trailer owned by any department or agency of any city or town or district, provided the name of the city or town or district or state department or agency owning the same shall be plainly printed on two (2) sides of the vehicle, two dollars ($2.00).

(11) For the registration of motor vehicles used for racing, fifteen dollars ($15.00).

(12) For every duplicate registration certificate, seventeen dollars ($17.00).

(13) For every certified copy of a registration certificate or application, ten dollars ($10.00).

(14) For every certificate assigning a special identification number or mark as provided in § 31-3-37, one dollar ($1.00).

(15) For every replacement of number plates or additional pair of number plates, without changing the number, thirty dollars ($30.00).

(16) For the registration of every farm vehicle, used in farming as provided in § 31-3-31: ten dollars ($10.00).

(17) For the registration of antique motor vehicles, five dollars ($5.00).

(18) For the registration of a suburban vehicle, when used as a pleasure vehicle and the gross weight of which is not more than four thousand pounds (4,000 lbs.), the same rates as charged
in subdivision (1) of this subsection shall be applicable and when used as a commercial vehicle and
the gross weight of which is not more than four thousand pounds (4,000 lbs.), the same rates as
provided in subdivision (2) of this subsection shall be applicable. The rates in subdivision (3) of
this subsection shall be applicable when the suburban vehicle has a gross weight of more than four
thousand pounds (4,000 lbs.), regardless of the use of the vehicle.

(19) For the registration of every motor bus that is used exclusively under contract with a
political subdivision or school district of the state for the transportation of school children, twenty-
five dollars ($25); provided that the motor bus may also be used for the transportation of persons
to and from church and Sunday school services, and for the transportation of children to and from
educational or recreational projects sponsored by a city or town or by any association or
organization supported wholly or in part by public or private donations for charitable purposes,
without the payment of additional registration fee.

(20) For the registration of every motorized bicycle, ten dollars ($10.00).

(21) For the registration of every motorized tricycle, ten dollars ($10.00).

(22) For the replacement of number plates with a number change, twenty dollars ($20.00).

(23) For the initial issuance and each reissuance of fully reflective plates, as required by §§
31-3.10 and 31-3.32, and 31-3.33, an additional six dollars ($6.00) eight dollars ($8.00).

(24) For the issuance of a trip permit under the International Registration Plan, twenty-five
dollars ($25.00) per vehicle. The division of motor vehicles is authorized to issue seventy-two-hour
(72) trip permits for vehicles required to be registered in the International Registration Plan that
have not been apportioned with the state of Rhode Island.

(25) For the issuance of a hunter's permit under the International Registration Plan, twenty-
five dollars ($25.00) per vehicle. The division of motor vehicles is authorized to issue hunter's
permits for motor vehicles based in the state of Rhode Island and otherwise required to be registered
in the International Registration Plan. These permits are valid for thirty (30) days.

(26) For the registration of a specially adapted motor vehicle necessary to transport a family
member with a disability for personal, noncommercial use, a fee of thirty dollars ($30.00) assessed.

SECTION 4. Section 31-3.1-38 of the General Laws in Chapter 31-3.1 entitled
"Certificates of Title and Security Interests" is hereby amended to read as follows:


This chapter shall apply to all model vehicles designated as 2001 models and all subsequent
model year vehicles. All vehicles designated as model years prior to 2001 shall be excluded from
these provisions, provided that no title certificate shall be required once a vehicle is twenty (20)
years old.
SECTION 5. This article shall take effect upon passage.
ARTICLE 8

RELATING TO TRANSPORTATION

SECTION 1. Section 31-25-21 of the General Laws in Chapter 31-25 entitled "Size, Weight, and Load Limits" is hereby amended to read as follows:

31-25-21. Power to permit excess size or weight of loads. [Effective January 1, 2019.]

(a) The department of transportation, with respect to highways under its jurisdiction, may, in its discretion, upon application in writing and good cause being shown for it, approve the issuance of a special permit in writing by the division of motor vehicles authorizing the applicant to operate or move a vehicle, or combination of vehicles, of a size or weight of vehicle or load exceeding eighty thousand pounds (80,000 lbs.) or otherwise not in conformity with the provisions of chapters 1 -- 27 of this title upon any highway under the jurisdiction of the party granting the permit and for the maintenance of which the party is responsible. Permits that have been issued for a full year shall not be required to be renewed for the period of time for which payment has been made and the application and other required documentation has been completed and filed. Provided, that neither the department of transportation nor the local authorities may approve the issuance of permits for divisible loads weighing in excess of one hundred four thousand-eight hundred pounds (104,800 lbs.), gross vehicle weight, for five-axle (5) vehicles and seventy-six thousand six hundred fifty pounds (76,650 lbs.), gross vehicle weight, for three-axle (3) vehicles.

(1) Provided, however, that for milk products, any vehicle carrying fluid milk products shall be considered a load that cannot be easily dismantled or divided.

(b) The director of the department of transportation may enter into agreements with other states, the District of Columbia, and Canadian provinces providing for the reciprocal enforcement of the overweight or over-dimensional vehicle permit laws of those jurisdictions entering into the agreement.

(c) Trip permit fee. A fee of twenty dollars ($20.00) forty dollars ($40.00) shall be paid to the division of motor vehicles for the issuance of each non-reducible vehicle or load permit provided, however, applicants seeking a permit for a non-divisible load exceeding one hundred thirty thousand pounds (130,000 lbs.) shall pay a fee of three hundred dollars ($300.00) to the division of motor vehicles for consideration of a special trip permit approved by the department of transportation pursuant to subsection (e).
(d) Annual fee. An annual fee of three hundred dollars ($300) four hundred dollars ($400)
paid to the division of motor vehicles shall exempt the payor from the necessity of paying trip
permit fees for non-divisible loads of less than one hundred thirty thousand pounds (130,000 lbs.)
as found in subsection (c). However, payment of the fee shall not be deemed to authorize non-
compliance with the rules and regulations promulgated by the department of transportation entitled
"State of Rhode Island Manual for Overweight and Oversize Vehicle Permits".

(e) Blanket construction equipment permits may be issued, as determined by the
department of transportation, for intrastate movement of non-reducible loads upon payment of the
fee set forth in subsection (d). The duration of the blanket permit may not exceed one year, and the
construction equipment permit load shall be limited to a minimum overall length of fifty-five feet
(55'), a maximum overall length of eighty feet (80'), and a maximum width of twelve feet four
inches (12' 4"), provided that neither the division of motor vehicles nor local authorities may issue
blanket permits for non-divisible loads weighing in excess of one hundred thirty thousand pounds
(130,000 lbs.) on less than six (6) axles, with individual axle weights exceeding twenty-five
thousand pounds (25,000 lbs.); provided, further, that the department of transportation, with respect
to highways under its jurisdiction, may, in its discretion and upon application and for good cause
shown, approve the issuance of a special trip permit authorizing the applicant to exceed one hundred
thirty thousand pounds (130,000 lbs.) for non-divisible loads. A flashing amber light shall be in
operation above the highest point of the vehicle and shall be visible from both the front and rear of
the vehicle; and signs and red warning flags shall be affixed to all extremities. All blanket permits
issued in accordance with this section shall be effective during daylight and night-time hours for
all over-dimensional moves made and travel shall be allowed on state highways. The following
restrictions on travel times shall apply to:

(1) Freeways -- in general.

    No travel will be allowed between the hours of 7:00 am and 9:00 am or between 3:00 pm
    and 7:00 pm on any day of the week.

(2) Arterial roadways.

    No travel will be allowed between the hours of 7:00 am and 9:00 am or between 3:00 pm
    and 7:00 pm, Monday through Friday.

(3) Holidays.

    Memorial Day, Victory Day, Labor Day and Columbus Day -- No Saturday, Sunday, or
    Monday day or night travel.

    Thanksgiving Day -- No Wednesday night or Thursday day or night travel. No travel on
    Wednesday through Sunday of Thanksgiving week in any calendar year.
Independence Day, Veterans Day, Christmas Day -- No day or night travel and no travel the previous night.

Easter Sunday. No Saturday night or Sunday travel.

(f) Construction equipment blanket permits shall not be granted for travel over the following bridges:

- Blackstone River Viaduct 750 carrying I-295 northbound and southbound over the Blackstone River;
- Kingston Road Bridge No. 403 carrying I-95 northbound and southbound over Kingston Road.

(g) Travel of blanket permitted construction equipment through zones with reductions in lane width such as construction zones will not be allowed. Prior to travel, blanket permit holders are responsible to verify the location of construction zones and lane width reductions. Locations of lane width reduction zones are available through the state department of transportation's construction office.


**39-18.1-4. Rhode Island highway maintenance account created.**

(a) There is hereby created a special account in the intermodal surface transportation fund as established in § 31-36-20 that is to be known as the Rhode Island highway maintenance account.

(b) The fund shall consist of all those moneys that the state may from time to time direct to the fund, including, but not necessarily limited to, moneys derived from the following sources:

(1) There is imposed a surcharge of thirty dollars ($30.00) per vehicle or truck, other than those with specific registrations set forth below in subsection (b)(1)(i). Such surcharge shall be paid by each vehicle or truck owner in order to register that owner's vehicle or truck and upon each subsequent biennial registration. This surcharge shall be phased in at the rate of ten dollars ($10.00) each year. The total surcharge will be ten dollars ($10.00) from July 1, 2013, through June 30, 2014, twenty dollars ($20.00) from July 1, 2014, through June 30, 2015, and thirty dollars ($30.00) from July 1, 2015, through June 30, 2016, and each year thereafter.

(i) For owners of vehicles or trucks with the following plate types, the surcharge shall be as set forth below and shall be paid in full in order to register the vehicle or truck and upon each subsequent renewal:

<table>
<thead>
<tr>
<th>Plate Type</th>
<th>Surcharge</th>
</tr>
</thead>
<tbody>
<tr>
<td>Antique</td>
<td>$5.00</td>
</tr>
</tbody>
</table>
Farm $10.00
Motorcycle $13.00

(ii) For owners of trailers, the surcharge shall be one-half (1/2) of the biennial registration amount and shall be paid in full in order to register the trailer and upon each subsequent renewal.

(2) There is imposed a surcharge of fifteen dollars ($15.00) per vehicle or truck, other than those with specific registrations set forth in subsection (b)(2)(i) below, for those vehicles or trucks subject to annual registration, to be paid annually by each vehicle or truck owner in order to register that owner's vehicle or truck and upon each subsequent annual registration. This surcharge will be phased in at the rate of five dollars ($5.00) each year. The total surcharge will be five dollars ($5.00) from July 1, 2013, through June 30, 2014, ten dollars ($10.00) from July 1, 2014, through June 30, 2015, and fifteen dollars ($15.00) from July 1, 2015, through June 30, 2016, and each year thereafter.

(i) For registrations of the following plate types, the surcharge shall be as set forth below and shall be paid in full in order to register the plate, and upon each subsequent renewal:

<table>
<thead>
<tr>
<th>Plate Type</th>
<th>Surcharge</th>
</tr>
</thead>
<tbody>
<tr>
<td>Boat Dealer</td>
<td>$6.25</td>
</tr>
<tr>
<td>Cycle Dealer</td>
<td>$6.25</td>
</tr>
<tr>
<td>In-transit</td>
<td>$5.00</td>
</tr>
<tr>
<td>Manufacturer</td>
<td>$5.00</td>
</tr>
<tr>
<td>New Car Dealer</td>
<td>$5.00</td>
</tr>
<tr>
<td>Used Car Dealer</td>
<td>$5.00</td>
</tr>
<tr>
<td>Racer Tow</td>
<td>$5.00</td>
</tr>
<tr>
<td>Bailee</td>
<td>$5.00</td>
</tr>
</tbody>
</table>

(ii) For owners of trailers, the surcharge shall be one-half (1/2) of the annual registration amount and shall be paid in full in order to register the trailer and upon each subsequent renewal.

(iii) For owners of school buses, the surcharge will be phased in at the rate of six dollars and twenty-five cents ($6.25) each year. The total surcharge will be six dollars and twenty-five cents ($6.25) from July 1, 2013, through June 30, 2014, and twelve dollars and fifty cents ($12.50) from July 1, 2014, through June 30, 2015, and each year thereafter.

(3) There is imposed a surcharge of thirty dollars ($30.00) per license to operate a motor vehicle to be paid every five (5) years by each licensed operator of a motor vehicle. This surcharge will be phased in at the rate of ten dollars ($10.00) each year. The total surcharge will be ten dollars ($10.00) from July 1, 2013, through June 30, 2014, twenty dollars ($20.00) from July 1, 2014,
through June 30, 2015, and thirty dollars ($30.00) from July 1, 2015, through June 30, 2016, and
each year thereafter. In the event that a license is issued or renewed for a period of less than five
(5) years, the surcharge will be prorated according to the period of time the license will be valid;

(4) All fees assessed pursuant to § 31-47.1-11, and chapters 3, 6, 10, and 10.1 of title 31,
except for fees assessed pursuant to §§ 31-10-31(6) and (8), shall be deposited into the Rhode Island
highway maintenance account, provided that for fiscal years 2016, 2017, and 2018 these fees be
transferred as follows:

(i) From July 1, 2015, through June 30, 2016, twenty-five percent (25%) will be deposited;

(ii) From July 1, 2016, through June 30, 2017, fifty percent (50%) will be deposited; and

(iii) From July 1, 2017, through June 30, 2018, sixty percent (60%) will be deposited;

(iv) From July 1, 2018, and each year thereafter, one hundred percent (100%) will be
deposited;

(5) All remaining funds from previous general obligation bond issues that have not
otherwise been allocated.

(c) Effective July 1, 2019, ninety-five percent (95%) of all funds collected pursuant to
this section shall be deposited in the Rhode Island highway maintenance account and shall be used
only for the purposes set forth in this chapter. The remaining funds shall be retained as general
revenues to partially offset cost of collections.

(d) Unexpended balances and any earnings thereon shall not revert to the general fund but
shall remain in the Rhode Island highway maintenance account. There shall be no requirement that
monies received into the Rhode Island highway maintenance account during any given calendar
year or fiscal year be expended during the same calendar year or fiscal year.

(e) The Rhode Island highway maintenance account shall be administered by the director,
who shall allocate and spend monies from the fund only in accordance with the purposes and
procedures set forth in this chapter.


(a) The monies in the highway maintenance fund to be directed to the department of
transportation pursuant to subsection (a)(1) of this section shall be allocated through the
transportation improvement program process to provide the state match for federal transportation
funds, in place of borrowing, as approved by the state planning council. The expenditure of moneys
in the highway maintenance fund shall only be authorized for projects that appear in the state's
transportation improvement program.

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

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

(d) Provided, further, that from July 1, 2017, through June 30, 2019 and annually thereafter, in addition to the amount above, the Rhode Island public transit authority shall receive an amount of not less than five million dollars ($5,000,000) each fiscal year.

(e) Provided, further, that the Rhode Island public transit authority shall convene a coordinating council consisting of those state agencies responsible for meeting the needs of low-income seniors and persons with disabilities, along with those stakeholders that the authority deems appropriate and are necessary to inform, develop, and implement the federally required Coordinated Public Transit Human Services Transportation Plan.

The council shall develop, as part of the state's federally required plan, recommendations for the appropriate and sustainable funding of the free-fare program for low-income seniors and persons with disabilities, while maximizing the use of federal funds available to support the transportation needs of this population.

The council shall report these recommendations to the governor, the speaker of the house of representatives, and the president of the senate no later than November 1, 2018.

SECTION 3. This article shall take effect upon passage.
ARTICLE 9

RELATING TO EDUCATION

SECTION 1. Sections 16-7-20 and 16-7-21 of the General Laws in Chapter 16-7 entitled "Foundation Level School Support [See Title 16 Chapter 97 - The Rhode Island Board of Education Act]" are hereby amended to read as follows:

16-7-20. Determination of state's share.

(a) For each community the state's share shall be computed as follows: Let

R = state share ratio for the community.

v = adjusted equalized weighted assessed valuation for the community, as defined in § 16-7-21(3).

V = sum of the values of v for all communities.

m = average daily membership of pupils in the community as defined in § 16-7-22(3).

M = total average daily membership of pupils in the state.

E = approved reimbursable expenditures for the community for the reference year minus the excess costs of special education, tuitions, federal and state receipts, and other income.

Then the state share entitlement for the community shall be \( RE \) where

\[ R = 1 - 0.5 \frac{vM}{(V_m)} \text{ through June 30, 2011, and } R = 1 - 0.475 \frac{vM}{(V_m)} \text{ beginning on July 1, 2011 and thereafter.} \]

Except that in no case shall \( R \) be less than zero percent (0%).

(b) Whenever any funds are appropriated for educational purposes, the funds shall be used for educational purposes only and all state funds appropriated for educational purposes must be used to supplement any and all money allocated by a city or town for educational purposes and in no event shall state funds be used to supplant, directly or indirectly, any money allocated by a city or town for educational purposes. The courts of this state shall enforce this section by writ of mandamus.

(c) Notwithstanding the calculations in subsection (a), the hospital school at the Hasbro Children's Hospital shall be reimbursed one hundred percent (100%) of all expenditures approved by the board of regents for elementary and secondary education in accordance with currently existing rules and regulations for administering state aid, and subject to annual appropriations by
the general assembly including, but not limited to, expenditures for educational personnel, supplies, and materials in the prior fiscal year.

(d) In the event the computation of the state’s share for any local education agency as outlined in subsection (a) is determined to have been calculated incorrectly after the state budget for that fiscal year has been enacted, the commissioner of elementary of secondary education shall notify affected local education agencies, the senate president and the speaker of the house within fifteen (15) days of the determination.

(e) Realignment of aid payments to the affected local education agencies pursuant to subsection (d) shall occur in the following fiscal year:

(1) If the determination shows aid is underpaid to the local education agency, any amounts owed shall be paid in equal monthly installments.

(2) If the determination shows aid was overpaid, the department of elementary and secondary education shall recapture some amount of the aid from the overpaid local education agency. The amount to be withheld shall be equal to the amount of the overpayment prorated to the number of full months remaining in the fiscal year when the notification required in subsection (d) was made.

16-7-21. Determination and adjustment of equalized weighted assessed valuation.

On or before August 1 of each year the division of property valuation within the department of revenue shall determine and certify to the commissioner of elementary and secondary education the equalized weighted assessed valuation for each city and town in the following manner:

(1) The total assessed valuations of real and tangible personal property for each city and town as of December 31 of the third preceding calendar year shall be weighted by bringing the valuation to the true and market value of real and tangible personal property. The total assessed valuations of real and tangible personal property for all cities and towns shall be applied to the true and market valuations of the property for all cities and towns and the resulting percentage shall determine the average throughout the state. This percentage applied to the sum of the total true and market value of real and tangible personal property of each city and town shall be the equalized weighted assessed valuation of each city and town.

(2) The equalized weighted assessed valuation for each city and town shall be allocated to the particular city or town, and in the case of a regional school district which does not service all grades, except the Chariho regional high school district, the commissioner of elementary and secondary education shall apportion that proportion of the equalized weighted assessed valuation of the member cities or towns which the average daily membership serviced by the regional school district bears to the total average daily membership, and the equalized weighted assessed valuation

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(Page -2-)
of the member cities and towns shall be appropriately reduced.

(3) The equalized weighted assessed valuation for each community as allocated or apportioned in accordance with subdivision (2) of this section shall be adjusted by the ratio which the median family income of a city or town bears to the statewide median family income as reported in the latest available federal census data. The total state adjusted equalized weighted assessed valuation shall be the same as the total state equalized weighted assessed valuation.

(4) In the event that certified data is later determined to be incorrect, the division of property valuation in conjunction with the commissioner of elementary and secondary education, shall inform local education agencies, the senate president and the speaker of the house of the issue(s) within five (5) days of the determination.

SECTION 2. Legislative findings and intent. The general assembly hereby finds and declares that:

(1) The University of Rhode Island has become a public research university educating more than eighteen thousand (18,000) students annually, and offering opportunities to study in more than ninety (90) bachelor’s degree, more than seventy (70) graduate degree, and more than twenty (20) certificate and non-degree programs.

(2) The aspirations of high school graduates and their families require the continuous innovation and transformation of the university and its academic programs.

(3) The shrinking and shifting demographics of high school graduates in the region coupled with the increased competitiveness of the higher education marketplace requires the university to be strategic, nimble and innovative in its recruitment, financial aid and academic offerings in order to be successful.

(4) The University of Rhode Island’s peer institutions and aspirational competitor institutions have governing bodies solely dedicated to the success of their mission and focus on these higher education trends and best practices for their public research university, and

(5) The University of Rhode Island would benefit from having a Board of Trustees entirely committed to exploring opportunities, addressing challenges, and creating new economic opportunities and partnerships for the university.

(6) The general assembly finds that the establishment of a University of Rhode Island board of trustees is necessary to effectuate these goals for the governance and support of the University of Rhode Island.

amended to read as follows:

16-32-2. Continuation of powers of board. Board of Trustees established.

The change in name shall in no way affect the powers and duties of the board of governors for higher education defined in chapter 59 of this title; and the board of governors for higher education shall be responsible for the control, management, and operation of the University of Rhode Island in the same manner as previously it was responsible for the control, management, and operation of it under the name of Rhode Island State College.

(a) There is hereby created a board of trustees for the University of Rhode Island, sometimes referred to as the "board" or "board of trustees", which shall be and is constituted a public corporation, empowered to sue and be sued in its own name, to borrow money, to compromise and settle claims, to have a seal, and to make and execute contracts and other instruments necessary or convenient to the exercise of its powers, in addition to those specifically enumerated in this chapter, usually appertaining to public corporations entrusted with control of postsecondary educational institutions and functions. Upon its organization, the board shall be vested with the legal title to all property, real and personal, now owned by and/or under the control or in custody of the council on postsecondary education for the use of the University of Rhode Island including all its departments, divisions, and branches, sometimes referred to as the property.

(b) The board is empowered to hold and operate the property in trust for the state; to acquire, hold, and dispose of the property and other like property as deemed necessary for the execution of its corporate purposes. The board is made successor to all powers, rights, duties, and privileges for the University of Rhode Island formerly belonging to the council on postsecondary education pertaining to postsecondary education and the board of governors for higher education.

(c) The board shall be the employer of record for the university. It shall retain all authority formerly vested in the council on postsecondary education and the board of education regarding the employment of faculty and staff at the University of Rhode Island. The board shall appoint the president of the university and shall review their performance on an annual basis.

(1) The board is empowered to enter into contracts and agreements with the council on postsecondary education and/or the department of administration related to employee benefits, including but not limited to retirement benefits, health, dental, vision and life insurance, disability insurance, workers’ compensation, and tuition waivers to maximize the state’s and university’s purchasing and investment portfolio and educational opportunities for the benefit of its employees.

(2) The board is empowered to enter into collective bargaining agreements as appropriate with its employees and all existing collective bargaining agreements in effect when the board is
established pursuant to § 16-32-2.2 shall be transferred from the council on postsecondary education to the board.

(d) The board shall make rules and regulations for the control and use of all public properties and highways under its care, and for violations of those rules and regulations; penalties, up to one hundred dollars ($100) and costs for any one offense, may be imposed by any district court or police court in the city or town where the violation occurs; and, in general, the board shall take all actions necessary for the proper execution of the powers and duties granted to, and imposed upon, the board by the terms of this chapter.

(e) The board shall make rules and regulations pursuant to chapter 2 of title 37 to implement its responsibilities as a public agency for procurement purposes as defined in § 37-2-7(16).

(f) The board shall evaluate data on which to base performance of the university as described in subsection (g) of this section which shall be defined by the president of the university. These measures may include and incorporate outcomes or goals from multiple, previous years. The lack of information from previous years, however, will not affect the use of performance-based measures.

(g) The University of Rhode Island shall have unique measures consistent with its purpose, role, scope, and mission. The board shall provide faculty and students an opportunity to provide input on the development of performance measures.

(1) The performance-based measures shall include, but not be limited to, the following metrics:

(i) The number and percentage, including growth in relation to enrollment and prior years of bachelor's degrees awarded to first-time, full-time students within four (4) years and six (6) years, including summer graduates;

(ii) The number of degrees awarded that are tied to Rhode Island's high demand, high-wage employment opportunities consistent with the institution's mission;

(iii) One metric that applies only to the university, in consultation with the president, which shall consider faculty, staff and student input; and

(iv) Any other metrics that are deemed appropriate by the board.

(2) Weight may be assigned to any of the aforementioned metrics to reinforce the mission of the university, the economic needs of the state, and the socio-economic status of the students.

(h) The board shall hold the university accountable for developing and implementing transfer pathways for students from the Community College of Rhode Island and Rhode Island College.

(i) The board shall supervise, coordinate, and/or authorize audits, civil and administrative
investigations, and inspections or oversight reviews, when necessary, relating to expenditure of
state or federal funds, or to any and all university programs and operations, as well as the
procurement of any supplies, services, or construction, by the university. In the course of an audit
or investigation, the board authorized auditor(s) shall review statutes and regulations of the
university and shall determine if the university is in compliance and shall make recommendations
concerning the efficiency of operations, and the effect of such statutes or regulations on internal
controls and the prevention and detection of fraud, waste and abuse. The board authorized
auditor(s) may recommend policies or procedures that may strengthen internal controls, or assist in
the prevention or detection of fraud, waste, and abuse or mismanagement. Any audits conducted
shall be transmitted to the office of internal audit established in general law 35-7.1.

16-32-2.1. Additional powers of the President of the University.

In addition to any powers granted to the president of the University of Rhode Island by law
or regulation, and consistent with shared governance practices, in conformity with § 16-32-10, the
president shall have the following additional powers and duties:

(a) To create, and consolidate departments, divisions, programs, and courses of study
within the university with the assistance of the commissioner of postsecondary education within
and the approved role and scope of the president’s authority adopted by the council on
postsecondary education pursuant to § 16-59-4 board of trustees. Any new or proposed eliminations
of departments, divisions, programs or courses of study that are outside the role and scope approved
by the council board shall require the review and approval of the council on postsecondary
education board.

(b) To adopt a budget for the university and submit it to the council on postsecondary
education board of trustees for approval.

(c) To be responsible for the general management of property of the university.

(d) To recommend to the council on postsecondary education, after consultation with the
commissioner of postsecondary education board of trustees, tables of organization for the
university.

(e) To submit to the office of postsecondary commissioner board of trustees and to compile
and analyze the following information for presentation to the council on postsecondary education
and the board of education board annually by May 1st the following:

(1) A detailed departmental breakdown of all faculty members employed at the university
by rank (including all professors, associate professors, assistant professors, lecturers, and
instructors) and tenure (tenured and non-tenured, and other) and by race (African American,
Hispanic, Native American, and Asian) and gender.
(2) A detailed report on current student enrollments for each class at the university by race and gender, by academic department, and by outreach program (e.g. talent development), guaranteed admissions program, and the current levels of funding and staff support for each of these programs.

(3) A report on the current status of the African and Afro-American studies programs at the university and a five (5)-year budgetary history of the programs along with projections for budgetary support for the next two (2) years.

(4) A plan for recruitment of African American and Hispanic faculty into tenure track positions at the university with specific reference to and planned involvement with the New England higher education's minority faculty recruitment and development plan.

(5) Copies of the report shall be furnished to the council of postsecondary education and the board of education board of trustees.

(f) To assist the board of trustees in preparation and maintenance of a three (3) year strategic funding plan for the university; to assist the board in the preparation and presentation annually to the state budget officer in accordance with § 35-3-4 of a total university budget.

(g) To monitor, publish, and report to the board of trustees the level of performance on all metrics of the universities set forth in § 16-32-2 and in accordance with this chapter. The president shall revise the metrics at a time when performance has reached a level pre-defined by the board. Future metrics may further goals identified by the board, the board of education and the governor's workforce board, and the purpose and mission of the university. The university shall publish its performance on all of its associated metrics prescribed in this chapter on its website.

16-32-5. Authority over experiment station.

The board of governors for higher education board of trustees shall have authority over the experiment station of the university located in the town of South Kingstown.


(a) The general assembly shall annually appropriate any sum as it may deem sufficient for the purpose of defraying the expenses of the university, the appropriation to be expended under the direction of the trustees and officers of the university. The state controller is authorized and directed to draw his or her orders upon the general treasurer for the payment of the appropriations or so much of the sums that are necessary for the purposes appropriated, upon the receipt by him or her of proper vouchers as the board of trustees may by rule provide. The board shall receive, review, and adjust the budget for the university and present the budget under the requirements of § 35-3-4.

(b) Any tuition or fee increase schedules in effect for the university shall be received by the board of trustees for allocation for the fiscal year for which state appropriations are made to the
board by the general assembly; provided that no further increases may be made by the board for
the year for which appropriations are made.

(c) All housing, dining, and other auxiliary facilities at the university shall be self-
supporting and no funds shall be appropriated by the general assembly to pay operating expenses,
including principal and interest on debt services, and overhead expenses for the facilities. Any debt
service costs on general obligation bonds presented to the voters in November 2000 and November
2004 or appropriated funds from the Rhode Island Capital Plan Fund for the housing auxiliaries at
the University of Rhode Island shall not be subject to this self-supporting requirement in order to
provide funds for the building construction and rehabilitation program.

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

(e) Notwithstanding paragraphs (a) and (c) of this section or any provisions of title 16, to
the extent necessary to comply with the provisions of any outstanding bonds issued by the Rhode
Island Health and Educational Building Corporation or outstanding Lease Certificates of
Participation, in either case, issued for the benefit of the University of Rhode Island, the
Community College of Rhode Island, and/or Rhode Island College, to the extent necessary to
comply with the provisions of any such bonds or certificates of participation, the general assembly
shall annually appropriate any such sums it deems necessary from educational and general revenues
(including, but not limited to tuition) and auxiliary enterprise revenues derived from the University
of Rhode Island, the Community College of Rhode Island and Rhode Island College, to be allocated
by the council on postsecondary education or by the board of trustees, as appropriate, in accordance
with the terms of the contracts with such bondholders or certificate holders.

16-32-10. Award of degrees – Curriculum and government.

The board of trustees, with the approval of the president and a committee of the faculty of
the university, shall award academic degrees and diplomas and confer honors in the same manner
as is customary in American colleges. It shall also be the duty of the president and a committee of
the faculty, with the approval of the board of governors for higher education, to arrange courses of study conforming to all acts of Congress, and prescribe any qualifications for
the admission of students and any rules of study, exercise, discipline, and government as the
president and committee may deem proper.


The board of governors for higher education is authorized and empowered
to carry out the provisions of §§ 16-32-12 through 16-32-14 in regard to the guaranty of loans made
to societies and students at the university.

16-32-12. Acquisition of land -- Guaranty of loans to societies of students.

The board of governors for higher education board of trustees is authorized and empowered on behalf of the University of Rhode Island to acquire land and also to guarantee in the name of the state approved loans made to societies of students at the university, for the purchase or construction, upon lands owned by the university, of society houses which shall serve as student dormitories. Any loans approved, upon default, shall become state obligations in the same manner as any state bond.


Whenever default is made on the part of a society in the payment of loans guaranteed under the provisions of § 16-32-12, or any part of them, the board of governors for higher education board of trustees is authorized to assume the obligation and to make required payments on principal and interest from any of the appropriations available for the University of Rhode Island. In the event of a default, in cases where that board assumes the obligation of a society, the state shall have a lien subject to any mortgages or encumbrances existing at the time on any and all property of the society. The lien may be released after the reimbursement to the state of all payments made on behalf of the society, plus accrued interest.


All money received pursuant to the provisions of chapter 3644 of the Public Laws of 1956 shall be deemed to be trust funds to be held by the general treasurer or by the University of Rhode Island Foundation, as provided in § 16-32-26, in a special fund the income of which shall be made available to the board of governors for higher education board of trustees to be applied by it solely for use as scholarship grants in the field of pharmacy and allied sciences, in any manner and under any conditions as the board of governors for higher education may determine. The board of governors for higher education is authorized and empowered, from time to time, as occasion may require, to draw on the general treasurer or on the University of Rhode Island Foundation, for the annual income of the fund, or so much of this amount as may be necessary, to carry out this objective.


(a) The general treasurer shall have the care and management of the fund with full power to regulate the custody and safekeeping of all money and evidences of property belonging to the fund. The treasurer shall deposit, subject to his or her order, to the use of this fund, all dividends, interest, or income arising from it, in any bank or banks, trust company or trust companies, in which funds of the state may be lawfully kept. The treasurer may invest and reinvest, in his or her
discretion, the money in the fund at any time and the dividends, interest, and income in any
securities or investments in which the deposits in savings banks and participation deposits in banks
and trust companies may be legally invested. The treasurer may change and vary the investments
from time to time, and he or she may sell and dispose of any investments made, when necessary to
meet the draft of the board of governors for higher education board of trustees as provided in § 16-
32-25.

(b) The general treasurer shall, upon the order of the governor to do so, transfer to the
University of Rhode Island Foundation created by act of the general assembly at its January 1957
session all money and evidences of property comprising the fund, and then his or her duties with
respect to the fund shall cease, and the foundation shall after this hold and administer the fund with
all the powers and subject to all the duties imposed upon it by the act of the general assembly with
respect to other funds held by the foundation; provided, that the fund shall be held by the foundation
as a special fund and shall not be mingled with other funds held by the foundation, and the net
income of the fund shall be devoted exclusively to the object specified in § 16-32-25.

SECTION 4. Sections 16-32.1-2 and 16-32.1-8 of the General Laws in Chapter 16-32.1
titled “The University of Rhode Island Research Foundation Act [See Title 16 Chapter 97 - The
Rhode Island Board of Education Act]” are hereby amended to read as follows:


(a) There is hereby authorized, created and established a public corporation having a legal
existence distinct from the state and not constituting a department of state government, to be known
as the University of Rhode Island Research Foundation, with such powers as are set forth in this
chapter, for the purposes of the development of scientific research, technology, commercialization
of intellectual property and such other purposes as may be necessary to develop, promote and
enhance scientific research and technology at the University of Rhode Island.

(b) The research foundation is authorized, created and established for the benefit of the
University of Rhode Island and shall be organized exclusively for charitable, educational and
scientific purposes of the University of Rhode Island within the meaning of § 501(c)(3) of the
Internal Revenue Code with the following powers and purposes:

(1) To aid and assist the University of Rhode Island in the establishment, development and
fostering of scientific research and technology which will further the learning opportunities,
programs, services and enterprises of the University and of the state of Rhode Island;

(2) To assist in providing research programs at the University of Rhode Island which will
provide for the advancement of education and educational programs at the University of Rhode
Island and which will provide for opportunities to individuals for learning and training in subjects
useful to the individual and beneficial to the community;

(3) To promote, encourage and foster the education and training services, scientific investigations, technology development and technology commercialization at the University of Rhode Island;

(4) To pursue, obtain and protect intellectual property rights (including patents, trademarks, tangible materials and copyrights) in and to all valuable intellectual property flowing from or belonging to the University of Rhode Island and to administer such intellectual property in conformity with applicable state and federal laws;

(5) To carry on any other lawful purpose within the meaning of § 501(c)(3) of the Internal Revenue Code in connection with its purposes.

(c) The research foundation and its corporate existence shall continue until terminated by law or until the corporation shall cease entirely and continuously to conduct or be involved in any business or transactions in furtherance of its purposes. Upon termination of the research foundation and its corporate existence, all of its rights, assets and properties shall pass to and be vested in the board of governors for higher education board of trustees for the benefit of the University of Rhode Island.


The research foundation shall submit to the board of governors for higher education board of trustees an audited report of its activities for the preceding fiscal year. The report shall set forth a complete operating and financial statement covering the research foundation operations during the preceding fiscal year. The research foundation shall cause an independent audit of its books and accounts to be made at least once each fiscal year.

SECTION 5. Chapter 16-32 of the General Laws entitled "University of Rhode Island [See Title 16 Chapter 97 - The Rhode Island Board of Education Act]" is hereby amended by adding thereto the following sections:


(a) There is hereby established a board of trustees for the University of Rhode Island consisting of seventeen (17) members. The governor shall appoint the members, with the advice and consent of the senate, to serve on the board of trustees, until the expiration of their term and their successor is appointed. In making these appointments the governor shall give due consideration to recommendations from the president of the University of Rhode Island and at least three (3) of those members appointed by the governor shall be residents of the State of Rhode Island, at least one of those members shall be selected from a list of names of at least five (5) individuals submitted by the speaker of the house of representatives, and at least one of those
members shall be selected from a list of names of at least five (5) individuals submitted by the
president of the senate. In addition, the president of the University of Rhode Island shall appoint
one faculty member and one student member who shall be a full-time student in good standing at
the university and who shall both serve in a non-voting, ex officio capacity for a single two (2) year
term. The chair of the board of education and the chair of the council on postsecondary education
shall serve in a non-voting, ex-officio capacity on the board of trustees. Six (6) of the members
initially appointed pursuant to this section shall serve terms of three (3) years; seven (7) members
initially appointed pursuant to this section shall serve terms of two (2) years, including the member
appointed from the list submitted by the speaker of the house of representatives and the member
appointed from the list submitted by the president of the senate; and, four (4) members initially
appointed pursuant to this section shall serve terms of one year. Thirteen (13) voting members of
the board shall constitute a quorum and the vote of a majority of those present and voting shall be
required for action.

(b) After the initial terms of appointment have expired, the governor shall appoint nine (9)
members with the advice and consent of the senate to serve as members of the board of trustees
with two (2) members appointed for a term of three (3) years; with two (2) members appointed for
a term of two (2) years, including the member appointed from the list submitted by the speaker of
the house of representatives and the member appointed from the list submitted by the president of
the senate; and with two (2) members appointed for a term of one year and shall be eligible to be
reappointed to a term of two (2) years. In making these appointments the governor shall give due
consideration to recommendations from the president of the University of Rhode Island and at least
three (3) of those members appointed by the governor shall be residents of the State of Rhode
Island, at least one of those members shall be selected from a list of names of at least five (5)
individuals submitted by the speaker of the house of representatives, and at least one of those
members shall be selected from a list of names of at least five (5) individuals submitted by the
president of the senate. The remaining eight (8) voting members shall be self-perpetuating members
appointed by the board pursuant to rules adopted by the board regarding the nomination and
appointment of members and shall serve terms as defined by the board pursuant to the adopted
rules and be eligible for reappointment. In making these appointments the board shall give due
consideration to recommendations from the president of the University of Rhode Island.

(c) A majority of the board shall elect the chair of the board from among the seventeen (17)
voting board members pursuant to rules and regulations adopted by the board establishing the
procedure for electing a chair.

(d) Public members of the board shall be removable by the appointing authority of the
member for cause only, and removal solely for partisan or personal reasons unrelated to capacity
or fitness for the office shall be unlawful. No removal shall be made for any cause except after ten
(10) days' notice in writing of specific charges, with opportunity for the member to be present in
person and with counsel at a public hearing before the appointing authority, to introduce witnesses
and documentary evidence in his or her own defense, and to confront and cross-examine adversary
witnesses; and appeal shall lie to the superior court from the governor's determination.

16-32-32. Exemption from provisions of administrative procedures act.
The provisions of the administrative procedures act, chapter 35 of title 42, shall not apply
to this chapter.

16-32-33. Receipts from sources other than appropriations.
(a) Notwithstanding any general laws to the contrary, all receipts from all sources other
than state appropriations shall not be deposited into the general fund of the state, but shall be
deposited by the general treasurer of the state into a restricted account for the benefit of the board
of trustees, and shall be paid out by the treasurer upon the order of the board, without the necessity
of appropriation or re-appropriation by the general assembly.

(b) The board of trustees shall ensure that the university has a structure in place to prohibit
the university from accepting funds that would interfere with or restrict academic freedom at the
university. Nothing contained in this subsection shall be construed in a way as to prohibit a donor
from earmarking funds for a particular purpose or use including, but not limited to, research,
scholarships, construction, or development.

16-32-34. Fiscal accounts -- Receipts -- Petty cash funds.
(a) The treasurer of the University of Rhode Island, as appointed by the board of trustees,
shall:
(1) Keep an accurate account of his or her receipts and expenditures, which shall be audited
by the state controller; and
(2) Turn over to the general treasurer at monthly intervals all sums of money received by
him or her during the preceding month which shall be credited to the proper accounts and funds by
the general treasurer.

(b) The state controller shall establish an imprest fund or petty cash fund for the use of the
treasurer of the university for expenditures of any nature as may be approved by the state controller.

The pre-audit of all expenditures under authority of the board by the state controller
provided for in § 35-6-1 shall be purely ministerial, concerned only with the legality of the
expenditure and the availability of the funds, and in no event shall the state controller interpose his
or her judgment regarding the wisdom or expediency of any item or items of expenditure.

16-32-36. Freedom from budget and lease control by other agencies.

In order that the board of trustees may control the personnel and equipment of the university in the interest of educational efficiency, the board and the university are exempt from the provisions of § 35-3-1(a)(5) relating to the employment of personnel, and from any provision of § 42-20-8 which relates to the director of administration.

16-32-37. Applicability of merit system -- Teacher certification -- List of positions transferable to classified service.

(a) The appointment, promotion, salaries, tenure, and dismissal of administrative, instructional, and research employees, and secretarial employees not exceeding ten (10) in number, and armed university police officers shall not be subject in any manner or degree to control by the state personnel administrator or by any officer or board other than the board of trustees. The certification of teachers at the University of Rhode Island is abolished, except for teachers who elect to come or remain under it.

(b) All positions that are exempt from the merit system law, chapter 4 of title 36, which become vacant or that are to be established, must be forwarded to the state personnel administrator, who shall determine whether the position(s) in question shall remain in the board of trustees non-classified service or be established in the classified service of the state.

(c) No position presently in the classified service of the state subject to the merit system law, chapter 4 of title 36, shall be changed or modified so as to establish the position in the board of trustees non-classified service.

(d) Faculty positions, presidents, vice presidents, deans, assistant deans, and student employees of the university shall not be covered by the preceding provisions and shall remain in the non-classified service of the board.

16-32-38. Permanent status for non-classified employees.

All non-classified employees of the board of trustees who shall have twenty (20) years, not necessarily consecutive, of service credit, these credits having been earned in either the classified, non-classified, or unclassified service or any combination of these, shall be deemed to have acquired full status in their positions as the status is defined by § 36-4-59 with the base entry date prior to August 8, 1996; provided, that this provision shall not apply to faculty employed by the board nor shall it apply to non-classified employees who have acquired tenure as faculty.


(a) The non-classified employees of the board of trustees, except for faculty employees and except for non-classified employees already receiving longevity increases, shall be entitled to a
longevity payment in the amount of five percent (5%) of base salary after ten (10) years of service and increasing to a total of ten percent (10%) of base salary after twenty (20) years of service. The provisions of this section will apply only to employees with a pay grade under nineteen (19). The longevity payments shall not be included in base salary.

(b) The board of trustees is authorized to promulgate regulations implementing the provisions of this section.

(c) Beginning on July 1, 2011, notwithstanding any rule, regulation, or provision of the public laws or general laws to the contrary, there shall be no further longevity increases for employees of the board of trustees; provided, however, for employees with longevity provisions pursuant to a collective bargaining agreement in effect on June 1, 2011, longevity increases shall cease beginning on July 1, 2011 or beginning upon the expiration of the applicable collective bargaining agreement, whichever occurs later. To the extent an employee has previously accrued longevity payments, the amount of the longevity payment earned by the employee for the last pay period in June, 2011 shall be added to the employee's base salary as of June 30, 2011, or in the case of an employee with longevity provisions pursuant to a collective bargaining agreement in effect on June 1, 2011, the amount of the longevity payment earned by the employee for the latter of the last pay period in June or the last pay period prior to the expiration of the applicable collective bargaining agreement shall be added to the employee's base salary as of June 30, 2011 or upon the expiration of the applicable collective bargaining agreement, whichever occurs later.


(a) The board of trustees may appoint one or more persons who may act as police officers upon the property and highways of the university subject to the control of the board and upon the streets and highways immediately adjacent to those lands. The campus police officers shall protect the property of the university, suppress nuisances and disturbances and breaches of the peace, and enforce laws and regulations for the preservation of good order. They shall have the same powers and authority as that conferred upon municipal police officers, including the power to arrest persons for violations of state criminal statutes or for violations of city or town ordinances of the city or town in which the institution is located. They shall be required to attend and successfully complete the municipal police training academy before they shall be allowed to carry firearms. Additionally, any campus police officer observing the violation of any rule or regulation of the board adopted pursuant to this chapter, including, but not limited to, parking and traffic regulations, may issue a summons in the manner and form set forth in §§ 31-27-12 or 31-41.1-1 returnable to the district court, the police court of the city or town where the violation occurs, or the traffic tribunal as provided by law.
(b) Notwithstanding any other provision of law, all fines and penalties recovered for violation of rules and regulations made under authority of this section shall be accounted for by the appropriate authority, which shall forward all fines or penalties for nonmoving traffic violations to the general treasurer for use by the college or university on whose campus the citation or violation was issued in accordance with § 16-32-27.

16-32-41. Conflicts of interest.

No member of the board of trustees shall be employed in any position under the jurisdiction of the board, nor contract in any manner for any purpose with the board; nor shall the board purchase, sell, or lease any land, property, or supplies from or to any firm or business association of which any member of the board is owner, part owner, or officer or director. No person related by consanguinity or affinity in the first degree to any member of the board shall be employed in any capacity under the board's jurisdiction.

16-32-42. Existing Bond Debt.

The board of trustees is authorized to take all actions, and execute and deliver all agreements or instruments, necessary or convenient for the board to assume all of the obligations on behalf of, and in replacement of, or jointly with the council on postsecondary education under outstanding bonds issued by the Rhode Island Health and Educational Building Corporation or outstanding Lease Certificates of Participation, in either case, issued for the benefit of the University of Rhode Island, the Community College of Rhode Island, and/or Rhode Island College as may be necessary to ensure, among other items, that the university continues to meet its obligations under such bonds or certificates.


(a) There is created a council on postsecondary education, sometimes referred to as the "council", which shall be and is constituted a public corporation, empowered to sue and be sued in its own name, and to exercise all the powers, in addition to those specifically enumerated in this chapter, usually appertaining to public corporations entrusted with control of postsecondary educational institutions and functions. Upon its organization the council shall be invested with the legal title (in trust for the state) to all property, real and personal, now owned by and/or under the control or in custody of the board of regents for education for the use of the University of Rhode Island, Rhode Island College, Community College of Rhode Island and the system of community
colleges of Rhode Island including all departments, divisions, and branches of these.

(b) The council is empowered to hold and operate the property in trust for the state; to acquire, hold, and dispose of the property and other like property as deemed necessary for the execution of its corporate purposes. The council is made successor to all powers, rights, duties, and privileges formerly belonging to the board of regents for education pertaining to postsecondary education and the board of governors for higher education.

(c) The council shall be the employer of record for higher education Rhode Island College and the Community College of Rhode Island and the office of postsecondary education. It shall retain all authority formerly vested in the board of education regarding the employment of faculty and staff at the public higher education institutions Rhode Island College and the Community College of Rhode Island.

(d) The council shall be the governing body for the Rhode Island division of higher education assistance and shall retain all authority formerly vested in the higher education assistance authority board of directors pursuant to § 16-57-7; however, any debts, liabilities, or obligations of the council that result from its status as such governing body shall be payable solely from the revenues or assets of reserve funds set forth and established by the prior Rhode Island higher education assistance authority and/or the Rhode Island division of higher education assistance created pursuant to chapter 57 of this title, and not from any assets or property held by the council on public higher education pursuant to this chapter.

(e) The council on postsecondary education shall be the employer of record for the division of higher education assistance.

(f) The council on postsecondary education, simultaneous with the transfer of authority to the University of Rhode Island board of trustees pursuant to § 16-32-2, shall enter into a sublease with the University of Rhode Island board of trustees for the space the University currently occupies at the Rhode Island Nursing Education Center in Providence Rhode Island, such sublease being coterminous with the Lease and incorporating the same terms, conditions and space allocations currently in effect under the Lease, and R.I. Public Law 2014, Chapter 145, Article 4, Section 8, and that certain Memorandum of Understanding dated January 7, 2017 among the Rhode Island Office of Postsecondary Commissioner, the University of Rhode Island and Rhode Island College.

(g) The council is empowered to enter into contracts and agreements with the board of trustees for the University of Rhode Island and/or the department of administration related to public higher education employee benefits, including but not limited to retirement benefits, health, dental, vision and life insurance, disability insurance, workers’ compensation, and tuition waivers to maximize the state’s and council’s purchasing and investment portfolio and educational...
opportunities for the benefit of its employees.


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

1. To develop and implement a systematic program of information gathering, processing, and analysis addressed to every aspect of higher education in the state, especially as that information relates to current and future educational needs.

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

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

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

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

6. To assist the board of education in preparation and maintenance of a five-year (5)
(7) To recommend to the council on postsecondary education, after consultation with the presidents, a clear and definitive mission for each public institution of higher learning.

(8) To annually recommend to the council on postsecondary education, after consultation with the presidents, the creation, abolition, retention, or consolidation of departments, divisions, programs, and courses of study within the public colleges and universities to eliminate unnecessary duplication in public higher education, to address the future needs of public higher education in the state, and to advance proposals recommended by the presidents of the public colleges and universities pursuant to §§ 16-32-2.4, 16-33-2.1 and 16-33.1-2.1.

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

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

(11) To be responsible for the administration of policies, rules, and regulations of the council on postsecondary education with relation to the entire field of higher education within the state, not specifically granted to any other department, board, or agency and not incompatible with law.

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

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

(14) To enter into interstate reciprocity agreements regarding the provision of postsecondary distance education; to administer such agreements; to approve or disapprove applications to voluntarily participate in such agreements from postsecondary institutions that have their principal place of business in Rhode Island; and to establish annual fees, with the approval of the council on postsecondary education, for aforesaid applications to participate in an interstate postsecondary distance education reciprocity agreement.

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

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


(a) The general assembly shall annually appropriate any sums it deems necessary for
support and maintenance of higher education in the state and the state controller is authorized and
directed to draw his or her orders upon the general treasurer for the payment of the appropriations
or so much of the sums that are necessary for the purposes appropriated, upon the receipt by him
or her of proper vouchers as the council on postsecondary education may by rule provide. The
council shall receive, review, and adjust the budget for the office of postsecondary commissioner
and present the budget as part of the budget for higher education under the requirements of § 35-3-
4.

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

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

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

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

(f) The board of education is authorized to establish a restricted-receipt account for the
Higher Education and Industry Centers established throughout the state to collect lease payments
from occupying companies, and fees from room and service rentals, to support the operation and
maintenance of the facilities. All such revenues shall be deposited to the restricted-receipt account.

(g) Notwithstanding paragraphs (a) and (d) of this section or any provisions of title 16, to
the extent necessary to comply with the provisions of any outstanding bonds issued by the Rhode
Island Health and Educational Building Corporation or outstanding Lease Certificates of
Participation, in either case, issued for the benefit of the University of Rhode Island, the
Community College of Rhode Island, and/or Rhode Island College, to the extent necessary to
comply with the provisions of any such bonds or certificates of participation, the general assembly
shall annually appropriate any such sums it deems necessary from educational and general revenues
(including, but not limited to, tuition) and auxiliary enterprise revenues derived from the University
of Rhode Island, the Community College of Rhode Island and Rhode Island College, to be allocated
by the council on postsecondary education or by the board of trustees of the University of Rhode
Island, as appropriate, in accordance with the terms of the contracts with such bondholders or
certificate holders.


Where in this chapter the phrase "public colleges" or "public institutions of higher learning"
or "public tax supported institutions of higher learning" or words of similar import are used they
shall be taken to mean the University of Rhode Island, Rhode Island College, and Community
College of Rhode Island, or any other of these public colleges, public institutions of higher learning,
or public tax supported institutions of higher learning other than the University of Rhode Island,
which may be created, individually or collectively, as appropriate.

16-59-18. Receipts from sources other than appropriations.

(a) All receipts from all sources other than state appropriations shall not be covered into
the general fund of the state, but shall be kept by the general treasurer of the state in a separate fund
for the board of governors for higher education, and shall be paid out by the treasurer upon the
order of the board, without the necessity of appropriation or re-appropriation by the general
assembly.
(b) The board of governors of higher education shall ensure that state colleges and universities have a structure in place to prohibit these colleges and universities from accepting funds that would interfere with or restrict academic freedom at the state colleges and universities. Nothing contained in this subsection shall be construed in a way as to prohibit a donor from earmarking funds for a particular purpose or use including but not limited to research, scholarships, construction, or development.


The treasurer of the University of Rhode Island, and the treasurer of the Rhode Island College to be appointed by the board of governors for higher education, shall each keep an accurate account of his or her receipts and expenditures which shall be audited by the state controller in accordance with law. The treasurer of each college shall turn over to the general treasurer at monthly intervals all sums of money received by him or her during the preceding month which shall be credited to the proper accounts and funds by the general treasurer. The state controller shall establish an imprest fund or petty cash fund for the use of the treasurer of each of the colleges for expenditures of any nature as may be approved by the state controller.

16-59-22. Applicability of merit system -- Teacher certification -- List of positions transferable to classified service.

(a) The appointment, promotion, salaries, tenure, and dismissal of administrative, instructional, and research employees, and secretarial employees not exceeding ten (10) in number, and armed college and university police officers of the state colleges shall not be subject in any manner or degree to control by the personnel administrator or by any officer or board other than the council on postsecondary education. The certification of teachers at the University of Rhode Island is abolished, except for teachers who elect to come or remain under it.

(b) All positions that are exempt from the merit system law, chapter 4 of title 36, which become vacant or that are to be established, must be forwarded to the personnel administrator, who, in consultation with the deputy assistant commissioner of education in charge of personnel and labor relations, shall determine whether the position(s) in question shall remain in the council on postsecondary education non-classified service or be established in the classified service of the state.

(c) No position presently in the classified service of the state subject to the merit system law, chapter 4 of title 36, shall be changed or modified so as to establish the position in the council on postsecondary education non-classified service.

(d) Faculty positions, presidents, vice presidents, deans, assistant deans, and student employees of the higher-education institutions shall not be covered by the preceding provisions and
shall remain in the council on postsecondary education non-classified service.


(a) Purpose. The state of Rhode Island recognizes that research is a primary mission of an
institution of higher education. While carrying out its research mission, the state further recognizes
that inventions of value to the public will be made by persons working in its public institutions of
higher education. The marketing of these inventions will contribute to job creation and to the
overall economic well-being of the state of Rhode Island and the nation. It is accordingly the policy
of the state to encourage such inventors and inventions and to take appropriate steps to aid the
inventor and ensure that the public receives the benefit. In facilitating this policy, the state
recognizes the need for cooperation between governmental agencies, private industries, and the
inventors themselves.

(b) Definitions. The following words and phrases used in § 16-59-26-26 have the following
meaning:

(1) "Conflict of interest policies and procedures relating to research and development" refers to
policies and procedures adopted by the Rhode Island board of governors for higher
education, or as it pertains to the University of Rhode Island, the board of trustees
in consultation with the Rhode Island ethics commission, and approved by the Rhode Island ethics
commission;

(2) "Relationship" includes any interest, service, employment, gift, or other benefit or
relationship;

(3) "Research or development" means basic or applied research or development, including:

(i) The development or marketing of university-owned technology;

(ii) The acquisition of services of an official or employee, by an entity for research and
development purposes;

(iii) Participation in state economic development programs; or

(iv) The development or marketing of any technology on the premises of a public
institution of higher education by an official or employee of the institution.

(c) Policy.

(1) The Rhode Island board of governors for higher education, or as it pertains to the
University of Rhode Island, the board of trustees shall develop conflict of interest policies and
procedures based on the purposes expressed in art. 3, § 7 of the Constitution of the State of Rhode
Island, § 36-14-1, and in this section.

(2) The Rhode Island board of governors for higher education, or as it pertains to the
University of Rhode Island, the board of trustees shall consult with the Rhode Island ethics
commission in developing these policies and procedures and shall submit them to the Rhode Island
ethics commission for approval in order to insure conformity with the purposes expressed in art. 3, § 7 of the Constitution of the State of Rhode Island, § 36-14-1, and in this section.

(d) Policy standards. The policies and procedures adopted by the board of governors for higher education, or as it pertains to the University of Rhode Island, the board of trustees under subsection (c) of this section shall:

(1) Require disclosure of any interest in, or employment by, or other relationship with an entity for which an exemption under this section is claimed, on a form filed with the ethics commission and the Rhode Island board of governors for higher education, or as it pertains to the University of Rhode Island, the board of trustees and maintained as a public record at the commission offices, the office of higher education, and at the interested public institution of higher education;

(2) Require review of all disclosures by a designated official or officials, who shall determine what further information must be disclosed and what restrictions shall be imposed by the Rhode Island board of governors for higher education, or as it pertains to the University of Rhode Island, the board of trustees to manage, reduce, or eliminate any actual or potential conflict of interest;

(3) Include guidelines to ensure that interests and employment for which an exemption under this section is claimed do not improperly give an advantage to entities in which the interests or employment are maintained, lead to misuse of institution students or employees for the benefit of entities in which the interests or employment are maintained, or otherwise interfere with the duties and responsibilities of the exempt official or employee;

(4) Require approval by the president of the public institution of higher education of any interest or employment for which an exemption is claimed under this section; and

(5) Require approval by the Rhode Island board of governors for higher education, or as it pertains to the University of Rhode Island, the board of trustees.

(e) Relationship permitted. An official or employee at a public institution of higher education may have a relationship, that would otherwise be prohibited by the Rhode Island Code of Ethics in Government, with an entity engaged in research or development, or with an entity having a direct interest in the outcome of research or development, only if the Rhode Island Board of governors for higher education, or as it pertains to the University of Rhode Island, the board of trustees has adopted policies and procedures in accordance with this section, and the official or employee has complied with the policies and procedures. If the provisions of this section are not met, the official or employee is not exempt from any relevant provisions of the Rhode Island Code of Ethics in Government.
(f) Annual reporting. The board of governors for higher education, or as it pertains to the University of Rhode Island, the board of trustees shall report annually to the governor, the president of the senate and the speaker of the house of representatives, and the ethics commission the number of approvals granted under this section and how the conflict of interest policies and procedures adopted pursuant to this section have been implemented in the preceding year.

(g) Person not eligible. An official or employee who is a president, or vice-president at a public institution of higher education in Rhode Island may not receive an exemption under this section.

(h) Ethics commission review. The board of governors for higher education, or as it pertains to the University of Rhode Island, the board of trustees, shall promptly notify the ethics commission in writing of any exemption that is granted under this section. If the ethics commission disagrees with an exemption that is granted pursuant to this section and the conflict of interest policies and procedures relating to research and development adopted by the board of governors for higher education, within thirty (30) calendar days after the receipt of the notice described in this section, the ethics commission shall notify the board of governors for higher education reason for its concern. Upon receipt of such notice from the ethics commission, the board of governors for higher education, or as it pertains to the University of Rhode Island, the board of trustees shall cause the matter to be re-examined at an open and public meeting pursuant to § 42-46-1 et seq.

SECTION 7. Section 16-59-28 of the General Laws in Chapter 16-59 entitled “Council on Postsecondary Education [See Title 16 Chapter 97 - The Rhode Island Board of Education Act]” is hereby repealed.


(a) The Rhode Island board of governors for higher education shall establish and administer the “Bachelors Degree in Three” program. The board shall:

(1) Establish guidelines for the “Bachelors Degree in Three” program.

(2) Collaborate with the board of regents for elementary and secondary education to establish a seamless credit transfer system for high school students and other policies that might facilitate student participation in such a program.

(3) Identify and propose any necessary changes to academic courses of study, support services, financial aid, and other policies and resources at the University of Rhode Island, Rhode Island College and the Community College of Rhode Island to ensure greater opportunities for students to complete bachelor degree programs in three (3) years.

(4) Identify potential costs of the program, including costs to students, to the institutions, and to school districts, identify possible sources of external grant funding for a pilot program, and...
propose a funding structure for the program.

(5) Investigate accreditation issues and federal financial aid rules that may be implicated by the program.

(6) Identify units at the University of Rhode Island, Rhode Island College, and the Community College of Rhode Island that will assume administrative responsibility for the program.

(7) Design, undertake and evaluate a three (3) year pilot program that will serve as a model for full-scale implementation.

(b) The board shall present an initial report, recommendations and timeline to the general assembly on or by February 1, 2011, and the pilot program will begin with the fall academic semester of 2011.

SECTION 8. Sections 16-97-7 and 16-97-1 of the General Laws in Chapter 16-97 entitled "The Rhode Island Board of Education Act" are hereby amended to read as follows:

16-97-1. Rhode Island board of education established.

(a) Effective January 1, 2013, there is created a board of education that shall be responsible for and shall exercise the purposes, powers, and duties of, this chapter and chapters 59 and 60 of this title. The board is responsible for the coordination of education from pre-k through higher education and shall set goals and policies for the effective coordination of these public education systems.

(b) The board of education shall consist of seventeen (17) public members appointed by the governor with the advice and consent of the senate, eight (8) of whom shall be designated to serve on the council for elementary and secondary education and eight (8) of whom shall be designated to serve on the council for postsecondary education. The chairperson of the board shall serve as a member of both councils. Six (6) of the members initially appointed pursuant to this section shall serve terms of three (3) years; six (6) members initially appointed pursuant to this section shall serve terms of two (2) years; and, four (4) members initially appointed pursuant to this section shall serve terms of one year. To the greatest extent possible, the initial staggered terms shall be equitably divided among the councils so as to protect against sudden changes in membership and reversal of policy. Thereafter, all members appointed pursuant to this section shall serve terms of three (3) years. At the expiration of their terms, members shall remain and continue in their official capacity until their successor is appointed and qualified. Members shall not be appointed to more than three (3), successive three-year (3) terms each; provided that the chair of the board shall have no term and shall serve at the pleasure of the governor. Any vacancy among the members of the board shall be filled by appointment of the governor for the remainder of the unexpired term. In the selection and appointment of the board, the governor shall seek persons who
best serve the needs of the entire state. No person shall be eligible for appointment to the board after the effective date of this act unless a resident of this state. Members of the board shall not be compensated for their service in attending board or council meetings.

(c) The chair of the Governor's Workforce Board, or designee, and the chair of the Rhode Island Commerce Corporation, or designee, and the chair of the University of Rhode Island board of trustees, or designee, shall serve as non-voting, ex-officio members of the board.

(d) The governor shall select from the appointed members a chairperson and vice chairperson. A quorum shall consist of nine (9) members of the board. A majority vote of those present shall be required for action.

(e) Except as provided by subsection (b) of this section, members of the board shall be removable by the governor for cause only. Removal solely for partisan or personal reasons unrelated to performance, capacity, or fitness for the office shall be unlawful.

(f) The statutory responsibilities of the department of elementary and secondary education, the commissioner of elementary and secondary education, and the commissioner of postsecondary education shall remain unchanged.

(g) The chair of the board of education shall consult with the chairs of the council on elementary and secondary education, the council on postsecondary education, the commissioner of elementary and secondary education, and the commissioner of postsecondary education in developing agendas, goals, policies, and strategic plans for the board.

16-97-7. Tuition waivers -- Disclosure as a prerequisite to receipt.

Notwithstanding any other provision of law, no employee of the state board of education, or the board of trustees for the University of Rhode Island, his or her spouse, domestic partner or dependent, shall receive a tuition waiver as a result of employment status with the state board of education, or the board of trustees for the University of Rhode Island, without first consenting to the public disclosure of the existence and amount of the waiver. This section shall apply to any tuition waivers, including, but not limited to, any such waiver at the Community College of Rhode Island, Rhode Island College, and/or the University of Rhode Island.

SECTION 9. Section 16-101-1 of the General Laws in Chapter 16-101 entitled "Academic Credit For Military Service" is hereby amended to read as follows:

16-101-1. Academic credit for military service.

(a) State public higher education institutions in the state shall honor the military training, experience, correspondence courses and occupations of an individual who has served in the military or armed forces of the United States by allowing academic credits that meet the standards of the American Council on Education or equivalent standards for awarding academic credit, if the award
of the educational credit is based upon the institution's admission standards and its role, scope, and mission. The board of education shall adopt policies or regulations requiring each institution to award educational credits to a student enrolled in the institution, based upon the student's military training or service when academically appropriate.

(b) The board of trustees for the University of Rhode Island, in consultation with the president and the faculty senate, shall adopt policies or regulations requiring the award of educational credits to a student enrolled at the university, based upon the student's military training or service when academically appropriate.

SECTION 10. Sections 16-106-4 and 16-106-6 of the General Laws in Chapter 16-106 entitled “The Performance Incentive Funding Act of 2016” are hereby amended to read as follows:

16-106-4. Performance incentive funding -- Rhode Island College and University of Rhode Island. Performance incentive funding -- Rhode Island College.

(a) Beginning in FY 2018, funding for Rhode Island College (“RIC”) and the University of Rhode Island (“URI”) shall include a performance-based component utilizing all additional allocations of otherwise unrestricted, higher-education general revenue greater than the base amount received pursuant to the FY 2016 budget as enacted, of total unrestricted state higher-education funding.

(b) Data on which to base performance measures as described in subsection (c) shall be defined by the commissioner of postsecondary education, in consultation with the council on postsecondary education. Measures shall begin to be collected in FY 2017.

These measures may include and incorporate outcomes or goals from multiple, previous years. The lack of information from previous years, however, will not affect the use of performance-based measures.

(c) Rhode Island College and the University of Rhode Island shall each have unique measures consistent with each institution's purpose, role, scope, and mission. The performance-based measures shall include the following metrics:

(1) The number and percentage, including growth in relation to enrollment and prior years of bachelor's degrees awarded to first-time, full-time students within four (4) years and six (6) years, including summer graduates;

(2) The number of degrees awarded that are tied to Rhode Island's high demand, high-wage employment opportunities consistent with the institution's mission;

(3) One measure that applies only to RIC, as agreed to by the commissioner of postsecondary education and the president of RIC, who shall consider faculty, staff, and student input; and one measure that applies only to URI, as agreed to by the commissioner of postsecondary education.
education and the president of URI, who shall consider faculty, staff and student input; and

(4) Any other measures that are deemed appropriate by the council of postsecondary education.

(d) Weight may be assigned to any of the aforementioned metrics to either or both of the institutions to reinforce the missions of RIC and URI, respectively, the economic needs of the state, and the socio-economic status of the students. The commissioner may consider the improvements in said metrics when determining whether it has satisfied the annual measure despite not reaching the overall goal.

(e) The commissioner shall provide faculty and students an opportunity to provide input on the development of performance measures.

16-106-6. Accountability -- Authority to revise and transparency.

(a) The commissioner of postsecondary education shall monitor, publish, and report to the council on postsecondary education the level of performance on all metrics identified in accordance with this chapter for the Community College of Rhode Island, and Rhode Island College, and the University of Rhode Island.

(b) The commissioner of postsecondary education, in consultation with the council of postsecondary education, shall revise the metrics at a time when performance has reached a pre-defined level. Future metrics shall further goals identified by the board of education and the governor's workforce board, and the applicable purpose and mission of the institution of higher education to which they apply.

(c) Each public higher-education institution shall publish its performance on all of its associated metrics prescribed in this chapter on its website.

SECTION 11. Section 35-4-23.1 of the General Laws in Chapter 35-4 entitled “State Funds” is hereby amended to read as follows:

35-4-23.1. Indirect cost recoveries by state agencies.

All state agencies shall apply for recovery of indirect costs when recovery is permissible under federal statute and grant regulations. All funds received for indirect costs recovery shall be turned over to the general treasurer and shall be placed in a restricted account in each agency for the specific purposes designated through the annual budget process. The agency shall, through the annual budget process, report to the general assembly the estimated amount of federal indirect cost recoveries for the next fiscal year, together with the intended use of the funds. Nothing contained in this section, however, shall conflict with the powers and duties granted the board of governors for higher education and the board of regents for elementary and secondary education in chapters 59 and 60 of title 16, and the board of trustees for the University of Rhode Island as provided in
SECTION 12. Section 37-2-7 of the General Laws in Chapter 37-2 entitled "State Purchases" is hereby amended to read as follows:


The words defined in this section have the meanings set forth below whenever they appear in this chapter, unless the context in which they are used clearly requires a different meaning or a different definition is prescribed for a particular section, group of sections, or provision:

(1) "Business" means any corporation, partnership, individual, sole proprietorship, joint stock company, joint venture, or any other legal entity through which business is conducted.

(2) "Change order" means a written authorization signed by the purchasing agent directing or allowing the contractor to proceed with changes, alterations, or modifications to the terms, conditions, or scope of work on a previously awarded contract.

(3) "Chief purchasing officer" shall mean: (i) for a state agency, the director of the department of administration, and (ii) for a public agency, the executive director or the chief operational officer of the agency.

(4) "Construction" means the process of building, altering, repairing, improving, or demolishing any public structures or building, or other public improvements of any kind to any public real property. It does not include the routine maintenance or repair of existing structures, buildings, or real property performed by salaried employees of the state of Rhode Island in the usual course of their jobs.

(5) "Contract" means all types of agreements, including grants and orders, for the purchase or disposal of supplies, services, construction, or any other item. It includes awards; contracts of a fixed-price, cost, cost-plus-a-fixed-fee, or incentive type; contracts providing for the issuance of job or task orders; leases; letter contracts; purchase orders; and construction management contracts. It also includes supplemental agreements with respect to any of the foregoing. "Contract" does not include labor contracts with employees of state agencies.

(6) "Contract amendment" means any written alteration in the specifications, delivery point, rate of delivery, contract period, price, quantity, or other contract provisions of any existing contract, whether accomplished by unilateral action in accordance with a contract provision, or by mutual action of the parties to the contract. It includes bilateral actions, such as supplemental agreements, and unilateral actions, such as change orders, administrative changes, notices of termination, and notices of the exercise of a contract option.

(7) "Contractor" means any person having a contract with a governmental body.

(8) "Data" means recorded information, regardless of form or characteristic.
(9) "Designee" means a duly authorized representative of a person holding a superior position.

(10) "Employee" means an individual drawing a salary from a state governmental entity.

(11) "State governmental entity" means any entity created as a legislative body or a public or state agency by the general assembly or constitution of this state, except for municipal, regional, or county governmental entities.

(12) "May" means permissive.

(13) "Negotiation" means contracting by either the method set forth in §§ 37-2-19, 37-2-20, or 37-2-21.

(14) "Person" means any business, individual, organization, or group of individuals.

(15) "Procurement" means the purchasing, buying, renting, leasing, or otherwise obtaining of any supplies, services, or construction. It also includes all functions that pertain to the obtaining of any supply, service, or construction item, including a description of requirements, selection and solicitation of sources, preparation, and award of contract, and all phases of contract administration.

(16) "Public agency" shall mean the Rhode Island industrial recreational building authority, the Rhode Island commerce corporation, the Rhode Island industrial facilities corporation, the Rhode Island refunding bond authority, the Rhode Island housing and mortgage finance corporation, the Rhode Island resource recovery corporation, the Rhode Island public transit authority, the Rhode Island student loan authority, the Howard development corporation, the water resources board corporate, the Rhode Island health and education building corporation, the Rhode Island turnpike and bridge authority, the Blackstone Valley district commission, the Narragansett Bay water quality management district commission, the Rhode Island telecommunications authority, the convention center authority, the Channel 36 foundation, the Rhode Island lottery commission their successors and assigns, any other body corporate and politic which has been or will be created or established within this state excepting cities and towns, the University of Rhode Island board of trustees for all purchases which are funded by restricted, sponsored, or auxiliary monies, and the council on postsecondary education for all purchases which are funded by restricted, sponsored, or auxiliary monies.

(17) "Purchase request" or "purchase requisition" means that document whereby a using agency requests that a contract be entered into to obtain goods and/or services for a specified need, and may include, but is not limited to, the technical description of the requested item, delivery requirements, transportation mode request, criteria for evaluation of proposals, and/or preparation of suggested sources of supply, and information supplied for the making of any written determination and finding required by § 37-2-6.
(18) "Purchasing agency" means any state governmental entity which is authorized by this chapter, its implementing regulations, or by way of delegation from the chief purchasing officer to contract on its own behalf rather than through the central contracting authority of the chief purchasing officer.

(19) "Purchasing agent" means any person authorized by a governmental entity in accordance with procedures prescribed by regulations, to enter into and administer contracts and make written determinations and findings with respect to contracts. The term also includes an authorized representative acting within the limits of authority. "Purchasing agent" also means the person appointed in accordance with § 37-2-1.

(20) "Services" means the rendering, by a contractor, of its time and effort rather than the furnishing of a specific end product, other than reports which are merely incidental to the required performance of services. "Services" does not include labor contracts with employees of state agencies.

(21) "Shall" means imperative.

(22) "State" means the state of Rhode Island and any of its departments or agencies and public agencies.

(23) "Supplemental agreement" means any contract modification which is accomplished by the mutual action of the parties.

(24) "Supplies" means all property, including, but not limited to, leases of real property, printing, and insurance, except land or permanent interest in land.

(25) "Using agency" means any state governmental entity which utilizes any supplies, services, or construction purchased under this chapter.

(26) As used in § 37-2-59, "architect" or "engineer" services means those professional services within the scope of practice of architecture, professional engineering, or registered land surveying pertaining to construction, as defined by the laws of this state. "Consultant" means any person with whom the state and/or a public agency has a contract which contract provides for the person to give direction or information as regards a particular area of knowledge in which the person is a specialist and/or has expertise.

(27) For purposes of §§ 37-2-62 -- 37-2-70, "directors" means those members of a public agency appointed pursuant to a statute who comprise the governing authority of the board, commission, authority, and/or corporation.

(28) "State agency" means any department, commission, council, board, bureau, committee, institution, or other governmental entity of the executive or judicial branch of this state not otherwise established as a body corporate and politic, and includes, without limitation, the
council on postsecondary education except for purchases which are funded by restricted, sponsored,
or auxiliary moneys, the University of Rhode Island board of trustees for all purchases which are
funded by restricted, sponsored, or auxiliary monies, and the council on elementary and secondary
education.

(29) "Governmental entity" means any department, commission, council, board, bureau,
committee, institution, legislative body, agency, or government corporation of the executive,
legislative, or judicial branches of state, federal, and/or local governments.

(30) "Construction management at-risk" or "construction management at-risk services" or
"construction management at-risk delivery method" is a construction method wherein a
construction manager at-risk provides a range of preconstruction services and construction
management services which may include cost estimation and consultation regarding the design of
the building project, the preparation and coordination of bid packages, scheduling, cost control, and
value engineering, acting as the general contractor during the construction, detailing the trade
contractor scope of work, holding the trade contracts and other contracts, evaluating trade
contractors and subcontractors, and providing management and construction services, all at a
guaranteed maximum price, which shall represent the maximum amount to be paid by the using
agency for the building project, including the cost of work, the general conditions and the fee
payable to the construction management at-risk firm.

(31) "Construction manager at-risk" or "construction management at-risk firm" is a person
or business experienced in construction that has the ability to evaluate and to implement drawings
and specifications as they affect time, cost and quality of construction and the ability to coordinate
and deliver the construction of the project within a guaranteed maximum price, which shall
represent the maximum amount to be paid by the using agency for the building project, including
the cost of the work, the general conditions and the fee payable to the construction management at-
risk firm. The construction manager at-risk provides consultation services during the
preconstruction and construction phases of the project. The project engineer, architect or owner's
program manager may not serve as the construction manager at-risk.

(32) "Owner's program manager" shall be an entity engaged to provide project management
services on behalf of a state agency for the construction and supervision of the construction of a
building project. The owner's program manager acts as the owner's agent in all aspects of the
construction project, including, but not limited to, architectural programming, planning, design,
construction, and the selection and procurement of an appropriate construction delivery method.
The owner's program manager shall have at least seven (7) years experience in the construction and
supervision of construction of buildings of similar size and complexity. The owner's program
manager shall not have been employed during the preceding year by the design firm, the
construction firm, and/or the subcontractors associated with the project.

SECTION 13. Section 16-56-6 of the General Laws in Chapter 16-56 entitled
"Postsecondary Student Financial Assistance" is hereby amended to read as follows:


(a) Amount of funds allocated. The commissioner of postsecondary education shall allocate
annually the appropriation for need-based scholarships and grants. Of the total amount appropriated
for need-based scholarship and grants, the lesser of twenty percent (20%) or $2,000,000 shall be distributed to
qualified students attending participating, independent, non-profit, higher education institutions in
Rhode Island. The remainder of funds shall be limited to public higher education institutions in
Rhode Island including payments made pursuant to § 16-100-3(c). As part of the annual budget
submission, the office of postsecondary commissioner shall include a plan of how the need-based
scholarship and grant funds will be allocated to each public institution receiving funds pursuant to
this chapter and how the funds will be distributed to students attending independent, non-profit
institutions.

(b) Eligibility of individuals. Eligibility for need-based grants and scholarships shall be
determined by the office of the postsecondary commissioner.

(c) Number and terms of awards. The number of awards to be granted in any one fiscal
year shall be contingent upon the funds allocated to this section.

SECTION 14. Section 16-105-7 of the General Laws in Chapter 16-105 entitled "School
Building Authority" is hereby amended to read as follows:

16-105-7. Expenses incurred by the school building authority.

In order to provide for one-time or limited expenses of the school building authority under
this chapter, the Rhode Island health and educational building corporation shall provide funding
from the school building authority capital fund, fees generated from the origination of municipal
bonds and other financing vehicles used for school construction, and its own reserves. The school
building authority shall, by October 1 of each year, report to the governor and the chairs of the
senate and house finance committees, the senate fiscal advisor, and the house fiscal advisor the
amount sought for expenses for the next fiscal year.

There is also hereby established a restricted-receipt account within the budget of the
department of elementary and secondary education entitled "school construction services", to be
financed by the Rhode Island health and educational building corporation's sub-allotments of fees
generated from the origination of municipal bonds and other financing vehicles used for school
construction and its own reserves. Effective July 1, 2018, this account shall be utilized for the
express purpose of supporting personnel expenditures directly related to the administration of the
school construction aid program. **Expenditure of all restricted receipts accepted by the department**
shall be subject to the annual appropriation process and approval by the general assembly.

SECTION 15. Section 45-38.2-3 of the General Laws in Chapter 45-38.2 entitled “School
Building Authority Capital Fund” is hereby amended to read as follows:

**45-38.2-3. Administration.**

(a) The corporation shall have all the powers necessary or incidental to carry out and
effectuate the purposes and provisions of this chapter including:

(1) To receive and disburse such funds from the state as may be available for the purpose
of the fund subject to the provisions of this chapter;

(2) To make and enter into binding commitments to provide financial assistance to cities,
towns, and local education agencies from amounts on deposit in the fund;

(3) To enter into binding commitments to provide subsidy assistance for loans and city,
town, and local education agency obligations from amounts on deposit in the fund;

(4) To levy administrative fees on cities, towns, and local education agencies as necessary
to effectuate the provisions of this chapter; provided that the fee total amount of all such fees does
not exceed one tenth of one percent (0.001) of the original principal amount;

(5) To engage the services of third-party vendors to provide professional services;

(6) To establish one or more accounts within the fund; and

(7) Such other authority as granted to the corporation under chapter 38.1 of this title.

(b) Subject to the provisions of this chapter, and to any agreements with the holders of any
bonds of the corporation or any trustee therefor, amounts held by the corporation for the account
of the fund shall be applied by the corporation, either by direct expenditure, disbursement, or
transfer to one or more other funds and accounts held by the corporation or a trustee under a trust
agreement or trust indenture entered into by the corporation with respect to bonds or notes issued
by the corporation under this chapter or by a holder of bonds or notes issued by the corporation
under this chapter, either alone or with other funds of the corporation, to the following purposes:

(1) To provide financial assistance to cities, towns, and local education agencies to finance
costs of approved projects, and to refinance the costs of the projects, subject to such terms and
conditions, if any, as are determined by the department and/or the corporation;

(2) To fund reserves for bonds of the corporation and to purchase insurance and pay the
premiums therefor, and pay fees and expenses of letters or lines of credit and costs of
reimbursement to the issuers thereof for any payments made thereon or on any insurance, and to
otherwise provide security for, and a source of payment for obligations of the corporation, by
pledge, lien, assignment, or otherwise as provided in chapter 38.1 of this title;
(3) To pay or provide for subsidy assistance as determined by the school building authority;
(4) To provide a reserve for, or to otherwise secure, amounts payable by cities, towns, and
local education agencies on loans and city, town, and local education agency obligations
outstanding in the event of default thereof; amounts in any account in the fund may be applied to
defaults on loans outstanding to the city, town, or local education agency for which the account
was established and, on a parity basis with all other accounts, to defaults on any loans or city, town,
or local education agency obligations outstanding; and
(5) To provide a reserve for, or to otherwise secure, by pledge, lien, assignment, or
otherwise as provided in chapter 38.1 of this title, any bonds or notes of the corporation issued
under this chapter.
(c) The repayment obligations of the city, town, or local education agency for loans shall
be in accordance with its eligibility for state aid for school housing as set forth in §§ 16-7-39, 16-
77.1-5, and 16-105-3(19).
(d) In addition to other remedies of the corporation under any loan or financing agreement
or otherwise provided by law, the corporation may also recover from a city, town, or local education
agency, in an action in superior court, any amount due the corporation together with any other
actual damages the corporation shall have sustained from the failure or refusal of the city, town, or
local education agency to make the payments or abide by the terms of the loan or financing
agreement.

SECTION 16. Sections 2 through 12 shall take effect upon on February 1, 2020. The
remaining sections of this article shall take effect upon passage.
ARTICLE 10

RELATING TO MAKING REVISED APPROPRIATIONS IN SUPPORT OF FY 2019

SECTION 1. Subject to the conditions, limitations and restrictions hereinafter contained in this act, the following general revenue amounts are hereby appropriated out of any money in the treasury not otherwise appropriated to be expended during the fiscal year ending June 30, 2019. The amounts identified for federal funds and restricted receipts shall be made available pursuant to section 35-4-22 and Chapter 41 of Title 42 of the Rhode Island General Laws. For the purposes and functions hereinafter mentioned, the state controller is hereby authorized and directed to draw his or her orders upon the general treasurer for the payment of such sums or such portions thereof as may be required from time to time upon receipt by him or her of properly authenticated vouchers.

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Administration

Central Management

General Revenues 2,735,330 (548,535) 2,186,795

Legal Services

General Revenues 2,424,062 (422,077) 2,001,985

Accounts and Control

General Revenues 5,345,087 (537,979) 4,807,108

Restricted Receipts –

OPEB Board Administration 225,295 (27,876) 197,419

Total – Accounts and Control 5,570,382 (565,855) 5,004,527

Office of Management and Budget

General Revenues 9,011,679 (1,179,756) 7,831,923

Of this funding, $300,000 is to support a data analytics pilot that will demonstrate the value of merged data across multiple agency systems to furthering the mission of the department of children, youth and families.

Restricted Receipts 300,046 23,096 323,142

Other Funds 1,222,835 (100,229) 1,122,606

Total – Office of Management and Budget 10,534,560 (1,256,889) 9,277,671
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<td>Restricted Receipts</td>
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Art 10
RELATING TO MAKING REVISED APPROPRIATIONS IN SUPPORT OF FY 2019
(Page 5 of 5)
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<td>11</td>
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<td>12</td>
<td>Total – Commercial Licensing, Racing &amp; Athletics and Athletics Licensing</td>
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<td>13</td>
<td>Building, Design and Fire Professionals</td>
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<td>19</td>
<td>Fire Academy</td>
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<td>20</td>
<td>Quonset Development Corporation</td>
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<td>21</td>
<td>Total – Building, Design and Fire Professionals</td>
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<td>25</td>
<td>Housing and Community Development</td>
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<td>26</td>
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<td>28</td>
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<tr>
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</tr>
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<td>Total – Housing and Community Development</td>
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<table>
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<tr>
<th>31</th>
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<td>32</td>
<td>General Revenues</td>
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<td></td>
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<tr>
<td>Item Description</td>
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<tr>
<td>-------------------------------------------------------</td>
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<tr>
<td>Rhode Island Commerce Corporation</td>
<td>7,474,514</td>
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<tr>
<td>Airport Impact Aid</td>
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</tr>
<tr>
<td><strong>Total</strong></td>
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Sixty percent (60%) of the first $1,000,000 appropriated for airport impact aid shall be distributed to each airport serving more than 1,000,000 passengers based upon its percentage of the total passengers served by all airports serving more than 1,000,000 passengers. Forty percent (40%) of the first $1,000,000 shall be distributed based on the share of landings during the calendar year 2018 at North Central Airport, Newport-Middletown Airport, Block Island Airport, Quonset Airport, T.F. Green Airport and Westerly Airport, respectively. The Rhode Island Commerce Corporation shall make an impact payment to the towns or cities in which the airport is located based on this calculation. Each community upon which any part of the above airports are located shall receive at least $25,000.

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<td>I-195 Redevelopment District Commission</td>
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<td>761,000</td>
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<tr>
<td>Chafee Center at Bryant</td>
<td>476,200</td>
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<td>Polaris Manufacturing Grant</td>
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<td>Urban Ventures Grant</td>
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<td>Rhode Island Capital Plan Funds</td>
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<tr>
<td>I-195 Commission</td>
<td>300,000</td>
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<td>425,000</td>
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<tr>
<td>Quonset Piers</td>
<td>2,660,000</td>
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Economic Development Initiatives Fund

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<tr>
<td>Innovation Initiative</td>
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<td>Competitive Cluster Grants</td>
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<tr>
<td>Main Street RI Streetscape</td>
<td>500,000</td>
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<tr>
<td>P-tech</td>
<td>200,000</td>
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<td>200,000</td>
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<tr>
<td>Small Business Promotion</td>
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Commerce Programs

Art10
RELATING TO MAKING REVISED APPROPRIATIONS IN SUPPORT OF FY 2019
(Page -7-)

Quonset Piers
Quonset Point Infrastructure
Total – Quasi-Public Appropriations
Economic Development Initiatives Fund
General Revenues
Innovation Initiative
I-195 Redevelopment Fund
Rebuild RI Tax Credit Fund
Competitive Cluster Grants
Main Street RI Streetscape
P-tech
Small Business Promotion
Total – Economic Development Initiatives Fund
<table>
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<tr>
<th></th>
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<th>General Revenues</th>
<th>Federal Funds</th>
<th>Restricted Receipts</th>
<th>Other Funds</th>
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<td>Total – Commerce Programs</td>
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<td>11,367,365</td>
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<td>2,100,000</td>
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<td><strong>Labor and Training</strong></td>
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<td><strong>Central Management</strong></td>
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<td>530,998</td>
<td>825,488</td>
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<td><strong>Workforce Development Services</strong></td>
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<td>Provided that $100,000 be allocated to support</td>
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<td>the Opportunities Industrialization Center.</td>
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<tr>
<td>33</td>
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<td>601,755</td>
<td>(152,974)</td>
<td>448,781</td>
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<tr>
<td>34</td>
<td>Grand Total – Revenue</td>
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<td>16,982,130</td>
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Art10
RELATING TO MAKING REVISED APPROPRIATIONS IN SUPPORT OF FY 2019
(Page -9-)


<table>
<thead>
<tr>
<th></th>
<th>General Revenues</th>
<th>Restricted Receipts</th>
<th>Grand Total – Legislature</th>
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</tr>
<tr>
<td>6</td>
<td>1,114,597</td>
<td>(6,750)</td>
<td>1,107,847</td>
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<td>9</td>
<td>3,326,174</td>
<td>48,616</td>
<td>3,374,790</td>
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<tr>
<td>11</td>
<td>2,318,968</td>
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<td>2,302,532</td>
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<td>91,577</td>
<td>(1,417)</td>
<td>90,160</td>
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<td>415,658</td>
<td>29,054</td>
<td>444,712</td>
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<tr>
<td>15</td>
<td>507,235</td>
<td>27,637</td>
<td>534,872</td>
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<td></td>
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<tr>
<td>17</td>
<td>2,893,047</td>
<td>(16,192)</td>
<td>2,876,855</td>
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<td>0</td>
<td>1,983,770</td>
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<tr>
<td>19</td>
<td>4,876,817</td>
<td>(16,192)</td>
<td>4,860,625</td>
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<tr>
<td>21</td>
<td>623,911</td>
<td>87,709</td>
<td>711,620</td>
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<td>22</td>
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</tr>
<tr>
<td>25</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>26</td>
<td>622,057</td>
<td>(177,933)</td>
<td>444,124</td>
</tr>
<tr>
<td>27</td>
<td>25,000</td>
<td>0</td>
<td>25,000</td>
</tr>
<tr>
<td>28</td>
<td>647,057</td>
<td>(177,933)</td>
<td>469,124</td>
</tr>
<tr>
<td>29</td>
<td>12,300,162</td>
<td>(46,599)</td>
<td>12,253,563</td>
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<td></td>
</tr>
<tr>
<td>30</td>
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<td></td>
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<tr>
<td>31</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>32</td>
<td>2,684,367</td>
<td>(80,738)</td>
<td>2,603,629</td>
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<tr>
<td>33</td>
<td>304,542</td>
<td>(23,963)</td>
<td>280,579</td>
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<tr>
<td>34</td>
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</table>

Provided that $125,000 be allocated to support the Rhode Island Historical Society pursuant to Rhode Island General Law, Section 29-2-1 and $18,000 be allocated to support the Newport Historical Society, pursuant to Rhode Island General Law, Section 29-2-2.
<table>
<thead>
<tr>
<th></th>
<th>Temporary Disability Insurance Fund</th>
<th>275,471</th>
<th>(37,867)</th>
<th>237,604</th>
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<tr>
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<td>Tuition Savings Program – Administration</td>
<td>379,213</td>
<td>22,526</td>
<td>401,739</td>
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<tr>
<td>3</td>
<td>Total – Treasury</td>
<td>3,643,593</td>
<td>(120,042)</td>
<td>3,523,551</td>
</tr>
</tbody>
</table>

**State Retirement System**

|   | Restricted Receipts | 9,571,688 | (21,205) | 9,550,483 |
| 6 | Admin Expenses – State Retirement System | 9,571,688 | (21,205) | 9,550,483 |
| 7 | Retirement – Treasury Investment Operations | 1,672,096 | 49,051 | 1,721,147 |
| 8 | Defined Contribution – Administration | 115,436 | 108,747 | 224,183 |
| 9 | Total – State Retirement System | 11,359,220 | 136,593 | 11,495,813 |

**Unclaimed Property**

|   | Restricted Receipts | 26,030,095 | 1,367,396 | 27,397,491 |

**Crime Victim Compensation Program**

|   | General Revenues | 289,409 | 60,884 | 350,293 |
| 13 | Federal Funds | 770,332 | (34,270) | 736,062 |
| 15 | Restricted Receipts | 1,029,931 | (398,719) | 631,212 |
| 16 | Total – Crime Victim Compensation Program | 2,089,672 | (372,105) | 1,717,567 |
| 17 | Grand Total – General Treasurer | 43,122,580 | 1,011,842 | 44,134,422 |

**Board of Elections**

|   | General Revenues | 5,252,516 | (790,517) | 4,461,999 |

**Rhode Island Ethics Commission**

|   | General Revenues | 1,812,237 | (64,198) | 1,748,039 |

**Office of Governor**

|   | General Revenues | 5,433,047 | 0 | 5,433,047 |
| 24 | Contingency Fund | 200,000 | 0 | 200,000 |
| 26 | Grand Total – Office of Governor | 5,633,047 | 0 | 5,633,047 |

**Commission for Human Rights**

|   | General Revenues | 1,335,441 | 0 | 1,335,441 |
| 28 | Federal Funds | 497,570 | (29,983) | 467,587 |
| 30 | Grand Total – Commission for Human Rights | 1,833,011 | (29,983) | 1,803,028 |

**Public Utilities Commission**

<p>|   | Federal Funds | 168,378 | 0 | 168,378 |
| 32 | Restricted Receipts | 9,766,453 | 688,666 | 10,455,119 |
| 34 | Grand Total – Public Utilities Commission | 9,934,831 | 688,666 | 10,623,497 |</p>
<table>
<thead>
<tr>
<th><strong>Office of Health and Human Services</strong></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Central Management</strong></td>
<td></td>
</tr>
<tr>
<td>General Revenues</td>
<td>28,659,176 (234,989) 28,424,187</td>
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<tr>
<td>Federal Funds</td>
<td>98,508,590 53,457,030 151,965,620</td>
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<td>Restricted Receipts</td>
<td>9,221,720 758,249 9,979,969</td>
</tr>
<tr>
<td>Total – Central Management</td>
<td>136,389,486 53,980,290 190,369,776</td>
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<td><strong>Medical Assistance</strong></td>
<td></td>
</tr>
<tr>
<td>General Revenues</td>
<td></td>
</tr>
<tr>
<td>Managed Care</td>
<td>316,380,054 (7,839,518) 308,540,536</td>
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<tr>
<td>Hospitals</td>
<td>91,253,980 864,686 92,118,666</td>
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<tr>
<td>Nursing Facilities</td>
<td>149,372,355 (1,174,972) 148,197,383</td>
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<tr>
<td>Home and Community Based Services</td>
<td>36,487,025 (3,196,285) 33,290,740</td>
</tr>
<tr>
<td>Other Services</td>
<td>78,332,067 3,034,428 81,366,495</td>
</tr>
<tr>
<td>Pharmacy</td>
<td>66,044,749 3,513,721 69,558,470</td>
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<tr>
<td>Rhody Health</td>
<td>216,386,666 (2,318,428) 214,068,238</td>
</tr>
<tr>
<td>Federal Funds</td>
<td></td>
</tr>
<tr>
<td>Managed Care</td>
<td>415,765,169 1,394,295 417,159,464</td>
</tr>
<tr>
<td>Hospitals</td>
<td>99,915,600 6,484,930 106,400,530</td>
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<tr>
<td>Nursing Facilities</td>
<td>164,434,062 (4,631,445) 159,802,617</td>
</tr>
<tr>
<td>Home and Community Based Services</td>
<td>46,017,690 (9,908,430) 36,109,260</td>
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<tr>
<td>Other Services</td>
<td>504,413,668 10,695,632 515,109,300</td>
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<tr>
<td>Pharmacy</td>
<td>(576,541) 212,885 (363,656)</td>
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<tr>
<td>Rhody Health</td>
<td>234,283,925 (2,413,443) 231,870,482</td>
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<td>Other Programs</td>
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<td>9,024,205 0 9,024,205</td>
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<tr>
<td>Total – Medical Assistance</td>
<td>2,470,573,254 (5,281,944) 2,465,291,310</td>
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<td><strong>Grand Total – Office of Health and Human</strong></td>
<td>2,606,962,740 48,698,346 2,655,661,086</td>
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<td><strong>Children, Youth, and Families</strong></td>
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</tr>
<tr>
<td><strong>Central Management</strong></td>
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<tr>
<td>General Revenues</td>
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<td>Total – Central Management</td>
<td>13,191,289 414,642 13,605,931</td>
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<td><strong>Children's Behavioral Health Services</strong></td>
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<td></td>
<td>General Revenues</td>
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<td>---</td>
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</tr>
<tr>
<td>1</td>
<td>6,944,545</td>
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<td>5,713,527</td>
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**Juvenile Correctional Services**

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<th>Federal Funds</th>
<th>Total – Juvenile Correctional Services</th>
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<td>5</td>
<td>26,117,243</td>
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<td>275,099</td>
<td>180,612</td>
<td>94,487</td>
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<td>7</td>
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<td>28,675</td>
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<td>Training School Generators</td>
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<table>
<thead>
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<th>Federal Funds</th>
<th>Total – Child Welfare</th>
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</thead>
<tbody>
<tr>
<td>13</td>
<td>108,270,158</td>
<td>49,098,320</td>
<td>173,576,951</td>
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<td>14</td>
<td>28,371,244</td>
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<td>37,398,963</td>
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<td>136,641,402</td>
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**Child Welfare**

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<th>Federal Funds</th>
<th>Total – Child Welfare</th>
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<td>11,298,418</td>
<td>2,235,633</td>
<td>13,534,051</td>
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<tr>
<td>17</td>
<td>9,719,787</td>
<td>2,235,633</td>
<td>11,955,420</td>
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<th>18 to 21 Year Olds</th>
<th>18 to 21 Year Olds</th>
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<td>0</td>
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<td>19</td>
<td>58,126,039</td>
<td>13,534,051</td>
<td>71,659,080</td>
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<td>20</td>
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<td>13,534,051</td>
<td>15,770,684</td>
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**Higher Education Incentive Grants**

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<th>Grand Total – Children, Youth, and Families</th>
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<td>23</td>
<td>200,000</td>
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<td>24</td>
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<td>21,298,873</td>
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**Health**

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<th>Federal Funds</th>
<th>Total – Central Management</th>
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<tr>
<td>26</td>
<td>2,096,306</td>
<td>4,028,206</td>
<td>6,124,512</td>
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<td>27</td>
<td>1,557,712</td>
<td>531,317</td>
<td>2,089,029</td>
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<td>28</td>
<td>3,654,018</td>
<td>4,559,523</td>
<td>8,213,541</td>
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<table>
<thead>
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<th>Restricted Receipts</th>
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<td>29</td>
<td>6,195,273</td>
<td>2,015,550</td>
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<td>199,497</td>
<td>37,150,000</td>
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**Central Management**

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<td>12,319,785</td>
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<td>2,288,526</td>
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<td>14,608,311</td>
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**Community Health and Equity**

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<th>Restricted Receipts</th>
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<td>67,974,042</td>
<td>35,134,450</td>
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<tr>
<td>35</td>
<td>2,618</td>
<td>2,637,401</td>
<td>2,015,550</td>
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<tr>
<td>36</td>
<td>640,990</td>
<td>70,611,443</td>
<td>37,150,000</td>
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<td>General Revenues</td>
<td>Federal Funds</td>
<td>Restricted Receipts</td>
</tr>
<tr>
<td>----------------------------------------------</td>
<td>-----------------</td>
<td>---------------</td>
<td>--------------------</td>
</tr>
<tr>
<td><strong>Environmental Health</strong></td>
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<tr>
<td>General Revenues</td>
<td>5,689,928</td>
<td>7,230,008</td>
<td>353,936</td>
</tr>
<tr>
<td>Federal Funds</td>
<td>(475,639)</td>
<td>459,824</td>
<td>84,852</td>
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<tr>
<td>Restricted Receipts</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Total – Environmental Health</strong></td>
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<tr>
<td><strong>Health Laboratories and Medical Examiner</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>General Revenues</td>
<td>10,470,418</td>
<td>2,108,567</td>
<td>1,308,693</td>
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<tr>
<td>Federal Funds</td>
<td>(51,298)</td>
<td>(153,765)</td>
<td>(7,409)</td>
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<tr>
<td><strong>Total – Health Laboratories and Medical Examiner</strong></td>
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<tr>
<td><strong>Customer Services</strong></td>
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</tr>
<tr>
<td>General Revenues</td>
<td>7,046,195</td>
<td>3,763,691</td>
<td>1,308,693</td>
</tr>
<tr>
<td>Federal Funds</td>
<td>518,634</td>
<td>230,312</td>
<td>(7,409)</td>
</tr>
<tr>
<td>Restricted Receipts</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Total – Customer Services</strong></td>
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<tr>
<td><strong>Policy, Information and Communications</strong></td>
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<tr>
<td>General Revenues</td>
<td>1,046,839</td>
<td>2,701,982</td>
<td>941,305</td>
</tr>
<tr>
<td>Federal Funds</td>
<td>(151,387)</td>
<td>589,697</td>
<td>366,527</td>
</tr>
<tr>
<td>Restricted Receipts</td>
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</tr>
<tr>
<td><strong>Total – Policy, Information and Communications</strong></td>
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<tr>
<td><strong>Preparedness, Response, Infectious Disease &amp; Emergency Services</strong></td>
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<tr>
<td>General Revenues</td>
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<td>4,147,933</td>
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| Of this amount, $300,000 is to support the Domestic Violence Prevention Fund to provide direct services through the Coalition Against Domestic Violence, $250,000 is to support Project Reach activities provided by the RI Alliance of Boys and Girls Clubs, $217,000 is for outreach and supportive services through Day One, $175,000 is for food collection and distribution through the Rhode Island Community Food Bank, $500,000 for services provided to the homeless at Crossroad...
Rhode Island, and $520,000 for the Community Action Fund and $200,000 for the Institute for the Study and Practice of Nonviolence’s Reduction Strategy.

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<th>Account Title</th>
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<th>Total – Central Management</th>
<th>Federal Funds</th>
<th>Restricted Receipts</th>
<th>Total – Child Support Enforcement</th>
<th>Federal Funds</th>
<th>Restricted Receipts</th>
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<td>Of this appropriation, $90,000 shall be used for hardship contingency payments.</td>
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<td>Of this amount, $140,000 to provide elder services, including respite, through the Diocese of Providence, $40,000 for ombudsman services provided by the Alliance for Long Term Care in accordance with Rhode Island General Law, Chapter 42-66.7, $85,000 for security for housing for the elderly in accordance with Rhode Island General Law, Section 42-66.1-3, $800,000 for Senior Services Support and $580,000 for elderly nutrition, of which $530,000 is for Meals on Wheels.</td>
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<td>Of this funding, $750,000 is to support technical and other assistance for community-based agencies to ensure they transition to providing integrated services to adults with developmental disabilities that comply with the consent decree.</td>
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<td>(629,258)</td>
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<tr>
<td>Of this funding, <strong>$791,307</strong> is to support technical and other assistance for community-based agencies to ensure they transition to providing integrated services to adults with developmental disabilities that comply with the consent decree.</td>
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<td>Restricted Receipts</td>
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<td>1,748,533</td>
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<tr>
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<td>Community Facilities Fire Code</td>
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<td>Behavioral Healthcare Services</td>
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<tr>
<td>General Revenues</td>
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<td>3,253,623</td>
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<td>Of this federal funding, $900,000 shall be expended on the Municipal Substance Abuse Task Forces and $128,000 shall be expended on NAMI of RI. Also included is $250,000 from Social Services Block Grant funds and/or the Mental Health Block Grant funds to be provided to The Providence Center to coordinate with Oasis Wellness and Recovery Center for its supports and services program offered to individuals with behavioral health issues.</td>
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<td>Other Funds</td>
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<td>Hospital and Community Rehabilitative Services</td>
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<td>Eleanor Slater Administrative Buildings Renovation</td>
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<td>3</td>
<td><strong>MR</strong> Community Facilities</td>
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<td>Hospital Equipment</td>
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<td>5</td>
<td><strong>Total - Hospital and Community Rehabilitative</strong></td>
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<td>Services</td>
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<td>7</td>
<td><strong>Grand Total – Behavioral Healthcare, Developmental Disabilities, and Hospitals</strong></td>
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<td>8</td>
<td>Office of the Child Advocate</td>
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<td>9</td>
<td>General Revenues</td>
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<td>(164,111)</td>
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<td>10</td>
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<td>(64,205)</td>
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<td>11</td>
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<td>(228,316)</td>
<td>967,647</td>
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<tr>
<td>12</td>
<td><strong>Commission on the Deaf and Hard of Hearing</strong></td>
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<tr>
<td>13</td>
<td>General Revenues</td>
<td>523,178</td>
<td>(67,276)</td>
<td>455,902</td>
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<td>14</td>
<td>Restricted Receipts</td>
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<td>30,843</td>
<td>110,843</td>
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<tr>
<td>15</td>
<td>Grand Total – Comm. On Deaf and Hard of Hearing</td>
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<td>(36,433)</td>
<td>566,745</td>
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<tr>
<td>16</td>
<td><strong>Governor’s Commission on Disabilities</strong></td>
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<tr>
<td>17</td>
<td>General Revenues</td>
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<td>(89,590)</td>
<td>412,947</td>
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<td>18</td>
<td>Livable Home Modification Grant Program</td>
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<td>(6,537)</td>
<td>493,463</td>
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<td>19</td>
<td><strong>Total – Governor’s Commission on Disabilities</strong></td>
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<td>(42,967)</td>
<td>1,344,308</td>
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<tr>
<td>20</td>
<td>Office of the Mental Health Advocate</td>
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<tr>
<td>21</td>
<td>General Revenues</td>
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<td>(85,871)</td>
<td>567,389</td>
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<tr>
<td>22</td>
<td><strong>Elementary and Secondary Education</strong></td>
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<tr>
<td>23</td>
<td>Administration of the Comprehensive Education Strategy</td>
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<tr>
<td>24</td>
<td>General Revenues</td>
<td>20,428,256</td>
<td>(506,825)</td>
<td>19,921,431</td>
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</tbody>
</table>

Provided that $90,000 be allocated to support the hospital school at Hasbro Children’s Hospital pursuant to Rhode Island General Law, Section 16-7-20 and that $345,000 be allocated to support child opportunity zones through agreements with the Department of Elementary and
Secondary Education to strengthen education, health and social services for students and their families as a strategy to accelerate student achievement.

<table>
<thead>
<tr>
<th></th>
<th>General Revenues</th>
<th>Federal Funds</th>
<th>Restricted Receipts</th>
<th>HRIC Adult Education Grants</th>
<th>Total – Admin. of the Comprehensive Ed.</th>
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</thead>
<tbody>
<tr>
<td><strong>Davies Career and Technical School</strong></td>
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<tr>
<td>General Revenues</td>
<td>13,658,087</td>
<td>212,575,621</td>
<td>4,656,682</td>
<td>217,232,303</td>
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<td>Federal Funds</td>
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<td>2,633,393</td>
<td>342,393</td>
<td>2,975,786</td>
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<td>3,500,000</td>
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<td><strong>Total</strong></td>
<td>239,137,270</td>
<td>4,492,250</td>
<td>243,629,520</td>
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**RI School for the Deaf**

General Revenues: 6,470,234
Federal Funds: 554,925
Restricted Receipts: 837,032
Other Funds: 0
School for the Deaf Transformation Grants: 59,000

**Metropolitan Career and Technical School**

General Revenues: 9,342,007
Other Funds: 0
Rhode Island Capital Plan Funds: 250,000
MET School Asset Protection: 250,000
Total – Metropolitan Career and Technical School: 9,592,007
## Education Aid

<table>
<thead>
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<th>Description</th>
<th>Amount</th>
<th>Decrease</th>
<th>Total</th>
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<tbody>
<tr>
<td>General Revenues</td>
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<td>(1,685,979)</td>
<td>910,183,997</td>
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<td>5,544,349</td>
<td>30,429,233</td>
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<td>Other Funds</td>
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<tr>
<td>Permanent School Fund</td>
<td>1,420,000</td>
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<td>1,420,000</td>
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<td>Provided that $300,000 be provided to support the Advanced Coursework Network and $1,120,000 be provided to support the Early Childhood Categorical Fund.</td>
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<tr>
<td>Total – Education Aid</td>
<td>938,174,860</td>
<td>3,858,370</td>
<td>942,033,230</td>
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## Central Falls School District

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<td>40,752,939</td>
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## School Construction Aid

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<tbody>
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<td>General Revenues</td>
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<tr>
<td>School Housing Aid</td>
<td>69,448,781</td>
<td>(4,108,499)</td>
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<tr>
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## Teachers' Retirement

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<td>635,098</td>
<td>106,753,507</td>
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<td>9,349,569</td>
<td>1,453,599,327</td>
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## Public Higher Education

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<td>General Revenues</td>
<td>16,288,918</td>
<td>(282,993)</td>
<td>16,005,925</td>
</tr>
<tr>
<td>Provided that $355,000 shall be allocated to Rhode Island College Crusade pursuant to the Rhode Island General Law, Section 16-70-5 and that $60,000 shall be allocated to Best Buddies Rhode Island to support its programs for children with developmental and intellectual disabilities. It is also provided that $5,995,000 shall be allocated to the Rhode Island Promise Scholarship program and $147,000 shall be used to support Rhode Island’s membership in the New England Board of Higher Education.</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Federal Funds</td>
<td>3,524,589</td>
<td>328,953</td>
<td>3,853,542</td>
</tr>
<tr>
<td>Guaranty Agency Administration</td>
<td>400,000</td>
<td>0</td>
<td>400,000</td>
</tr>
<tr>
<td>Provided that an amount equivalent to not more than ten (10) percent of the guaranty agency operating fund appropriated for direct scholarship and grants in fiscal year 2019 shall be appropriated for guaranty agency administration in fiscal year 2019. This limitation</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
notwithstanding, final appropriations for fiscal year 2019 for guaranty agency administration may also include any residual monies collected during fiscal year 2019 that relate to guaranty agency operations, in excess of the foregoing limitation.

<table>
<thead>
<tr>
<th>Guaranty Agency Operating Fund Scholarships &amp; Grants</th>
<th>4,000,000</th>
<th>0</th>
<th>4,000,000</th>
</tr>
</thead>
<tbody>
<tr>
<td>Restricted Receipts</td>
<td>1,985,385</td>
<td>1,037,641</td>
<td>3,023,026</td>
</tr>
<tr>
<td>Other Funds</td>
<td>1,800,000</td>
<td>0</td>
<td>1,800,000</td>
</tr>
<tr>
<td>Tuition Savings Program – Dual Enrollment</td>
<td>6,095,000</td>
<td>0</td>
<td>6,095,000</td>
</tr>
<tr>
<td>Nursing Education Center – Operating</td>
<td>3,204,732</td>
<td>242,884</td>
<td>2,961,848</td>
</tr>
<tr>
<td>Rhode Island Capital Plan Funds</td>
<td>2,000,000</td>
<td>(1,800,000)</td>
<td>200,000</td>
</tr>
<tr>
<td>Higher Education Centers</td>
<td>0</td>
<td>29,200</td>
<td>29,200</td>
</tr>
<tr>
<td>Total – Office of Postsecondary Commissioner</td>
<td>80,377,458</td>
<td>(662,970)</td>
<td>79,714,488</td>
</tr>
<tr>
<td>General Revenues</td>
<td>999,215</td>
<td>1,900</td>
<td>1,001,115</td>
</tr>
<tr>
<td>University and College Funds</td>
<td>659,961,744</td>
<td>1,500</td>
<td>9,608,339</td>
</tr>
<tr>
<td>Debt – Dining Services</td>
<td>3,776,722</td>
<td>28,703</td>
<td>3,805,425</td>
</tr>
<tr>
<td>Debt – Health Services</td>
<td>121,190</td>
<td>(1,500)</td>
<td>119,690</td>
</tr>
<tr>
<td>Debt – Housing Loan Funds</td>
<td>322,864</td>
<td>(100)</td>
<td>322,764</td>
</tr>
<tr>
<td>Debt – Ryan Center</td>
<td>2,388,444</td>
<td>(7,000)</td>
<td>2,381,444</td>
</tr>
</tbody>
</table>

Provided that the state fund no more than 50.0 percent of the total project cost.

Provided that in order to leverage federal funding and support economic development, $350,000 shall be allocated to the Small Business Development Center and that $50,000 shall be allocated to Special Olympics Rhode Island to support its mission of providing athletic opportunities for individuals with intellectual and developmental disabilities.
<table>
<thead>
<tr>
<th></th>
<th>Description</th>
<th>Amount</th>
<th>Change</th>
<th>Balance</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Debt – Alton Jones Services</td>
<td>102,690</td>
<td>(1,000)</td>
<td>101,690</td>
</tr>
<tr>
<td>2</td>
<td>Debt – Parking Authority</td>
<td>1,100,172</td>
<td>(42,927)</td>
<td>1,057,245</td>
</tr>
<tr>
<td>3</td>
<td>Debt – Sponsored Research</td>
<td>85,151</td>
<td>(85,151)</td>
<td>0</td>
</tr>
<tr>
<td>4</td>
<td>Debt – Restricted Energy Conservation</td>
<td>482,579</td>
<td>50,324</td>
<td>532,903</td>
</tr>
<tr>
<td>5</td>
<td>Debt – URI Energy Conservation</td>
<td>2,008,847</td>
<td>(6,348)</td>
<td>2,002,499</td>
</tr>
<tr>
<td>6</td>
<td>Rhode Island Capital Plan Funds</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>7</td>
<td>Asset Protection</td>
<td>7,437,161</td>
<td>213,115</td>
<td>7,650,276</td>
</tr>
<tr>
<td>8</td>
<td>Fine Arts Center Advanced Planning</td>
<td>6,400,000</td>
<td>512,711</td>
<td>6,912,711</td>
</tr>
<tr>
<td>9</td>
<td>Biological Resources Lab</td>
<td>3,062,839</td>
<td>(1,312,839)</td>
<td>1,750,000</td>
</tr>
<tr>
<td>10</td>
<td>Fire and Safety Protection</td>
<td></td>
<td>232,884</td>
<td>232,884</td>
</tr>
<tr>
<td>11</td>
<td>Electrical Substation Replacement</td>
<td></td>
<td>188,967</td>
<td>188,967</td>
</tr>
<tr>
<td>12</td>
<td>Total – University of Rhode Island</td>
<td>802,780,487</td>
<td>3,354,518</td>
<td>806,135,005</td>
</tr>
<tr>
<td>13</td>
<td></td>
<td>Notwithstanding the provisions of section 35-3-15 of the general laws, all unexpended or unencumbered balances as of June 30, 2019 relating to the University of Rhode Island are hereby reappropriated to fiscal year 2020.</td>
<td></td>
<td></td>
</tr>
<tr>
<td>14</td>
<td>Rhode Island College</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>15</td>
<td>General Revenues</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>16</td>
<td>General Revenues</td>
<td>49,328,599</td>
<td>(483,535)</td>
<td>48,845,064</td>
</tr>
<tr>
<td>17</td>
<td>Debt Service</td>
<td>6,421,067</td>
<td>0</td>
<td>6,421,067</td>
</tr>
<tr>
<td>18</td>
<td>Other Funds</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>19</td>
<td>University and College Funds</td>
<td>129,030,562</td>
<td>(5,385,589)</td>
<td>123,644,973</td>
</tr>
<tr>
<td>20</td>
<td>Debt – Education and General</td>
<td>881,090</td>
<td>0</td>
<td>881,090</td>
</tr>
<tr>
<td>21</td>
<td>Debt – Housing</td>
<td>369,079</td>
<td>0</td>
<td>369,079</td>
</tr>
<tr>
<td>22</td>
<td>Debt – Student Center and Dining</td>
<td>154,437</td>
<td>0</td>
<td>154,437</td>
</tr>
<tr>
<td>23</td>
<td>Debt – Student Union</td>
<td>208,800</td>
<td>0</td>
<td>208,800</td>
</tr>
<tr>
<td>24</td>
<td>Debt – G.O. Debt Service</td>
<td>1,642,957</td>
<td>0</td>
<td>1,642,957</td>
</tr>
<tr>
<td>25</td>
<td>Debt Energy Conservation</td>
<td>613,925</td>
<td>0</td>
<td>613,925</td>
</tr>
<tr>
<td>26</td>
<td>Rhode Island Capital Plan Funds</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>27</td>
<td>Asset Protection</td>
<td>3,562,184</td>
<td>814,043</td>
<td>4,376,227</td>
</tr>
<tr>
<td>28</td>
<td>Infrastructure Modernization</td>
<td>3,500,000</td>
<td>1,871,417</td>
<td>5,371,417</td>
</tr>
<tr>
<td>29</td>
<td>Academic Building Phase I</td>
<td>4,000,000</td>
<td>7,736,952</td>
<td>11,736,952</td>
</tr>
<tr>
<td>30</td>
<td>Master Plan Advanced Planning</td>
<td>150,000</td>
<td>(150,000)</td>
<td>0</td>
</tr>
<tr>
<td>31</td>
<td>Total – Rhode Island College</td>
<td>199,862,700</td>
<td>4,403,288</td>
<td>204,265,988</td>
</tr>
<tr>
<td>32</td>
<td></td>
<td>Notwithstanding the provisions of section 35-3-15 of the general laws, all unexpended or unencumbered balances as of June 30, 2019 relating to the University of Rhode Island are hereby reappropriated to fiscal year 2020.</td>
<td></td>
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</tr>
</tbody>
</table>
unencumbered balances as of June 30, 2019 relating to Rhode Island College are hereby reappropriated to fiscal year 2020.

**Community College of Rhode Island**

<table>
<thead>
<tr>
<th>Category</th>
<th>General Revenues</th>
<th>Debt Service</th>
<th>Restricted Receipts</th>
<th>Other Funds</th>
<th>University and College Funds</th>
<th>CCRI Debt Service – Energy Conservation</th>
<th>Rhode Island Capital Plan Funds</th>
<th>Asset Protection</th>
<th>Knight Campus Lab Renovation</th>
<th>Knight Campus Renewal</th>
<th>Total – Community College of RI</th>
</tr>
</thead>
<tbody>
<tr>
<td>General Revenues</td>
<td>51,074,830</td>
<td>(546,690)</td>
<td>694,224</td>
<td></td>
<td>104,812,712</td>
<td>803,875</td>
<td>2,368,035</td>
<td>375,000</td>
<td>3,600,000</td>
<td>165,632,706</td>
<td>163,313,286</td>
</tr>
<tr>
<td>Debt Service</td>
<td>1,904,030</td>
<td>0</td>
<td>0</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Restricted Receipts</td>
<td>(68,283)</td>
<td></td>
<td></td>
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<td></td>
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<td></td>
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<tr>
<td>Other Funds</td>
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</tr>
</tbody>
</table>

Notwithstanding the provisions of section 35-3-15 of the general laws, all unexpended or unencumbered balances as of June 30, 2019 relating to the Community College of Rhode Island are hereby reappropriated to fiscal year 2020.

**RI State Council on the Arts**

<table>
<thead>
<tr>
<th>Category</th>
<th>General Revenues</th>
<th>Operating Support</th>
<th>Grants</th>
<th>Other Funds</th>
<th>Art for Public Facilities</th>
<th>Grand Total – RI State Council on the Arts</th>
</tr>
</thead>
<tbody>
<tr>
<td>General Revenues</td>
<td>842,993</td>
<td>(30,174)</td>
<td>1,165,000</td>
<td></td>
<td>400,000</td>
<td>3,132,046</td>
</tr>
<tr>
<td>Operating Support</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Grants</td>
<td>1,165,000</td>
<td>0</td>
<td></td>
<td></td>
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<td></td>
</tr>
</tbody>
</table>

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

**RI Atomic Energy Commission**

<table>
<thead>
<tr>
<th>Category</th>
<th>General Revenues</th>
<th>Federal Funds</th>
<th>Restricted Receipts</th>
<th>Other Funds</th>
<th>Art for Public Facilities</th>
<th>Grand Total – RI Atomic Energy Commission</th>
</tr>
</thead>
<tbody>
<tr>
<td>General Revenues</td>
<td>1,078,908</td>
<td>719,053</td>
<td>0</td>
<td></td>
<td>400,000</td>
<td>3,046,956</td>
</tr>
<tr>
<td>Federal Funds</td>
<td>719,053</td>
<td>92,720</td>
<td>10,000</td>
<td></td>
<td>600,000</td>
<td>3,404,592</td>
</tr>
<tr>
<td>Restricted Receipts</td>
<td>(60,453)</td>
<td>0</td>
<td>99,000</td>
<td></td>
<td>(72,000)</td>
<td>27,000</td>
</tr>
</tbody>
</table>

**RI State Council on the Arts**

<table>
<thead>
<tr>
<th>Category</th>
<th>General Revenues</th>
<th>Operating Support</th>
<th>Grants</th>
<th>Other Funds</th>
<th>Art for Public Facilities</th>
<th>Grand Total – RI State Council on the Arts</th>
</tr>
</thead>
<tbody>
<tr>
<td>General Revenues</td>
<td>842,993</td>
<td>(30,174)</td>
<td>1,165,000</td>
<td></td>
<td>400,000</td>
<td>3,132,046</td>
</tr>
<tr>
<td>Operating Support</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Grants</td>
<td>1,165,000</td>
<td>0</td>
<td></td>
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<td></td>
</tr>
</tbody>
</table>

Provided that $375,000 be provided to support the operational costs of WaterFire Providence art installations.
<table>
<thead>
<tr>
<th></th>
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<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Other Funds</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>2</td>
<td>URI Sponsored Research</td>
<td>268,879</td>
<td>1,984</td>
<td>270,863</td>
<td></td>
<td></td>
<td></td>
<td></td>
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</tr>
<tr>
<td>3</td>
<td>Rhode Island Capital Plan Funds</td>
<td></td>
<td></td>
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<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>4</td>
<td>RINSC Asset Protection</td>
<td>50,000</td>
<td>0</td>
<td>50,000</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>5</td>
<td>Grand Total – RI Atomic Energy Commission</td>
<td>1,496,787</td>
<td>(122,533)</td>
<td>1,374,254</td>
<td></td>
<td></td>
<td></td>
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</tr>
<tr>
<td>6</td>
<td>RI Historical Preservation and Heritage Commission</td>
<td></td>
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<td></td>
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<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>7</td>
<td>General Revenues</td>
<td>1,210,054</td>
<td>15,015</td>
<td>1,225,069</td>
<td></td>
<td></td>
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</tr>
<tr>
<td>8</td>
<td>Provided that $30,000 support the operational costs of the Fort Adams Trust’s restoration activities.</td>
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<td>9</td>
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<td></td>
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<td></td>
<td></td>
</tr>
<tr>
<td>10</td>
<td>Federal Funds</td>
<td>696,513</td>
<td>149,505</td>
<td>846,018</td>
<td></td>
<td></td>
<td></td>
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<td></td>
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<td></td>
</tr>
<tr>
<td>11</td>
<td>Restricted Receipts</td>
<td>465,870</td>
<td>(26,068)</td>
<td>439,802</td>
<td></td>
<td></td>
<td></td>
<td></td>
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<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>12</td>
<td>Other Funds</td>
<td></td>
<td></td>
<td></td>
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<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
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</tr>
<tr>
<td>13</td>
<td>RIDOT Project Review</td>
<td>81,589</td>
<td>43,630</td>
<td>125,219</td>
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</tr>
<tr>
<td>14</td>
<td>Grand Total – RI Historical Preservation and Heritage Commission</td>
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<td></td>
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<td></td>
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<td></td>
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</tr>
<tr>
<td>15</td>
<td>Heritage Comm.</td>
<td>2,454,026</td>
<td>182,082</td>
<td>2,636,108</td>
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</tr>
<tr>
<td>16</td>
<td>Attorney General</td>
<td></td>
<td></td>
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</tr>
<tr>
<td>17</td>
<td>Criminal</td>
<td></td>
<td></td>
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<td></td>
<td></td>
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<td></td>
</tr>
<tr>
<td>18</td>
<td>General Revenues</td>
<td>17,225,917</td>
<td>(1,498,880)</td>
<td>15,727,037</td>
<td></td>
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<td></td>
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<td></td>
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</tr>
<tr>
<td>19</td>
<td>Federal Funds</td>
<td>12,710,334</td>
<td>2,267,152</td>
<td>14,977,486</td>
<td></td>
<td></td>
<td></td>
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<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>20</td>
<td>Restricted Receipts</td>
<td>139,107</td>
<td>2,324</td>
<td>141,431</td>
<td></td>
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<td></td>
<td></td>
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<td></td>
<td></td>
</tr>
<tr>
<td>21</td>
<td>Total – Criminal</td>
<td>30,075,358</td>
<td>770,596</td>
<td>30,845,954</td>
<td></td>
<td></td>
<td></td>
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<td><strong>Institutional Support</strong></td>
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<td><strong>Institutional Based Rehab/Population Management</strong></td>
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<td>13,571,143</td>
<td>93,008</td>
<td>13,664,151</td>
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<td>provided that $1,050,000 be allocated to Crossroads Rhode Island for sex offender discharge planning.</td>
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<td>Federal Funds</td>
<td>751,423</td>
<td>212,125</td>
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<td>49,516</td>
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<td>14,367,039</td>
<td>310,176</td>
<td>14,677,215</td>
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<td>1,471,133</td>
<td>25,657,355</td>
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Art10
RELATING TO MAKING REVISED APPROPRIATIONS IN SUPPORT OF FY 2019
(Page -25-)
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<td>17,579,601</td>
<td>(1,034,991)</td>
<td>16,544,610</td>
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<td>84,437</td>
<td>24,675</td>
<td>109,112</td>
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<td>14,883</td>
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<td>4</td>
<td>17,678,921</td>
<td>(1,010,316)</td>
<td>16,668,605</td>
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<td>5</td>
<td>251,419,419</td>
<td>(3,331,227)</td>
<td>248,088,192</td>
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**Judiciary**

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<td><strong>Supreme Court</strong></td>
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<td>General Revenues</td>
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<td>9</td>
<td></td>
<td>28,913,032</td>
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Provided however, that no more than $1,303,816 in combined total shall be offset to the Public Defender’s Office, the Attorney General’s Office, the Department of Corrections, the Department of Children, Youth, and Families, and the Department of Public Safety for square-footage occupancy costs in public courthouses and further provided that $230,000 be allocated to the Rhode Island Coalition Against Domestic Violence for the domestic abuse court advocacy project pursuant to Rhode Island General Law, Section 12-29-7 and that $90,000 be allocated to Rhode Island Legal Services, Inc. to provide housing and eviction defense to indigent individuals.

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<td>3,960,979</td>
<td>554,557</td>
<td>4,515,536</td>
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<td>(241)</td>
<td>138,767</td>
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<td>445,303</td>
<td>3,763,246</td>
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**Other Funds**

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<td>Judicial Complexes - HVAC</td>
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<td>14</td>
<td>Judicial Complexes Asset Protection</td>
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<td>Licht Judicial Complex Restoration</td>
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<td>Licht Window Exterior Restoration</td>
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<td>Noel Shelled Courtroom Build Out</td>
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<td>Total - Supreme Court</td>
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**Judicial Tenure and Discipline**

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**Superior Court**

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<td>23,212,052</td>
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<td>(20,983)</td>
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<td>22</td>
<td>Restricted Receipts</td>
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1. **Total – Superior Court** 24,256,860 (596,241) 23,660,619

2. **Family Court**
   
3. General Revenues 21,510,608 236,192 21,746,800
4. Federal Funds 2,703,595 180,397 2,883,992
5. **Total – Family Court** 24,214,203 416,589 24,630,792

6. **District Court**
   
7. General Revenues 13,908,601 (654,726) 13,253,875
8. Federal Funds 65 (65) 0
9. Restricted Receipts 60,000 0 60,000
10. **Total - District Court** 13,968,666 (654,791) 13,313,875

11. **Traffic Tribunal**
   
12. General Revenues 9,763,589 (1,181,219) 8,582,370

13. **Workers' Compensation Court**
   
14. Restricted Receipts 8,309,954 (293,131) 8,016,823
15. **Grand Total – Judiciary** 124,433,984 (2,901,047) 121,532,937

16. **Military Staff**
   
17. General Revenues 3,081,090 16,591 3,097,681
18. Federal Funds 18,480,072 13,172,112 31,652,184

19. Restricted Receipts
20. RI Military Family Relief Fund 100,000 (45,000) 55,000
21. **Other Funds**
22. Rhode Island Capital Plan Funds
23. Armory of Mounted Command Roof Replacement 700,000 (518,200) 181,800
25. Bristol Readiness Center 125,000 (125,000) 0
26. Joint Force Headquarters Building 7,106,152 (904,492) 6,201,660
27. Middletown Armory Land Transfer 0 1,189,380 1,189,380
28. **Grand Total – Military Staff** 30,292,314 12,982,289 43,274,603

29. **Public Safety**
   
30. **Central Management**
   
31. General Revenues 1,013,929 39,813 1,053,742
32. Federal Funds 6,714,457 4,210,741 10,925,198
33. **Total – Central Management** 7,728,386 4,250,554 11,978,940

34. **E-911 Emergency Telephone System**
<table>
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<th></th>
<th>Description</th>
<th>General Revenues</th>
<th>Federal Funds</th>
<th>Total – Municipal Police Training Academy</th>
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<td>RI Statewide Communications Network</td>
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<td>Environmental Protection</td>
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<td>12,742,750 (257,553)</td>
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<td>55,154 (28,930)</td>
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<td>84,527 (74,241)</td>
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<td>1,900,000 (1,660,000)</td>
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<td>Newport Pier</td>
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<td>General Revenues</td>
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<td>Transportation MOU</td>
<td>55,154 28,930</td>
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<td>Total – Environmental Protection</td>
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<td>Rhode Island Capital Plan Funds</td>
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<td>Rhode Island Coastal Storm Risk Study</td>
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<td><strong>Central Management</strong></td>
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<td>Rhode Island Capital Plan Funds</td>
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<td>32</td>
<td>RIPTA Land and Buildings</td>
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<td>18,134</td>
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Art10
RELATING TO MAKING REVISED APPROPRIATIONS IN SUPPORT OF FY 2019
(Page -30-)
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<td>Utility Access Permit Fees</td>
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<tr>
<td>19</td>
<td>Federal Funds</td>
<td>3,208,172,271</td>
<td>126,294,141</td>
<td>3,334,466,412</td>
</tr>
<tr>
<td>20</td>
<td>Restricted Receipts</td>
<td>281,812,633</td>
<td>5,284,970</td>
<td>287,097,603</td>
</tr>
<tr>
<td>21</td>
<td>Other Funds</td>
<td>2,174,549,841</td>
<td>16,406,803</td>
<td>2,190,956,644</td>
</tr>
<tr>
<td>22</td>
<td>Statewide Grand Total</td>
<td>9,572,741,806</td>
<td>173,613,232</td>
<td>9,746,355,038</td>
</tr>
</tbody>
</table>

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

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

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

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

<table>
<thead>
<tr>
<th>Account</th>
<th>FY 2019 Enacted</th>
<th>FY 2019 Change</th>
<th>FY 2019 Final</th>
</tr>
</thead>
<tbody>
<tr>
<td>State Assessed Fringe Benefit Internal Service Fund</td>
<td>41,383,271</td>
<td>(493,865)</td>
<td>40,889,406</td>
</tr>
<tr>
<td>Administration Central Utilities Internal Service Fund</td>
<td>22,910,320</td>
<td>139,245</td>
<td>23,049,565</td>
</tr>
<tr>
<td>State Central Mail Internal Service Fund</td>
<td>6,539,120</td>
<td>(254,948)</td>
<td>6,284,172</td>
</tr>
<tr>
<td>State Telecommunications Internal Service Fund</td>
<td>3,602,419</td>
<td>(200,199)</td>
<td>3,402,220</td>
</tr>
<tr>
<td>State Automotive Fleet Internal Service Fund</td>
<td>12,549,973</td>
<td>107,363</td>
<td>12,657,336</td>
</tr>
<tr>
<td>Surplus Property Internal Service Fund</td>
<td>3,000</td>
<td>0</td>
<td>3,000</td>
</tr>
<tr>
<td>Health Insurance Internal Service Fund</td>
<td>251,953,418</td>
<td>627,641</td>
<td>252,581,059</td>
</tr>
<tr>
<td>State Fleet Revolving Loan Fund</td>
<td>273,786</td>
<td>0</td>
<td>273,786</td>
</tr>
<tr>
<td>Other Post-Employment Benefits Fund</td>
<td>63,858,483</td>
<td>0</td>
<td>63,858,483</td>
</tr>
<tr>
<td>Capitol Police Internal Service Fund</td>
<td>1,395,433</td>
<td>38,881</td>
<td>1,434,314</td>
</tr>
<tr>
<td>Corrections Central Distribution Center Internal Service Fund</td>
<td>6,769,493</td>
<td>21,459</td>
<td>6,790,952</td>
</tr>
<tr>
<td>Correctional Industries Internal Service Fund</td>
<td>8,050,590</td>
<td>38,673</td>
<td>8,089,263</td>
</tr>
<tr>
<td>Secretary of State Record Center Internal Service Fund</td>
<td>947,539</td>
<td>35,863</td>
<td>983,402</td>
</tr>
<tr>
<td>Human Resources Internal Service Fund</td>
<td>12,131,620</td>
<td>1,246,234</td>
<td>13,377,854</td>
</tr>
<tr>
<td>DCAMM Facilities Internal Service Fund</td>
<td>39,212,184</td>
<td>(519,112)</td>
<td>38,693,072</td>
</tr>
<tr>
<td>Information Technology Internal Service Fund</td>
<td>32,282,229</td>
<td>6,795,117</td>
<td>39,077,346</td>
</tr>
</tbody>
</table>

SECTION 6. Legislative Intent - The General Assembly may provide a written "statement of legislative intent" signed by the chairperson of the House Finance Committee and by the chairperson of the Senate Finance Committee to show the intended purpose of the appropriations
contained in Section 1 of this Article. The statement of legislative intent shall be kept on file in the
House Finance Committee and in the Senate Finance Committee.

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

SECTION 7. Appropriation of Temporary Disability Insurance Funds -- There is hereby
appropriated pursuant to sections 28-39-5 and 28-39-8 of the Rhode Island General Laws all funds
required to be disbursed for the benefit payments from the Temporary Disability Insurance Fund
and Temporary Disability Insurance Reserve Fund for the fiscal year ending June 30, 2019.

SECTION 8. Appropriation of Employment Security Funds -- There is hereby appropriated
pursuant to section 28-42-19 of the Rhode Island General Laws all funds required to be disbursed

SECTION 9. Appropriation of Lottery Division Funds -- There is hereby appropriated to
the Lottery Division any funds required to be disbursed by the Lottery Division for the purposes of
paying commissions or transfers to the prize fund for the fiscal year ending June 30, 2019.

SECTION 10. Appropriation of CollegeBoundSaver Funds -- There is hereby appropriated
to the Office of the General Treasurer designated funds received under the CollegeBoundSaver
program for transfer to the Division of Higher Education Assistance within the Office of the
Postsecondary Commissioner to support student financial aid for the fiscal year ending June 30,
2019.

SECTION 11. Departments and agencies listed below may not exceed the number of full-
time equivalent (FTE) positions shown below in any pay period. Full-time equivalent positions do
not include seasonal or intermittent positions whose scheduled period of employment does not
exceed twenty-six consecutive weeks or whose scheduled hours do not exceed nine hundred and
twenty-five (925) hours, excluding overtime, in a one-year period. Nor do they include individuals
engaged in training, the completion of which is a prerequisite of employment. Provided, however,
that the Governor or designee, Speaker of the House of Representatives or designee, and the
President of the Senate or designee may authorize an adjustment to any limitation. Prior to the
authorization, the State Budget Officer shall make a detailed written recommendation to the
Governor, the Speaker of the House, and the President of the Senate. A copy of the recommendation
and authorization to adjust shall be transmitted to the chairman of the House Finance Committee,
Senate Finance Committee, the House Fiscal Advisor and the Senate Fiscal Advisor.
State employees whose funding is from non-state general revenue funds that are time
limited shall receive limited term appointment with the term limited to the availability of non-state
general revenue funding source.

**FY 2019 FTE POSITION AUTHORIZATION**

<table>
<thead>
<tr>
<th>Departments and Agencies</th>
<th>Full-Time Equivalent</th>
</tr>
</thead>
<tbody>
<tr>
<td>Administration</td>
<td>655.7</td>
</tr>
<tr>
<td>Business Regulation</td>
<td>161.0</td>
</tr>
<tr>
<td>Executive Office of Commerce</td>
<td>16.0</td>
</tr>
<tr>
<td>Labor and Training</td>
<td>409.7</td>
</tr>
<tr>
<td>Revenue</td>
<td>604.5</td>
</tr>
<tr>
<td>Legislature</td>
<td>298.5</td>
</tr>
<tr>
<td>Office of the Lieutenant Governor</td>
<td>8.0</td>
</tr>
<tr>
<td>Office of the Secretary of State</td>
<td>59.0</td>
</tr>
<tr>
<td>Office of the General Treasurer</td>
<td>89.0</td>
</tr>
<tr>
<td>Board of Elections</td>
<td>13.0</td>
</tr>
<tr>
<td>Rhode Island Ethics Commission</td>
<td>12.0</td>
</tr>
<tr>
<td>Office of the Governor</td>
<td>45.0</td>
</tr>
<tr>
<td>Commission for Human Rights</td>
<td>14.5</td>
</tr>
<tr>
<td>Public Utilities Commission</td>
<td>53.0</td>
</tr>
<tr>
<td>Office of Health and Human Services</td>
<td>192.0</td>
</tr>
<tr>
<td>Children, Youth, and Families</td>
<td>631.5 629.5</td>
</tr>
<tr>
<td>Health</td>
<td>514.6 517.6</td>
</tr>
<tr>
<td>Human Services</td>
<td>1,020.1 1,030.1</td>
</tr>
<tr>
<td>Behavioral Healthcare, Developmental Disabilities, and Hospitals</td>
<td>1,302.4 1,304.4</td>
</tr>
</tbody>
</table>

Provided that 3.0 of the total authorization would be available only for a quality
improvement team to ensure that community based agencies transition to providing integrated
services to adults with developmental disabilities that comply with the consent decree.
<table>
<thead>
<tr>
<th>Agency</th>
<th>Appropriation</th>
</tr>
</thead>
<tbody>
<tr>
<td>Davies Career and Technical School</td>
<td>126.0</td>
</tr>
<tr>
<td>Office of Postsecondary Commissioner</td>
<td>36.0</td>
</tr>
</tbody>
</table>

Provided that 1.0 of the total authorization would be available only for positions that are supported by third-party funds, 5.0 would be available only for positions at the Westerly Higher Education Center and Job Skills Center, and 10.0 would be available only for positions at the Nursing Education Center.

| University of Rhode Island                | 2,555.0       |

Provided that 622.8 of the total authorization would be available only for positions that are supported by third-party funds.

| Rhode Island College                     | 949.2         |

Provided that 76.0 of the total authorization would be available only for positions that are supported by third-party funds.

| Community College of Rhode Island        | 854.1         |

Provided that 89.0 of the total authorization would be available only for positions that are supported by third-party funds.

| Rhode Island State Council on the Arts   | 8.6           |
| RI Atomic Energy Commission              | 8.6           |
| Historical Preservation and Heritage Commission | 15.6       |
| Office of the Attorney General           | 237.1         |
| Corrections                               | 1,416.0       |
| Judicial                                  | 723.3         |
| Military Staff                            | 92.0          |
| Emergency Management Agency              | 32.0          |
| Public Safety                             | **564.6** 563.6 |
| Office of the Public Defender            | 95.0          |
| Environmental Management                 | 395.0         |
| Coastal Resources Management Council      | 30.0          |
| Transportation                            | 755.0         |

Total 15,209.7 15,221.7

SECTION 12. Notwithstanding any general laws to the contrary, the Department of Environmental Management shall transfer to the State Controller the sum of one million one hundred eleven thousand six-hundred sixty-one dollars ($1,111,661) from the Government Entities Inceptors bond funds account by June 30, 2019.

SECTION 13. Notwithstanding any general laws to the contrary, the Department of
Environmental Management shall transfer to the State Controller the sum of one hundred seven thousand two hundred sixty-seven dollars ($107,267) from the Government Water Pollution Control bond funds account by June 30, 2019.

SECTION 14. Notwithstanding any general laws to the contrary, the Department of Environmental Management shall transfer to the State Controller the sum of thirty-five thousand ninety-four dollars ($35,094) from the Private Water Pollution Control Facility bond funds account by June 30, 2019.

SECTION 15. Notwithstanding any general laws to the contrary, the Department of Environmental Management shall transfer to the State Controller the sum of eleven thousand nine hundred eight dollars ($11,908) from the State Recreational Facilities Development and Renovation bond funds account by June 30, 2019.

SECTION 16. Notwithstanding any general laws to the contrary, the Department of Environmental Management shall transfer to the State Controller the sum of one thousand two hundred twenty-six dollars ($1,226) from the Local Recreational Facilities Distressed bond funds account by June 30, 2019.

SECTION 17. Notwithstanding any general laws to the contrary, the Department of Environmental Management shall transfer to the State Controller the sum of one hundred sixty thousand twenty-eight dollars ($160,028) from the 25 India Street (Shooter’s Parcel) bond funds account by June 30, 2019.

SECTION 18. This article shall take effect upon passage.
ARTICLE 11

RELATING TO HEALTHCARE MARKET STABILITY

SECTION 1. Section 27-18.5-2 of the General Laws in Chapter 27-18.5 entitled "Individual Health Insurance Coverage" is hereby amended to read as follows:

27-18.5-2. Definitions.

The following words and phrases as used in this chapter have the following meanings unless a different meaning is required by the context:

(1) "Bona fide association" means, with respect to health insurance coverage offered in this state, an association which:
   (i) Has been actively in existence for at least five (5) years;
   (ii) Has been formed and maintained in good faith for purposes other than obtaining insurance;
   (iii) Does not condition membership in the association on any health status-related factor relating to an individual (including an employee of an employer or a dependent of an employee);
   (iv) Makes health insurance coverage offered through the association available to all members regardless of any health status-related factor relating to the members (or individuals eligible for coverage through a member);
   (v) Does not make health insurance coverage offered through the association available other than in connection with a member of the association;
   (vi) Is composed of persons having a common interest or calling;
   (vii) Has a constitution and bylaws; and
   (viii) Meets any additional requirements that the director may prescribe by regulation;

(2) "COBRA continuation provision" means any of the following:
   (i) Section 4980(B) of the Internal Revenue Code of 1986, 26 U.S.C. § 4980B, other than subsection (f)(1) of that section insofar as it relates to pediatric vaccines;
   (iii) Title XXII of the United States Public Health Service Act, 42 U.S.C. § 300bb-1 et seq.;

(3) "Creditable coverage" has the same meaning as defined in the United States Public Health Service Act, Section 2701(c), 42 U.S.C. § 300gg(c), as added by P.L. 104-191;
(4) "Director" means the director of the department of business regulation;

(5) "Eligible individual" means an individual:

(i) For whom, as of the date on which the individual seeks coverage under this chapter, the aggregate of the periods of creditable coverage is eighteen (18) or more months and whose most recent prior creditable coverage was under a group health plan, a governmental plan established or maintained for its employees by the government of the United States or by any of its agencies or instrumentalities, or church plan (as defined by the Employee Retirement Income Security Act of 1974, 29 U.S.C. § 1001 et seq.);

(ii) Who is not eligible for coverage under a group health plan, part A or part B of title XVIII of the Social Security Act, 42 U.S.C. § 1395c et seq. or 42 U.S.C. § 1395j et seq., or any state plan under title XIX of the Social Security Act, 42 U.S.C. § 1396 et seq. (or any successor program), and does not have other health insurance coverage;

(iii) With respect to whom the most recent coverage within the coverage period was not terminated based on a factor described in § 27-18.5-4(b)(relating to nonpayment of premiums or fraud);

(iv) If the individual had been offered the option of continuation coverage under a COBRA continuation provision, or under chapter 19.1 of this title or under a similar state program of this state or any other state, who elected the coverage; and

(v) Who, if the individual elected COBRA continuation coverage, has exhausted the continuation coverage under the provision or program;

(6) "Group health plan" means an employee welfare benefit plan as defined in section 3(1) of the Employee Retirement Income Security Act of 1974, 29 U.S.C. § 1002(1), to the extent that the plan provides medical care and including items and services paid for as medical care to employees or their dependents as defined under the terms of the plan directly or through insurance, reimbursement or otherwise;

(7) "Health insurance carrier" or "carrier" means any entity subject to the insurance laws and regulations of this state, or subject to the jurisdiction of the director, that contracts or offers to contract to provide, deliver, arrange for, pay for, or reimburse any of the costs of health care services, including, without limitation, an insurance company offering accident and sickness insurance, a health maintenance organization, a nonprofit hospital, medical or dental service corporation, or any other entity providing a plan of health insurance or health benefits by which health care services are paid or financed for an eligible individual or his or her dependents by such entity on the basis of a periodic premium, paid directly or through an association, trust, or other intermediary, and issued, renewed, or delivered within or without Rhode Island to cover a natural health care services.
person who is a resident of this state, including a certificate issued to a natural person which
evidences coverage under a policy or contract issued to a trust or association;

(8)(i) "Health insurance coverage" means a policy, contract, certificate, or agreement
offered by a health insurance carrier to provide, deliver, arrange for, pay for or reimburse any of
the costs of health care services. Health insurance coverage includes short-term limited duration
policies and any policy that pays on a cost-incurred basis, except as otherwise specifically exempted
by subsections (ii), (iii), (iv), or (v) of this section.

(ii) "Health insurance coverage" does not include one or more, or any combination of, the
following:

(A) Coverage only for accident, or disability income insurance, or any combination of
those;

(B) Coverage issued as a supplement to liability insurance;

(C) Liability insurance, including general liability insurance and automobile liability
insurance;

(D) Workers' compensation or similar insurance;

(E) Automobile medical payment insurance;

(F) Credit-only insurance;

(G) Coverage for on-site medical clinics; and

(H) Other similar insurance coverage, specified in federal regulations issued pursuant to
P.L. 104-191, under which benefits for medical care are secondary or incidental to other insurance
benefits; and

(i) Short-term limited duration insurance;

(iii) "Health insurance coverage" does not include the following benefits if they are
provided under a separate policy, certificate, or contract of insurance or are not an integral part of
the coverage:

(A) Limited scope dental or vision benefits;

(B) Benefits for long-term care, nursing home care, home health care, community-based
care, or any combination of these;

(C) Any other similar, limited benefits that are specified in federal regulation issued
pursuant to P.L. 104-191;

(iv) "Health insurance coverage" does not include the following benefits if the benefits are
provided under a separate policy, certificate, or contract of insurance, there is no coordination
between the provision of the benefits and any exclusion of benefits under any group health plan
maintained by the same plan sponsor, and the benefits are paid with respect to an event without
regard to whether benefits are provided with respect to the event under any group health plan
maintained by the same plan sponsor:

(A) Coverage only for a specified disease or illness; or

(B) Hospital indemnity or other fixed indemnity insurance; and

(v) "Health insurance coverage" does not include the following if it is offered as a separate
policy, certificate, or contract of insurance:

(A) Medicare supplemental health insurance as defined under section 1882(g)(1) of the
Social Security Act, 42 U.S.C. § 1395ss(g)(1);

(B) Coverage supplemental to the coverage provided under 10 U.S.C. § 1071 et seq.; and

(C) Similar supplemental coverage provided to coverage under a group health plan;

(9) "Health status-related factor" means any of the following factors:

(i) Health status;

(ii) Medical condition, including both physical and mental illnesses;

(iii) Claims experience;

(iv) Receipt of health care;

(v) Medical history;

(vi) Genetic information;

(vii) Evidence of insurability, including conditions arising out of acts of domestic violence;

and

(viii) Disability;

(10) "Individual market" means the market for health insurance coverage offered to
individuals other than in connection with a group health plan;

(11) "Network plan" means health insurance coverage offered by a health insurance carrier
under which the financing and delivery of medical care including items and services paid for as
medical care are provided, in whole or in part, through a defined set of providers under contract
with the carrier;

(12) "Preexisting condition" means, with respect to health insurance coverage, a condition
(whether physical or mental), regardless of the cause of the condition, that was present before the
date of enrollment for the coverage, for which medical advice, diagnosis, care, or treatment was
recommended or received within the six (6) month period ending on the enrollment date. Genetic
information shall not be treated as a preexisting condition in the absence of a diagnosis of the
condition related to that information; and

(13) "High-risk individuals" means those individuals who do not pass medical underwriting
standards, due to high health care needs or risks;
“Wellness health benefit plan” means that health benefit plan offered in the individual market pursuant to § 27-18.5-8; and

“Commissioner” means the health insurance commissioner.

SECTION 2. Section 42-157-4 of the General Laws in Chapter 42-157 titled “Rhode Island Health Benefit Exchange” is hereby amended to read as follows:

**42-157-4. Financing.**

(a) The department is authorized to assess insurers offering qualified health plans and qualified dental plans. To support the functions of the exchange, insurers offering qualified health plans and qualified dental plans must remit an assessment to the exchange each month, in a timeframe and manner established by the exchange, equal to three and one-half percent (3.5%) of the monthly premium charged by the insurer for each policy under the plan where enrollment is through the exchange. The revenue raised in accordance with this subsection shall not exceed the revenue able to be raised through the federal government assessment and shall be established in accordance and conformity with the federal government assessment upon those insurers offering products on the Federal Health Benefit exchange. Revenues from the assessment shall be deposited in a restricted receipt account for the sole use of the exchange and shall be exempt from the indirect cost recovery provisions of § 35-4-27 of the general laws.

(b) The general assembly may appropriate general revenue to support the annual budget for the exchange in lieu of or to supplement revenues raised from the assessment under § 42-157-4(a).

(c) If the director determines that the level of resources obtained pursuant to § 42-157-4(a) will be in excess of the budget for the exchange, the department shall provide a report to the governor, the speaker of the house and the senate president identifying the surplus and detailing how the assessment established pursuant to § 42-157-4(a) may be offset in a future year to reconcile with impacted insurers and how any future supplemental or annual budget submission to the general assembly may be revised accordingly.

SECTION 3. Chapter 42-157 of the General Laws entitled “Rhode Island Health Benefit Exchange” is hereby amended by adding thereto the following section:

**42-157-11. Exemptions from the shared responsibility payment penalty.**

(a) Establishment of program. The exchange shall establish a program for determining whether to grant a certification that an individual is entitled to an exemption from the Shared Responsibility Payment Penalty set forth in section 44-30-101(c) of the general laws by reason of religious conscience or hardship.

(b) Eligibility determinations. The exchange shall make determinations as to whether to
grant a certification described in subsection (a). The exchange shall notify the individual and the
tax administrator for the Rhode Island Department of Revenue of any such determination in such
time and manner as the exchange, in consultation with the tax administrator, shall prescribe. In
notifying the tax administrator, the exchange shall adhere to the data privacy and data security
standards adopted in accordance with 45 C.F.R. 155.260. The exchange shall only be required to
notify the tax administrator to the extent that the exchange determines such disclosure is permitted
under 45 C.F.R. 155.260.

(c) Appeals. Any person aggrieved by the exchange’s determination of eligibility for an
exemption under this section has the right to an appeal in accordance with the procedures contained
within chapter 35 of title 42.

42-157-12. Special enrollment period for qualified individuals assessed a shared
responsibility payment penalty.

(a) Definitions. The following definition shall apply for purposes of this section:

(1) “Special enrollment period” means a period during which a qualified individual who is
assessed a penalty in accordance with section 44-30-101 may enroll in a qualified health plan
through the exchange outside of the annual open enrollment period.

(b) In the case of a qualified individual who is assessed a shared responsibility payment in
accordance with section 44-30-101 of the general laws and who is not enrolled in a qualified health
plan, the exchange must provide a special enrollment period consistent with this section and the
Federal Patient Protection and Affordable Care Act (Public Law 111-148), as amended by the
Federal Care and Reconciliation Act of 2010 (Public Law 111-152), and any amendments to, or
regulations or guidance issued under, those acts.

(c) Effective Date. The exchange must ensure that coverage is effective for a qualified
individual who is eligible for a special enrollment period under this section on the first day of the
month after the qualified individual completes enrollment in a qualified health plan through the
exchange.

(d) Availability and length of special enrollment period. A qualified individual has sixty
(60) days from the date he or she is assessed a penalty in accordance with section 44-30-101 of the
general laws to complete enrollment in a qualified health plan through the exchange. The date of
assessment shall be determined in accordance with section 44-30-82 of the general laws.

42-157-13. Outreach to Rhode Island residents and individuals assessed a shared
responsibility payment penalty.

Outreach. The exchange, in consultation with the Office of the Health Insurance
Commissioner and the Division of Taxation, is authorized to engage in coordinated outreach efforts
to educate Rhode Island residents about the importance of health insurance coverage, their responsibilities to maintain minimum essential coverage as defined in section 44-30-101 of the general laws, the penalties for failure to maintain such coverage, and information on the services available through the exchange.


(a) Regulatory Authority. The exchange may promulgate regulations as necessary to carry out the purposes of this chapter.

SECTION 4. Sections 42-157.1-1 and 42-157.1-5 of the General Laws in Chapter 42-157.1 entitled "Rhode Island Market Stability and Reinsurance Act" are hereby amended to read as follows:


(a) This chapter shall be known and may be cited as the "Rhode Island Market Stability and Reinsurance Act."
(b) The purpose of this chapter is to authorize the director to create the Rhode Island reinsurance program to stabilize health insurance rates and premiums in the individual market and provide greater financial certainty to consumers of health insurance in this state.
(c) Nothing in this chapter shall be construed as obligating the state to appropriate funds or make payments to carriers.
(c) No general revenue funding shall be used for reinsurance payments.

42-157.1-5. Establishment of program fund.

(a) A fund shall be The Health Insurance Market Integrity Fund is hereby established to provide funding for the operation and administration of the program in carrying out the purposes of the program under this chapter.
(b) The director is authorized to administer the fund.
(c) The fund shall consist of:
(1) Any pass-through funds received from the federal government under a waiver approved under 42 U.S.C. § 18052;
(2) Any funds designated by the federal government to provide reinsurance to carriers that offer individual health benefit plans in the state;
(3) Any funds designated by the state to provide reinsurance to carriers that offer individual health benefit plans in the state; and
(4) Any other money from any other source accepted for the benefit of the fund.
(d) Nothing in this chapter shall be construed as obligating the state to appropriate funds or make payments to carriers.
(d) No general revenue funding shall be used for reinsurance payments.

(e) A restricted receipt account shall be established for the fund which may be used for the purposes set forth in this section and shall be exempt from the indirect cost recovery provisions of section 35-4-27 of the general laws.

(f) Monies in the fund shall be used to provide reinsurance to health insurance carriers as set forth in this chapter and its implementing regulations, and to support the personnel costs, operating costs and capital expenditures of the exchange and the division of taxation that are necessary to carry out the provisions of this chapter, sections 44-30-101 through 44-30-102 and sections 42-157-11 through 42-157-14 of the general laws.

(g) Any excess monies remaining in the fund, not including any monies received from the federal government pursuant to paragraphs (1) or (2) and after making the payments required by subsection (f), may be used for preventative health care programs for vulnerable populations in consultation with the executive office of health and human services.

Program contingent on federal waiver and appropriation of state funding

If the state innovation waiver request in § 42-157.1-6 is not approved, the director shall not implement the program or provide reinsurance payments to eligible carriers.

SECTION 5. Chapter 44-30 of the General Laws entitled “Personal Income Tax” is hereby amended by adding thereto the following sections:

44-30-101. Requirements concerning qualifying health insurance coverage.

(a) Definitions. For purposes of this section:

(1) “Applicable individual” has the same meaning as set forth in 26 U.S.C. § 5000A(d).

(2) “Minimum essential coverage” has the same meaning as set forth in 26 U.S. C. § 5000A(f).

(3) “Shared Responsibility Payment Penalty” means the penalty imposed pursuant to subsection (c) of this section.

(4) “Taxpayer” means any resident individual, as defined in section 44-30-5 of the general laws.

(b) Requirement to maintain minimum essential coverage. Every applicable individual must maintain minimum essential coverage for each month beginning after December 31, 2019.

(c) Shared Responsibility Payment Penalty imposed for failing to maintain minimum essential coverage. As of January 1, 2020, every applicable individual required to file a personal income tax return pursuant to section 44-30-51 of the general laws, shall indicate on the return, in a manner to be prescribed by the tax administrator, whether and for what period of time during the
relevant tax year the individual and his or her spouse and dependents who are applicable individuals were covered by minimum essential coverage. If a return submitted pursuant to this subsection fails to indicate that such coverage was in force or indicates that any applicable individuals did not have such coverage in force, a Shared Responsibility Payment Penalty shall hereby be assessed as a tax on the return.

(d) Shared Responsibility Payment Penalty calculation. Except as provided in subsection (e), the Shared Responsibility Payment Penalty imposed shall be equal to a taxpayer’s federal shared responsibility payment for the taxable year under section 5000A of the Internal Revenue Code of 1986, as amended, and as in effect on the 15th day of December 2017.

(e) Exceptions.

(1) Penalty cap. The amount of the Shared Responsibility Payment Penalty imposed under this section shall be determined, if applicable, using the statewide average premium for bronze-level plans offered through the Rhode Island health benefits exchange rather than the national average premium for bronze-level plans.

(2) Hardship exemption determinations. Determinations as to hardship exemptions shall be made by the exchange under section 42-157-11 of the general laws.

(3) Religious conscience exemption determinations. Determinations as to religious conscience exemptions shall be made by the exchange under section 42-157-11 of the general laws.

(4) Taxpayers with gross income below state filing threshold. No penalty shall be imposed under this section with respect to any applicable individual for any month during a calendar year if the taxpayer’s household income for the taxable year as described in section 1412(b)(1)(B) of the Patient Protection and Affordable Care Act is less than the amount of gross income requiring the taxpayer to file a return as set forth in section 44-30-51 of the general laws.

(5) Out of State Residents. No penalty shall be imposed by this section with respect to any applicable individual for any month during which the individual is a bona fide resident of another state.

(f) Health Insurance Market Integrity Fund. The tax administrator is authorized to withhold from any state tax refund due to the taxpayer an amount equal to the calculated Shared Responsibility Payment Penalty and shall place such amounts in the Health Insurance Market Integrity Fund created pursuant to section 42-157.1-5 of the general laws.

(g) Deficiency. If, upon examination of a taxpayer’s return, the tax administrator determines there is a deficiency because any refund due to the taxpayer is insufficient to satisfy the Shared Responsibility Penalty or because there was no refund due, the tax administrator may notify the taxpayer of such deficiency in accordance with section 44-30-81 and interest shall accrue on
such deficiency as set forth in section 44-30-84. All monies collected on said deficiency shall be
placed in the Health Insurance Market Integrity Fund created pursuant to section 42-157.1-5 of the
general laws.

(h) Application of Federal law. The Shared Responsibility Payment Penalty shall be
assessed and collected as set forth in this chapter and, where applicable, consistent with regulations
promulgated by the federal government, the exchange and/or the tax administrator. Any federal
regulation implementing section 5000A of the Internal Revenue Code of 1986, as amended, and in
effect on the 15th day of December 2017, shall apply as though incorporated into the Rhode Island
Code of Regulations. Federal guidance interpreting these federal regulations shall similarly apply.
Except as provided in subsections (i) and (k), all references to federal law shall be construed as
references to federal law as in effect on December 15, 2017, including applicable regulations and
administrative guidance that were in effect as of that date.

(i) Unavailability of Federal premium tax credits. For any taxable year in which federal
premium tax credits available pursuant to 26 U.S.C. section 36B become unavailable due to the
federal government repealing that section or failing to fund the premium tax credits, the Shared
Responsibility Payment Penalty under this section shall not be enforced.

(j) Imposition of Federal shared responsibility payment. For any taxable year in which a
federal penalty under section 5000A of the Internal Revenue Code of 1986 is imposed on a taxpayer
in an amount comparable to the Shared Responsibility Payment Penalty assessed under this section,
the state penalty shall not be enforced.

(k) Agency Coordination. Where applicable, the tax administrator shall implement this
section in consultation with the office of the health insurance commissioner, the office of
management and budget, the executive office of health and human services, and the Rhode Island
health benefits exchange.

44-30-102. Reporting Requirement for Applicable Entities providing Minimum
Essential Coverage.

(a) Findings.

(1) Ensuring the health of insurance markets is a responsibility reserved for states under
the McCarran-Ferguson Act and other federal law.

(2) There is substantial evidence that being uninsured causes health problems and
unnecessary deaths.

(3) The Shared Responsibility Payment Penalty imposed by subsection 44-30-101(c) of the
general laws is necessary to protect the health and welfare of the state’s residents.

(4) The reporting requirement provided for in this section is necessary for the successful
implementation of the Shared Responsibility Payment Penalty imposed by subsection 44-30-101(c) of the general laws. This requirement provides the only widespread source of third-party reporting to help taxpayers and the tax administrator verify whether an applicable individual maintains minimum essential coverage. There is compelling evidence that third-party reporting is crucial for ensuring compliance with tax provisions.

(5) The Shared Responsibility Payment Penalty imposed by subsection 44-30-101(c) of the general laws, and therefore the reporting requirement in this section, is necessary to ensure a stable and well-functioning health insurance market. There is compelling evidence that, without an effective Shared Responsibility Payment Penalty in place for those who go without coverage, there would be substantial instability in health insurance markets, including higher prices and the possibility of areas without any insurance available.

(6) The Shared Responsibility Payment Penalty imposed by subsection 44-30-101(c) of the general laws, and therefore the reporting requirement in this section, is also necessary to foster economic stability and growth in the state.

(7) The reporting requirement in this section has been narrowly tailored to support compliance with the Shared Responsibility Payment Penalty imposed by subsection 44-30-101(c) of the general laws, while imposing only an incidental burden on reporting entities. In particular, the information that must be reported is limited to the information that must already be reported under a similar federal reporting requirement under section 6055 of the Internal Revenue Code of 1986. In addition, this section provides that its reporting requirement may be satisfied by providing the same information that is currently reported under such federal requirement.

(b) Definitions. For purposes of this section:

(1) “Applicable entity” means:

(i) An employer or other sponsor of an employment-based health plan that offers employment-based minimum essential coverage to any resident of Rhode Island.

(ii) The Rhode Island Medicaid single state agency providing Medicaid or Children’s Health Insurance Program (CHIP) coverage.

(iii) Carriers licensed or otherwise authorized by the Rhode Island office of the health insurance commissioner to offer health coverage providing coverage that is not described in subparagraphs (i) or (ii).

(2) “Minimum essential coverage” has the meaning given such term by section 44-30-101(a)(2) of the general laws.

(c) For purposes of administering the Shared Responsibility Payment Penalty to individuals who do not maintain minimum essential coverage under subsection 44-30-101(b) of the general
laws, every applicable entity that provides minimum essential coverage to an individual during a calendar year shall, at such time as the tax administrator may prescribe, file a form in a manner prescribed by the tax administrator.

(d) Form and manner of return.

(1) A return, in such form as the tax administrator may prescribe, contains the following information:

(i) the name, address and TIN of the primary insured and the name and TIN of each other individual obtaining coverage under the policy;

(ii) the dates during which such individual was covered under minimum essential coverage during the calendar year, and

(iii) such other information as the tax administrator may require.

(2) Sufficiency of information submitted for federal reporting. Notwithstanding the requirements of paragraph (1), a return shall not fail to be a return described in this section if it includes the information contained in a return described in section 6055 of the Internal Revenue Code of 1986, as that section is in effect and interpreted on the 15th day of December 2017.

(e) Statements to be furnished to individuals with respect to whom information is reported.

(1) Any applicable entity providing a return under the requirements of this section shall also provide to each individual whose name is included in such return a written statement containing the name, address and contact information of the person required to provide the return to the tax administrator and the information included in the return with respect to the individuals listed thereupon. Such written statement must be provided on or before January 31 of the year following the calendar year for which the return was required to be made or by such date as may be determined by the tax administrator.

(2) Sufficiency of federal statement. Notwithstanding the requirements of paragraph (1), the requirements of this subsection (e) may be satisfied by a written statement provided to an individual under section 6055 of the Internal Revenue Code of 1986, as that section is in effect and interpreted on the 15th day of December 2017.

(f) Reporting responsibility.

(1) Coverage provided by governmental units. In the case of coverage provided by an applicable entity that is any governmental unit or any agency or instrumentality thereof, the officer or employee who enters into the agreement to provide such coverage (or the person appropriately designated for purposes of this section) shall be responsible for the returns and statements required by this section.

(2) Delegation. An applicable entity may contract with third-party service providers,
including insurance carriers, to provide the returns and statements required by this section.

SECTION 6. Section 2 of this article shall take effect January 1, 2020. The remainder of this article shall take effect upon passage.
ARTICLE 12 AS AMENDED

RELATING TO ECONOMIC DEVELOPMENT

SECTION 1. Section 42-64.20-3 of the General Laws in Chapter 42-64.20 entitled "Rebuild Rhode Island Tax Credit Act" is hereby amended to read as follows:

42-64.20-3. Definitions.

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

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

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

(4) "Applicant" means a developer applying for a rebuild Rhode Island tax credit under this chapter.

(5) "Business" means a corporation as defined in § 44-11-1(4), or a partnership, an S corporation, a non-profit corporation, a sole proprietorship, or a limited liability corporation. A business shall include an affiliate of the business if that business applies for a credit based upon any capital investment made by an affiliate.

(6) "Capital investment" in a real estate project means expenses by a developer incurred...
after application for:

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

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

In addition to the foregoing, if a developer acquires or leases a qualified development project, the capital investment made or acquired by the seller or owner, as the case may be, if pertaining primarily to the premises of the qualified development project, shall be considered a capital investment by the developer and, if pertaining generally to the qualified development project being acquired or leased, shall be allocated to the premises of the qualified development project on the basis of the gross leasable area of the premises in relation to the total gross leasable area in the qualified development project. The capital investment described herein shall be defined through rules and regulations promulgated by the commerce corporation.

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

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

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

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

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

(9) "Commercial" shall mean non-residential development.

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

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

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

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

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

(15) "Manufacturer" shall mean any entity that:
   (a) Uses any premises within the state primarily for the purpose of transforming raw
       materials into a finished product for trade through any or all of the following operations: adapting,
       altering, finishing, making, processing, refining, metalworking, and ornamenting, but shall not
       include fabricating processes incidental to warehousing or distribution of raw materials, such as
       alteration of stock for the convenience of a customer; or
   (b) Is described in codes 31-33 of the North American Industry Classification System, as
       revised from time to time.

(16) "Mixed use" means a development comprising both commercial and residential
components.

(17) "Partnership" means an entity classified as a partnership for federal income tax
purposes.

(18) "Placed in service" means the earlier of i) substantial construction or rehabilitation
work has been completed which would allow for occupancy of an entire structure or some
identifiable portion of a structure, as established in the application approved by the commerce
corporation board or ii) receipt by the developer of a certificate, permit or other authorization
allowing for occupancy of the project or some identifiable portion of the project by the municipal
authority having jurisdiction.

(19) "Project" means qualified development project as defined under subsection (22).

(20) "Project area" means land or lands under common ownership or control in which a
qualified development project is located.
(21) “Project cost” means the costs incurred in connection with the qualified development project or qualified residential or mixed use project by the applicant until the issuance of a permanent certificate of occupancy, or until such other time specified by the commerce corporation, for a specific investment or improvement, as defined through rules and regulations promulgated by the commerce corporation.

(22) "Project financing gap" means

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

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

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

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

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

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

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

(28) “Workforce housing” means housing for sale or rent with combined rental costs or combined mortgage loan debt service, property taxes, and required insurance that do not exceed thirty percent (30%) of the gross annual income of a household earning between eighty percent (80%) and one hundred and forty percent (140%) of the area median income, as defined annually by the United States Department of Housing and Urban Development.
SECTION 2. Section 42-64.20-5 of the General Laws in Chapter 42-64.20 entitled “Rebuild Rhode Island Tax Credit” is hereby amended to read as follows:

42-64.20-5. Tax credits.

(a) An applicant meeting the requirements of this chapter may be allowed a credit as set forth hereinafter against taxes imposed upon such person under applicable provisions of title 44 of the general laws for a qualified development project.

(b) To be eligible as a qualified development project entitled to tax credits, an applicant’s chief executive officer or equivalent officer shall demonstrate to the commerce corporation, at the time of application, that:

1. The applicant has committed a capital investment or owner equity of not less than twenty percent (20%) of the total project cost;

2. There is a project financing gap in which after taking into account all available private and public funding sources, the project is not likely to be accomplished by private enterprise without the tax credits described in this chapter; and

3. The project fulfills the state’s policy and planning objectives and priorities in that:
   
   (i) The applicant will, at the discretion of the commerce corporation, obtain a tax stabilization agreement from the municipality in which the real estate project is located on such terms as the commerce corporation deems acceptable;

   (ii) It (A) is a commercial development consisting of at least 25,000 square feet occupied by at least one business employing at least 25 full-time employees after construction or such additional full-time employees as the commerce corporation may determine; (B) is a multi-family residential development in a new, adaptive reuse, certified historic structure, or recognized historical structure consisting of at least 20,000 square feet and having at least 20 residential units in a hope community; or (C) is a mixed-use development in a new, adaptive reuse, certified historic structure, or recognized historical structure consisting of at least 25,000 square feet occupied by at least one business, subject to further definition through rules and regulations promulgated by the commerce corporation; and

   (iii) Involves a total project cost of not less than $5,000,000, except for a qualified development project located in a hope community or redevelopment area designated under § 45-32-4 in which event the commerce corporation shall have the discretion to modify the minimum project cost requirement.

(c) The commerce corporation shall develop separate, streamlined application processes for the issuance of Rebuild RI tax credits for each of the following:

(1) Qualified development projects that involve certified historic structures:
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(2) Qualified development projects that involve recognized historical structures;

(3) Qualified development projects that involve at least one manufacturer; and

(4) Qualified development projects that include affordable housing or workforce housing.

(d) Applications made for a historic structure or recognized historic structure tax credit under chapter 33.6 of title 44 shall be considered for tax credits under this chapter. The division of taxation, at the expense of the commerce corporation, shall provide communications from the commerce corporation to those who have applied for and are in the queue awaiting the offer of tax credits pursuant to chapter 33.6 of title 44 regarding their potential eligibility for the Rebuild RI Tax Credit program.

(e) Applicants (i) who have received the notice referenced in subsection (d) above and who may be eligible qualifying for a tax credit pursuant to chapter 33.6 of title 44, (ii) whose application involves a certified historic structure or recognized historical structure, or (iii) whose project is occupied by at least one manufacturer shall be exempt from the requirements of subparagraphs (b)(3)(ii) and (b)(3)(iii) of this section. The following procedure shall apply to such applicants:

(1) The division of taxation shall remain responsible for determining the eligibility of an applicant for tax credits awarded under chapter 33.6 of title 44;

(2) The commerce corporation shall retain sole authority for determining the eligibility of an applicant for tax credits awarded under this chapter; and

(3) The commerce corporation shall not award in excess of fifteen percent (15%) of the annual amount appropriated authorized in any fiscal year to applicants seeking tax credits pursuant to this subsection (ec).

(f) Maximum project credit.

(i) For qualified development projects, the maximum tax credit allowed under this chapter shall be the lesser of (1) thirty percent (30%) of the total project cost; or (2) the amount needed to close a project financing gap (after taking into account all other private and public funding sources available to the project), as determined by the commerce corporation.

(ii) The credit allowed pursuant to this chapter, inclusive of any sales and use tax exemptions allowed pursuant to this chapter, shall not exceed fifteen million dollars ($15,000,000) for any qualified development project under this chapter; except as provided in subsection (ii) of this section; provided however, any qualified development project which exceeds the project cap upon passage of this act shall be deemed not to exceed the cap, shall not be reduced nor shall it be further increased. No building or qualified development project to be completed in phases or in multiple projects shall exceed the maximum project credit of fifteen million dollars ($15,000,000)
for all phases or projects involved in the rehabilitation of such building. Provided, however, that
for purposes of this subsection and no more than once in a given fiscal year, the commerce
corporation may consider the development of land and buildings by a developer on the "I-195 land"
(as defined in § 42-64.24-3(6) of the general laws) as a separate, qualified development project
from a qualified development project by a tenant or owner of a commercial condominium or similar
legal interest including leasehold improvement, fit out, and capital investment. Such qualified
development project by a tenant or owner of a commercial condominium or similar legal interest
on the I-195 land may be exempted from subparagraph (d)(i)(1).

(iii) The credit allowed pursuant to this chapter, inclusive of any sales and use tax
exemptions allowed pursuant to this chapter, shall not exceed twenty-five million dollars
($25,000,000) for the project for which the I-195 redevelopment district was authorized to enter
into a purchase and sale agreement for parcels 42 and P4 on December 19, 2018, provided said
project is approved for credits pursuant to this chapter by the commerce corporation.

(e)(g) Credits available under this chapter shall not exceed twenty percent (20%) of the
project cost, provided, however, that the applicant shall be eligible for additional tax credits of not
more than ten percent (10%) of the project cost, if the qualified development project meets any of
the following criteria or other additional criteria determined by the commerce corporation from
time to time in response to evolving economic or market conditions:

(1) The project includes adaptive reuse or development of a recognized historical structure;
(2) The project is undertaken by or for a targeted industry;
(3) The project is located in a transit-oriented development area;
(4) The project includes residential development of which at least twenty percent (20%) of
the residential units are designated as affordable housing or workforce housing;
(5) The project includes the adaptive reuse of property subject to the requirements of the
industrial property remediation and reuse act, § 23-19.14-1 et seq.; or

(6) The project includes commercial facilities constructed in accordance with the minimum
environmental and sustainability standards, as certified by the commerce corporation pursuant to
Leadership in Energy and Environmental Design or other equivalent standards.

(f)(h) Maximum aggregate credits. The aggregate sum authorized pursuant to this chapter,
inclusive of any sales and use tax exemptions allowed pursuant to this chapter, shall not exceed one
hundred and fifty million dollars ($150,000,000) two hundred ten million dollars ($210,000,000),
excluding any tax credits allowed pursuant to subsection (f)(iii) of this section.

(g) Tax credits shall not be allowed under this chapter prior to the taxable year in which
the project is placed in service.
(h) The amount of a tax credit allowed under this chapter shall be allowable to the taxpayer in up to five, annual increments; no more than thirty percent (30%) and no less than fifteen percent (15%) of the total credits allowed to a taxpayer under this chapter may be allowable for any taxable year.

(i) If the portion of the tax credit allowed under this chapter exceeds the taxpayer’s total tax liability for the year in which the relevant portion of the credit is allowed, the amount that exceeds the taxpayer’s tax liability may be carried forward for credit against the taxes imposed for the succeeding four (4) years, or until the full credit is used, whichever occurs first. Credits allowed to a partnership, a limited liability company taxed as a partnership, or multiple owners of property shall be passed through to the persons designated as partners, members, or owners respectively prorata or pursuant to an executed agreement among such persons designated as partners, members, or owners documenting an alternate distribution method without regard to their sharing of other tax or economic attributes of such entity.

(j) The commerce corporation in consultation with the division of taxation shall establish, by regulation, the process for the assignment, transfer, or conveyance of tax credits.

(k) For purposes of this chapter, any assignment or sales proceeds received by the taxpayer for its assignment or sale of the tax credits allowed pursuant to this section shall be exempt from taxation under title 44. If a tax credit is subsequently revoked or adjusted, the seller's tax calculation for the year of revocation or adjustment shall be increased by the total amount of the sales proceeds, without proration, as a modification under chapter 30 of title 44. In the event that the seller is not a natural person, the seller's tax calculation under chapters 11, 13, 14, or 17 of title 44 of the general laws, as applicable, for the year of revocation, or adjustment, shall be increased by including the total amount of the sales proceeds without proration.

(l) The tax credit allowed under this chapter may be used as a credit against corporate income taxes imposed under chapters 11, 13, 14, or 17, of title 44, or may be used as a credit against personal income taxes imposed under chapter 30 of title 44 for owners of pass-through entities such as a partnership, a limited liability company taxed as a partnership, or multiple owners of property.

(m) In the case of a corporation, this credit is only allowed against the tax of a corporation included in a consolidated return that qualifies for the credit and not against the tax of other corporations that may join in the filing of a consolidated tax return.

(n) Upon request of a taxpayer and subject to annual appropriation, the state shall redeem such credit, in whole or in part, for ninety percent (90%) of the value of the tax credit. The division of taxation, in consultation with the commerce corporation, shall establish by regulation a redemption process for tax credits.
Projects eligible to receive a tax credit under this chapter may, at the discretion of the commerce corporation, be exempt from sales and use taxes imposed on the purchase of the following classes of personal property only to the extent utilized directly and exclusively in such project: (1) Furniture, fixtures and equipment, except automobiles, trucks, or other motor vehicles; or (2) Such other materials, including construction materials and supplies, that are depreciable and have a useful life of one year or more and are essential to the project.

The commerce corporation shall promulgate rules and regulations for the administration and certification of additional tax credit under subsection (e), including criteria for the eligibility, evaluation, prioritization, and approval of projects that qualify for such additional tax credit.

The commerce corporation shall not have any obligation to make any award or grant any benefits under this chapter.

SECTION 3. Section 42-64.20-7 and 42-64.20-10 of the General Laws in Chapter 42-64.20 entitled "Rebuild Rhode Island Tax Credit" are hereby amended to read as follows:

42-64.20-7. Rebuild Rhode Island tax credit fund.

(a) There is hereby established at the commerce corporation a restricted account known as the rebuild Rhode Island tax-credit fund (the "Fund") in which all amounts appropriated for the program created under this chapter shall be deposited. The fund shall be used (i) to pay for the redemption of tax credits or reimbursement to the state for tax credits applied against a taxpayer's liability; and (ii) to redeem or reimburse the state for any sales and use tax exemptions allowed pursuant to this chapter. The commerce corporation may pledge and reserve amounts deposited into the fund for the purpose of securing payment for the redemption of tax credits or for making reimbursements to municipalities pursuant to chapter 64.22 of title 42 of the general laws. The fund shall be exempt from attachment, levy, or any other process at law or in equity. The director of the department of revenue shall make a requisition to the commerce corporation for funding during any fiscal year as may be necessary to pay for the redemption of tax credits presented for redemption or to reimburse the state for tax credits applied against a taxpayer's tax liability. The commerce corporation shall pay from the fund such amounts as requested by the director of the department of revenue necessary for redemption or reimbursement in relation to tax credits granted under this chapter; provided, however, that the commerce corporation shall not be required to pay from the fund such sums pledged and reserved by the commerce corporation, as permitted in this section, except for redemption of tax credits.

(b) Notwithstanding anything in this chapter to the contrary, the commerce corporation may make a loan or equity investment as an alternative incentive in lieu of the provision of tax
credits so long as the applicant otherwise qualifies for tax credits under this chapter. In addition to the qualification requirements of this chapter, any loan or equity investment shall be subject to the provisions of §§ 42-64.20-5(b), (d), (e), (f), (g), (m), (o), (p), and (b), (i), (j), (q), (r) and (s), 42-64.20-7, 42-64.20-8, 42-64.20-9, and 42-64.20-10 as if such loan or equity investment were a tax credit. The commerce corporation may pay, reserve, and/or pledge monies for a loan or equity investment from the fund.

42-64.20-10. Sunset.

No credits shall be authorized to be reserved pursuant to this chapter after June 30, December 31, 2020.

SECTION 4. Section 44-11-11 of the General Laws in Chapter 44-11 entitled "Business Corporation Tax" is hereby amended to read as follows:


(a)(1) “Net income” means, for any taxable year and for any corporate taxpayer, the taxable income of the taxpayer for that taxable year under the laws of the United States, plus:

(i) Any interest not included in the taxable income;

(ii) Any specific exemptions;

(iii) The tax imposed by this chapter; and minus

(iv) Interest on obligations of the United States or its possessions, and other interest exempt from taxation by this state; and

(v) The federal net operating loss deduction.

(2) All binding federal elections made by or on behalf of the taxpayer applicable either directly or indirectly to the determination of taxable income shall be binding on the taxpayer except where this chapter or its attendant regulations specifically modify or provide otherwise. Rhode Island taxable income shall not include the "gross-up of dividends" required by the federal Internal Revenue Code to be taken into taxable income in connection with the taxpayer's election of the foreign tax credit.

(b) A net operating loss deduction shall be allowed which shall be the same as the net operating loss deduction allowed under 26 U.S.C. § 172, except that:

(1) Any net operating loss included in determining the deduction shall be adjusted to reflect the inclusions and exclusions from entire net income required by subsection (a) of this section and § 44-11-11.1;

(2) The deduction shall not include any net operating loss sustained during any taxable year in which the taxpayer was not subject to the tax imposed by this chapter; and

(3) The deduction shall not exceed the deduction for the taxable year allowable under 26
U.S.C. § 172; provided, that the deduction for a taxable year may not be carried back to any other taxable year for Rhode Island purposes but shall only be allowable on a carry forward basis for the five (5) succeeding taxable years.

(c) “Domestic international sales corporations” (referred to as DISCs), for the purposes of this chapter, will be treated as they are under federal income tax law and shall not pay the amount of the tax computed under § 44-11-2(a). Any income to shareholders of DISCs is to be treated in the same manner as it is treated under federal income tax law as it exists on December 31, 1984.

(d) A corporation which qualifies as a “foreign sales corporation” (FSC) under the provisions of subchapter N, 26 U.S.C. § 861 et seq., and which has in effect for the entire taxable year a valid election under federal law to be treated as a FSC, shall not pay the amount of the tax computed under § 44-11-2(a). Any income to shareholders of FSCs is to be treated in the same manner as it is treated under federal income tax law as it exists on January 1, 1985.

(e) For purposes of a corporation’s state tax liability, any deduction to income allowable under 26 U.S.C. 1400Z-2(c) may be claimed in the case of any investment held by the taxpayer for at least seven years. The division of taxation shall promulgate, in its discretion, rules and regulations relative to the accelerated application of deductions under 26 U.S.C. 1400Z-2(c).

SECTION 5. Section 44-30-12 of the General Laws in Chapter 44-30 entitled “Personal Income Tax” is hereby amended to read as follows:

44-30-12. Rhode Island income of a resident individual.

(a) General. The Rhode Island income of a resident individual means his or her adjusted gross income for federal income tax purposes, with the modifications specified in this section.

(b) Modifications increasing federal adjusted gross income. There shall be added to federal adjusted gross income:

(1) Interest income on obligations of any state, or its political subdivisions, other than Rhode Island or its political subdivisions;

(2) Interest or dividend income on obligations or securities of any authority, commission, orinstrumentality of the United States, but not of Rhode Island or its political subdivisions, to the extent exempted by the laws of the United States from federal income tax but not from state income taxes;

(3) The modification described in § 44-30-25(g);

(4)(i) The amount defined below of a nonqualified withdrawal made from an account in the tuition savings program pursuant to § 16-57-6.1. For purposes of this section, a nonqualified withdrawal is:

(A) A transfer or rollover to a qualified tuition program under Section 529 of the Internal...
Revenue Code, 26 U.S.C. § 529, other than to the tuition savings program referred to in § 16-57-6.1; and

(B) A withdrawal or distribution which is:

(I) Not applied on a timely basis to pay "qualified higher education expenses" as defined in § 16-57-3(12) of the beneficiary of the account from which the withdrawal is made;

(II) Not made for a reason referred to in § 16-57-6.1(e); or

(III) Not made in other circumstances for which an exclusion from tax made applicable by Section 529 of the Internal Revenue Code, 26 U.S.C. § 529, pertains if the transfer, rollover, withdrawal or distribution is made within two (2) taxable years following the taxable year for which a contributions modification pursuant to subdivision (c)(4) of this section is taken based on contributions to any tuition savings program account by the person who is the participant of the account at the time of the contribution, whether or not the person is the participant of the account at the time of the transfer, rollover, withdrawal or distribution;

(ii) In the event of a nonqualified withdrawal under subparagraphs (i)(A) or (i)(B) of this subdivision, there shall be added to the federal adjusted gross income of that person for the taxable year of the withdrawal an amount equal to the lesser of:

(A) The amount equal to the nonqualified withdrawal reduced by the sum of any administrative fee or penalty imposed under the tuition savings program in connection with the nonqualified withdrawal plus the earnings portion thereof, if any, includible in computing the person's federal adjusted gross income for the taxable year; and

(B) The amount of the person's contribution modification pursuant to subdivision (c)(4) of this section for the person's taxable year of the withdrawal and the two (2) prior taxable years less the amount of any nonqualified withdrawal for the two (2) prior taxable years included in computing the person's Rhode Island income by application of this subsection for those years. Any amount added to federal adjusted gross income pursuant to this subdivision shall constitute Rhode Island income for residents, nonresidents and part-year residents; and


(6) The amount equal to any unemployment compensation received but not included in federal adjusted gross income.

(7) The amount equal to the deduction allowed for sales tax paid for a purchase of a qualified motor vehicle as defined by the Internal Revenue Code § 164(a)(6).

(c) Modifications reducing federal adjusted gross income. There shall be subtracted from federal adjusted gross income:

(1) Any interest income on obligations of the United States and its possessions to the extent
includible in gross income for federal income tax purposes, and any interest or dividend income on
obligations, or securities of any authority, commission, or instrumentality of the United States to
the extent includible in gross income for federal income tax purposes but exempt from state income
taxes under the laws of the United States; provided, that the amount to be subtracted shall in any
case be reduced by any interest on indebtedness incurred or continued to purchase or carry
obligations or securities the income of which is exempt from Rhode Island personal income tax, to
the extent the interest has been deducted in determining federal adjusted gross income or taxable
income;

(2) A modification described in § 44-30-25(f) or § 44-30-1.1(c)(1);

(3) The amount of any withdrawal or distribution from the "tuition savings program"
referred to in § 16-57-6.1 which is included in federal adjusted gross income, other than a
withdrawal or distribution or portion of a withdrawal or distribution that is a nonqualified
withdrawal;

(4) Contributions made to an account under the tuition savings program, including the
"contributions carryover" pursuant to paragraph (iv) of this subdivision, if any, subject to the
following limitations, restrictions and qualifications:

(i) The aggregate subtraction pursuant to this subdivision for any taxable year of the
taxpayer shall not exceed five hundred dollars ($500) or one thousand dollars ($1,000) if a joint
return;

(ii) The following shall not be considered contributions:

(A) Contributions made by any person to an account who is not a participant of the account
at the time the contribution is made;

(B) Transfers or rollovers to an account from any other tuition savings program account or
from any other "qualified tuition program" under section 529 of the Internal Revenue Code, 26
U.S.C. § 529; or

(C) A change of the beneficiary of the account;

(iii) The subtraction pursuant to this subdivision shall not reduce the taxpayer's federal
adjusted gross income to less than zero (0);

(iv) The contributions carryover to a taxable year for purpose of this subdivision is the
excess, if any, of the total amount of contributions actually made by the taxpayer to the tuition
savings program for all preceding taxable years for which this subsection is effective over the sum
of:

(A) The total of the subtractions under this subdivision allowable to the taxpayer for all
such preceding taxable years; and
(B) That part of any remaining contribution carryover at the end of the taxable year which exceeds the amount of any nonqualified withdrawals during the year and the prior two (2) taxable years not included in the addition provided for in this subdivision for those years. Any such part shall be disregarded in computing the contributions carryover for any subsequent taxable year;

(v) For any taxable year for which a contributions carryover is applicable, the taxpayer shall include a computation of the carryover with the taxpayer's Rhode Island personal income tax return for that year, and if for any taxable year on which the carryover is based the taxpayer filed a joint Rhode Island personal income tax return but filed a return on a basis other than jointly for a subsequent taxable year, the computation shall reflect how the carryover is being allocated between the prior joint filers; and

(5) The modification described in § 44-30-25.1(d)(1).

(6) Amounts deemed taxable income to the taxpayer due to payment or provision of insurance benefits to a dependent, including a domestic partner pursuant to chapter 12 of title 36 or other coverage plan.

(7) Modification for organ transplantation.

(i) An individual may subtract up to ten thousand dollars ($10,000) from federal adjusted gross income if he or she, while living, donates one or more of his or her human organs to another human being for human organ transplantation, except that for purposes of this subsection, "human organ" means all or part of a liver, pancreas, kidney, intestine, lung, or bone marrow. A subtract modification that is claimed hereunder may be claimed in the taxable year in which the human organ transplantation occurs.

(ii) An individual may claim that subtract modification hereunder only once, and the subtract modification may be claimed for only the following unreimbursed expenses that are incurred by the claimant and related to the claimant's organ donation:

(A) Travel expenses.

(B) Lodging expenses.

(C) Lost wages.

(iii) The subtract modification hereunder may not be claimed by a part-time resident or a nonresident of this state.

(8) Modification for taxable Social Security income.

(i) For tax years beginning on or after January 1, 2016:

(A) For a person who has attained the age used for calculating full or unreduced social security retirement benefits who files a return as an unmarried individual, head of household or married filing separate whose federal adjusted gross income for such taxable year is less than eighty
thousand dollars ($80,000); or

(B) A married individual filing jointly or individual filing qualifying widow(er) who has
attained the age used for calculating full or unreduced social security retirement benefits whose
joint federal adjusted gross income for such taxable year is less than one hundred thousand dollars
($100,000), an amount equal to the social security benefits includable in federal adjusted gross
income.

(ii) Adjustment for inflation. The dollar amount contained in subparagraphs 44-30-
12(c)(8)(i)(A) and 44-30-12(c)(8)(i)(B) shall be increased annually by an amount equal to:

(A) Such dollar amount contained in subparagraphs 44-30-12(c)(8)(i)(A) and 44-30-
12(c)(8)(i)(B) adjusted for inflation using a base tax year of 2000, multiplied by;

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

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

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

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

(9) Modification for up to fifteen thousand dollars ($15,000) of taxable retirement income
from certain pension plans or annuities.

(i) For tax years beginning on or after January 1, 2017, a modification shall be allowed for
up to fifteen thousand dollars ($15,000) of taxable pension and/or annuity income that is included
in federal adjusted gross income for the taxable year:

(A) For a person who has attained the age used for calculating full or unreduced social
security retirement benefits who files a return as an unmarried individual, head of household, or
married filing separate whose federal adjusted gross income for such taxable year is less than the
amount used for the modification contained in § 44-30-12(c)(8)(i)(A) an amount not to exceed
$15,000 of taxable pension and/or annuity income includable in federal adjusted gross income; or

(B) For a married individual filing jointly or individual filing qualifying widow(er) who has attained the age used for calculating full or unreduced social security retirement benefits whose joint federal adjusted gross income for such taxable year is less than the amount used for the modification contained in § 44-30-12(c)(8)(i)(B) an amount not to exceed $15,000 of taxable pension and/or annuity income includable in federal adjusted gross income.

(ii) Adjustment for inflation. The dollar amount contained by reference in §§ 44-30-12(c)(9)(i)(A) and 44-30-12(c)(9)(i)(B) shall be increased annually for tax years beginning on or after January 1, 2018 by an amount equal to:

(A) Such dollar amount contained by reference in §§ 44-30-12(c)(9)(i)(A) and 44-30-12(c)(9)(i)(B) adjusted for inflation using a base tax year of 2000, multiplied by;

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

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

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

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

(10) Modification for Rhode Island investment in opportunity zones. For purposes of a taxpayer’s state tax liability, in the case of any investment in a Rhode Island opportunity zone by the taxpayer for at least seven (7) years, a modification to income shall be allowed for the incremental difference between the benefit allowed under 26 U.S.C. 1400Z-2(b)(2)(B)(iv) and the federal benefit allowed under 26 U.S.C. 1400Z-2(c).

(d) Modification for Rhode Island fiduciary adjustment. There shall be added to, or subtracted from, federal adjusted gross income (as the case may be) the taxpayer's share, as beneficiary of an estate or trust, of the Rhode Island fiduciary adjustment determined under § 44-
(e) Partners. The amounts of modifications required to be made under this section by a partner, which relate to items of income or deduction of a partnership, shall be determined under § 44-30-15.

SECTION 6. Section 44-31.2-5 and 44-31.2-11 of the General Laws in Chapter 44-31.2 entitled "Motion Picture Production Tax Credits" are hereby amended to read as follows:

**44-31.2-5. Motion picture production company tax credit.**

(a) A motion picture production company shall be allowed a credit to be computed as provided in this chapter against a tax imposed by chapters 11, 14, 17, and 30 of this title. The amount of the credit shall be thirty percent (30%) of the state certified production costs incurred directly attributable to activity within the state, provided that the primary locations are within the state of Rhode Island and the total production budget as defined herein is a minimum of one hundred thousand dollars ($100,000). The credit shall be earned in the taxable year in which production in Rhode Island is completed, as determined by the film office in final certification pursuant to § 44-31.2-6(c).

(b) For the purposes of this section: "total production budget" means and includes the motion picture production company's pre-production, production, and post-production costs incurred for the production activities of the motion picture production company in Rhode Island in connection with the production of a state-certified production. The budget shall not include costs associated with the promotion or marketing of the film, video, or television product.

(c) Notwithstanding subsection (a), the credit shall not exceed seven million dollars ($7,000,000) and shall be allowed against the tax for the taxable period in which the credit is earned and can be carried forward for not more than three (3) succeeding tax years. Pursuant to rules promulgated by the tax administrator, the administrator may issue a waiver of the seven million dollars ($7,000,000) tax credit cap for any feature-length film or television series up to the remaining funds available pursuant to section (e).

(d) Credits allowed to a motion picture production company, which is a subchapter S corporation, partnership, or a limited-liability company that is taxed as a partnership, shall be passed through respectively to persons designated as partners, members, or owners on a pro rata basis or pursuant to an executed agreement among such persons designated as subchapter S corporation shareholders, partners, or members documenting an alternate distribution method without regard to their sharing of other tax or economic attributes of such entity.

(e) No more than fifteen million dollars ($15,000,000) in total may be issued for any tax year beginning after December 31, 2007, for motion picture tax credits pursuant to this chapter.
and/or musical and theatrical production tax credits pursuant to chapter 31.3 of this title. After December 31, 2019, no more than twenty million dollars ($20,000,000) in total may be issued for any tax year for motion picture tax credits pursuant to this chapter and/or musical and theatrical production tax credits pursuant to chapter 31.3 of this title. Said credits shall be equally available to motion picture productions and musical and theatrical productions. No specific amount shall be set aside for either type of production.

**44-31.2-11. Sunset.**

No credits shall be issued on or after July 1, 2024, July 1, 2027, unless the production has received initial certification under § 44-31.2-6(a) prior to July 1, 2024, July 1, 2027.

SECTION 7. Section 44-48.3-6 of the General Laws in Chapter 44-48.3 entitled "Rhode Island New Qualified Jobs Incentive Act 2015" is hereby amended to read as follows:

**44-48.3-6. Total amount of tax credit for eligible business.**

(a) The base amount of the tax credit for an eligible business for each new full-time job shall be up to two thousand five hundred dollars ($2,500) annually.

(b) The total tax credit amount shall be calculated and credited to the business annually for each year of the eligibility period after the commerce corporation, in consultation with the division of taxation, has verified that the jobs covered by the tax credit have generated sufficient personal income taxes to comply with subsection (e) of this section.

(c) In addition to the base amount of the tax credit, the amount of the tax credit to be awarded for each new full-time job may be increased, pursuant to the provisions of subsection (d) of this section, if the business meets any of the following criteria or such other additional criteria determined by the commerce corporation from time to time in response to evolving economic or market conditions:

(1) For a business located within a hope community;

(2) For a targeted industry;

(3) For a business located within a transit oriented development area; and

(4) For an out-of-state business that relocates a business unit or units or creates a significant number of new full-time jobs during the commitment period.

(d) For any application made to the commerce corporation from 2015 through 2018, the tax credit for an eligible business for each new full-time job shall not exceed seven thousand five hundred dollars ($7,500) annually.

(e) Notwithstanding the provisions of subsections (a) through (d) of this section, for each application approved by the commerce corporation prior to July 1, 2019, the amount of tax credits available to be obtained by the business annually shall not exceed the reasonable W-2 withholding.

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received by the state for each new full-time job created by a business for applications received by the commerce corporation in 2015 through 2018. For each application approved by the commerce corporation after July 1, 2019, the amount of tax credits available to be obtained by the business annually shall not exceed seventy-five percent (75%) of the reasonable W-2 withholding received by the state for each new full-time job created by a business for applications received by the commerce corporation.

(f) The commerce corporation shall establish regulations regarding the conditions under which a business may submit more than one application for tax credits over time. The commerce corporation may place limits on repeat applications.

SECTION 8. Title 45 of the General Laws entitled “TOWNS AND CITIES” is hereby amended by adding thereto the following chapter:

CHAPTER 24.6
SPECIAL ECONOMIC DEVELOPMENT DISTRICTS

45-24.6-1. Declaration of purpose.

(a) According to the United States Census Bureau estimates as of 2015, Rhode Island ranks second among the fifty (50) states in terms of population density. Notwithstanding this, there exists within the various municipalities of the state, certain large tracts of developable or blighted state-owned land, which areas represent in and of themselves and are often contiguous with areas of vital economic importance to the state. In light of this, the state declares that these tracts of state-owned land, and more specifically those tracts that are twenty (20) or more contiguous acres in size, are important state assets which require the coordination of federal, state, local, or private action to efficiently make use of these lands.

(b) It is further declared that coordination is paramount to development as time delays, redundant approvals and local eccentricities often impede development projects.

(c) It is further declared that there is a statewide need for coordinated attention to and supervision of the development of these areas for the purpose of education, enjoyment, and welfare of the general public, the promotion of commercial and economic development, the attraction to our state of appropriate business, industrial, and tourist trade, resources, and investment, the development of an attractive environment that fosters the social welfare and health of the public.

(d) It is further declared that the developmental tools presently available to municipalities in the state do not contain sufficient flexibility to address the unique problems arising from the projects and to govern comprehensive and coordinated development of areas subject to these projects consistently with the previously-declared public needs and purposes. Proper development of these areas, consistent with the general welfare, may require designation of special land-use
districts and special land-use controls, which may be more stringent or more flexible than existing zoning, planning, and other developmental tools, and the adoption, implementation, and administration of a plan that establishes a framework for development including detailed design and development criteria, regulations, and enforcement procedures.

(c) It is further declared that the most efficient and effective method to further the previously-declared public policy of the state to encourage the appropriate, comprehensive, and coordinated development of these properties is to permit the creation of special economic development districts in the municipalities of the state and the creation of special economic development district commissions to adopt, implement, and administer plans of development that establish and enforce design and development criteria and regulations for the development of these areas.

45-24.6-2. Short title.

This chapter may be known and may be cited as the "Rhode Island Special Economic Development District Enabling Act".

45-24.6-3. Definitions.

As used in this chapter, the following words and terms have the following meanings, unless the context indicates another or different meaning or intent:

(1) "Certificate of approval" means the document issued by a special economic development district commission approving an application for construction, erection, alteration, demolition, or use of a structure or land within the special economic development district, and pursuant to which a building permit may be issued.

(2) "Certificate of rejection" means the document issued by a special economic development district commission rejecting an application for construction, erection, alteration, demolition, or use of a structure or land within a special economic development district.

(3) "Commission" means a special economic development district commission or independent public instrumentality authorized by the general assembly and empowered by this chapter.

(4) "Contiguous acres" means tracts or parcels of land that abut or connect without excepting therefrom streams, ponds, rivers, roads, bridges, or other types of paths or rights of way.

(5) "Development map" means a map of a special economic development district that shows the parcels into which the district may have been divided according to the plan of development.

(6) "District" means any developable or blighted state-owned tracts or parcels of land, which at its creation, aggregation and/or acquisition by a state agency or instrumentality consists
of or consisted of twenty (20) or more contiguous acres in size.

(7) "Permit" means a building permit issued by a duly licensed building inspector.

(8) "Person" means a natural person or any other legal entity, including, but not limited to, a corporation, firm, partnership, or trust.

(9) "Plan of development" or "plan" means a plan, including design and development criteria and regulations, for the development of a special economic development district adopted by a special economic development district commission pursuant to this chapter.

(10) "Regulations" means the rules regulating the construction, erection, alteration, demolition, or use of a structure or land within a special development district adopted by a special economic development commission pursuant to a plan of development.

(11) "Special economic development district" means an area of a municipality or municipalities that has been or will be established, designated, laid out, or defined by the general assembly including but not limited to, independent public instrumentalities created by the general assembly.

(12) "Structure" means a building or anything that is constructed or erected and that requires location on the ground or attachment to something located on the ground.

45-24.6-4. Special economic development districts authorized.

(a) For the purposes stated in § 45-24.6-1, the general assembly may, by statute, establish, designate, lay out, and define, as special economic development districts, areas that are, may be or have been the subject of, or substantially affected by combined federal, state, local, or private action, in the same manner as municipalities are presently empowered to establish, designate, lay out, and define zoning districts, and which lands are developable or blighted state-owned tracts or parcels of land, and which at the time of the creation of the district, consist of twenty (20) or more contiguous acres in size. Properties owned or controlled by the department of environmental management shall not be subject to the provisions of this chapter.

(b) The boundaries of a special economic development district established, designated, laid out, and defined according to the provisions of this chapter, may be amended only by an act of the general assembly.

(c) The powers of the district to achieve the purposes of this chapter shall be exercised by a commission as herein provided as a public corporation and instrumentality of the state, to adopt, implement, and administer a plan of development.

Each district commission shall consist of seven (7) voting members. The governor of the state of Rhode Island shall appoint, with the advice and consent of the senate, the seven (7) voting members of the commission. The commission shall have the sole authority to adopt, implement,
and administer a plan of development for the special economic development district.

45-24.6-5. Powers of commission.

A special economic development district commission established under this chapter shall have all powers necessary and incidental to the adoption, implementation, and administration of a plan of development, and any other powers that the general assembly may grant in the creation of the commission.

45-24.6-6. Adoption of special development district plan – Regulation of structures and uses - Notice.

(a) A special economic development district commission shall adopt a plan of development. Any plan of development adopted by a special economic development district commission pursuant to this chapter may regulate and restrict, by means of regulations duly adopted by the commission, the erection, construction, reconstruction, alteration, repair, or use of buildings, structures, or land within the special economic development district in a uniform, consistent, and nondiscriminatory manner that is rationally related to the purposes of this chapter. The plan may include regulations relating to allowable land uses, the location and use of buildings, street systems, dimensional, height and area coverage requirements, setbacks and build-to lines, frontage, parking requirements, landscaping, pedestrian travel, signs, design review, open spaces, and population density.

(b) Pursuant to the plan of development, the commission may divide the special economic development district into several parcels as indicated on a development map, and may regulate structures and uses differently in different parcels, so long as regulation of similar structures and uses is uniform within any one parcel.

(c) A plan of development may be adopted or amended only after a public hearing before the commission, at which all interested parties have an opportunity to be heard. Notice of the time, place, nature, and purpose of the public hearing shall be given to all owners of real property within the bounds of the special economic development district and within two hundred feet (200') of the perimeter thereof, by registered or certified mail at least seven (7) days before the date of the hearing, and by publication of notice in a newspaper of general circulation within the municipality at least once each week for three (3) successive weeks prior to the date of the hearing.

(d) The municipality shall not have concurrent jurisdiction over the special economic development district.

45-24.6-7. Permit required to erect, construct, alter, repair, or demolish structure – Commission quorum and voting.

(a) Before any structure may be erected, constructed, altered, repaired, or demolished
within a special economic development district, the person proposing the construction or other alteration shall file with the commission an application for permission to erect, construct, alter, repair, or demolish the structure, together with plans and specifications, all that may be required by regulations adopted by the commission. It is the duty of the commission to review the application, plans, and specifications, and no building permit shall be granted until the commission has acted on it. No construction or other alteration of a structure may be undertaken within a special development district without a permit. The commission may, by regulation, coordinate permit approvals with state building officials and fire marshals, city or town officials or duly qualified independent staff or consultants.

(b) Nothing in this chapter prevents or is to be construed to prevent ordinary maintenance or repair of any structure within the special economic development district; nor shall anything in this chapter prevent or be construed to prevent the continuance of the use of any building or improvement for any purpose to which the building or improvement was lawfully devoted at the time of the adoption of a plan of development, or to prevent or be construed to prevent the erection, construction, alteration, repair, or demolition of any structure under a permit issued by the inspector of buildings prior to the adoption of a plan of development pursuant to this chapter.

(c) At all meetings of the commission, a majority of the commissioners is necessary and sufficient to constitute a quorum for the transaction of business, and the act of a majority of the commissioners present at any meeting at which there is a quorum is the act of the commission, except as otherwise provided by law.

45-24.6-8. Variances, deviations, and special exceptions.

(a) Any commission that adopts or has adopted a plan conforming to this chapter has the authority to grant variances, deviations, and special exceptions of any regulations adopted pursuant to that plan, upon the application of an aggrieved property owner:

(1) Special exceptions to the terms of the regulations may be granted in those cases specified in the regulations, and subject to those conditions and safeguards specified therein, where the use granted by special exception is reasonably necessary for the convenience or welfare of the public and does not substantially or permanently injure the value of neighboring property.

(2) Variances may be granted where, owing to special conditions, enforcement of the regulations would result in unnecessary hardship, where the variance will not be contrary to the public interest, and the spirit of the plan will be observed and substantial justice done.

(3) Deviations may be granted where the enforcement of the regulations relating to setbacks, build-to lines, and other area and dimensional restrictions would preclude the full enjoyment by the owner of a permitted use and amount to more than a mere inconvenience.
(b) The commission shall hold a hearing on the application within a reasonable time, and give public notice and due notice of the hearing to the parties in interest and property owners within two hundred feet (200') of the affected property. At any hearing any party may appear in person or by agent or attorney.

(c) Nothing in this chapter shall be construed to restrict, amend, repeal, or otherwise supersede the jurisdiction of the commission regarding any area designated a special development district pursuant to this chapter.

45-24.6-9. Appeals to superior court.

(a) Any person or persons jointly or severally aggrieved by a decision of the commission may appeal to the superior court for the county in which the special economic development district is situated by filing a complaint stating the reasons of appeal within twenty (20) days after the decision has been filed in the office of the commission. The commission shall file the original documents acted upon by it and constituting the record of the hearing appealed from, or certified copies of the documents, together with any other facts that may be pertinent, with the clerk of the court within ten (10) days after being served with a copy of the complaint. When the complaint is filed by someone other than the original applicant or appellant, the original applicant or appellant and the members of the commission shall be made parties to the proceedings. The appeal shall not stay proceedings upon the decision being appealed, but the court may, in its discretion, grant a stay on appropriate terms and make any other orders that it deems necessary for an equitable disposition of the appeal.

(b) If, before the date set for hearing in the superior court, an application is made to the court for leave to present additional evidence before the commission, and it is shown to the satisfaction of the court that the additional evidence is material and that there were good reasons for the failure to present it at the hearing before the commission, the court may order that the additional evidence be taken before the commission upon conditions determined by the court. The commission may modify its findings and decision by reason of the additional evidence and file that evidence and any modifications, new findings, or decisions with the superior court.

(c) The review shall be conducted by the superior court without a jury. The court shall consider the record of the hearing before the commission, and if it appears to the court that additional evidence is necessary for the proper disposition of the matter, it may allow any party to the appeal to present evidence in open court, which evidence, along with the record shall constitute the record upon which the determination of the court is made.

(d) The court shall not substitute its judgment for that of the commission as to the weight of the evidence on questions of fact. The court may affirm the decision of the commission or remand.
the case for further proceedings, or may reverse or modify the decision if substantial rights of the
appellant have been prejudiced because of findings, inferences, conclusions, or decisions which
are:

(1) In violation of constitutional, statutory provisions;
(2) In excess of the authority granted to the commission by statute;
(3) Made upon unlawful procedure;
(4) Affected by other error of law;
(5) Clearly erroneous in view of the reliable, probative, and substantial evidence of the
whole record; or

(6) Arbitrary or capricious or characterized by abuse of discretion or clearly unwarranted
exercise of discretion.

45-24.6-10. Construction of chapter.
Whenever the context permits in this chapter, the use of the plural includes the singular,
the singular, the plural, and the use of any gender is deemed to include all genders.

If any one or more sections, clauses, sentences, or parts of this chapter are for any reason
 adjudged unconstitutional or invalid in any court, the judgment does not affect, impair, or invalidate
the remaining provisions of this chapter, but are confined in its operation to the specific provisions
so held unconstitutional or invalid, and the inapplicability or invalidity of any section, clause, or
provision of this chapter in any one or more instances or circumstances shall not be taken to affect
or prejudice in any way its applicability or validity in any other instance.

45-24.6-12. Applicability of other laws.
(a) Any special economic development district commission created pursuant to this chapter
will not be subject to the provisions of §§ 42-35-1 through 42-35-18. Any commission and its
members will be subject to the provisions of §§ 36-14-1 through 36-14-21, §§ 38-2-1 through 38-
(b) In the event of a conflict between the provisions of this chapter and any other provisions
of the general laws governing the powers of any other district commission created by or pursuant
to the general laws, including but not limited to the I-195 redevelopment district established
pursuant to chapter 64.14 of title 42, the provisions of this chapter shall prevail. The provisions of
this chapter shall also prevail over any district commissions established by legislation promulgated
after the effective date of this act, unless specifically exempted by that legislation.

SECTION 9. Sections 42-64.14-5, 42-64.14-8 and 42-64.14-18 of the General Laws in
Chapter 42-64.14 entitled "The I-195 Redevelopment Act of 2011" are hereby amended to read as
follows:

42-64.14-5. The I-195 redevelopment district created.

(a) The I-195 redevelopment district is hereby constituted as an independent public
instrumentality and body corporate and politic for the purposes set forth in this chapter with a
separate legal existence from the city of Providence and from the state and the exercise by the
commission of the powers conferred by this chapter shall be deemed and held to be the performance
of an essential public function. The boundaries of the district are established in § 37-5-8. However,
parcels P2 and P4, as delineated on that certain plan of land captioned "Improvements to Interstate
Route 195, Providence, Rhode Island, Proposed Development Parcel Plans 1 through 10, Scale: 1"
=20', May 2010, Bryant Associates, Inc., Engineers-Surveyors-Construction Managers, Lincoln,
RI, Maguire Group, Inc., Architects/Engineers/Planners, Providence, RI,” shall be developed and
continued to be used as parks or park supporting activity; provided, however, the commission may,
from time to time, pursuant to action taken at a meeting of the commission in public session, adjust
the boundaries of parcel P4 provided that at all times parcel P4 shall contain no fewer than one
hundred eighty-six thousand one hundred eighty-six square feet (186,186 ft²) of land and provided,
further, that the city of Providence shall not be responsible for the upkeep of the parks unless a
memorandum of understanding is entered into between the commission or the state and the city of
Providence that grants full funding to the city for that purpose.

(b) The property owned by the district is designated as a special economic development
district pursuant to § 45-24-6-4 and constitutes state-owned land within the meaning of that section.

The I-195 redevelopment district commission established in this chapter shall oversee,
plan, implement, and administer the development of the areas within the district consistent with
and subject to the city of Providence comprehensive plan adopted by the city pursuant to § 45-22-
2.1 et seq. and the city of Providence zoning ordinances pursuant to § 45-24-27 et seq. as previously
enacted by the city of Providence, and as may be enacted and/or amended from time to time through
July 1, 2012, or enacted and/or amended thereafter with the consent of the commission.

(c) The city of Providence shall not be required to install or pay for the initial installation
of any public or private utility infrastructure within the district.

(d) It is the intent of the general assembly by the passage of this chapter to vest in the
commission all powers, authority, rights, privileges, and titles that may be necessary to enable it to
accomplish the purposes herein set forth, and this chapter and the powers granted hereby shall be
liberally construed in conformity with those purposes.

42-64.14-8. Additional general powers.

In addition to the powers of the commission otherwise provided herein, the commission
shall have the powers set forth below and shall be subject to the limitations herein set forth. Except
as may be expressly limited by action of the commission at a regular or special meeting, the
commission shall have the powers necessary to put into effect the powers of the commission as set
forth below and as herein limited.

(a) The commission is authorized and empowered to fix, revise, charge, collect, and abate
fees, rates, assessments, delinquency charges, and other charges for its services, and other services,
facilities, and commodities furnished or supplied by it including penalties for violations of such
regulations as the commission may from time to time promulgate under this chapter. Fees, rates,
assessments, delinquency charges, and other charges of general application shall be adopted and
revised by the commission in accordance with procedures to be established by the commission for
assuring that interested persons are afforded notice and an opportunity to present data, views, and
arguments. The commission shall hold at least one public hearing on its schedule of fees, rates, and
charges or any revision thereof prior to adoption, notice of which shall be published in a newspaper
of substantial circulation in the district at least fifteen (15) days in advance of the hearing, and
notice of the hearing shall be provided to the city council of the city of Providence. No later than
the date of such publication the commission shall make available to the public the proposed
schedule of fees, rates, and charges. Fees, rates, rents, assessments, abatements, and other charges
established by the commission shall not be subject to supervision or regulation by any department,
division, district, board, bureau, or agency of the state or any of its political subdivisions. In order
to provide for the collection and enforcement of its fees, rates, rents, assessments, and other charges,
the commission is hereby granted all the powers and privileges with respect to such collection and
enforcement held by the city of liens for unpaid taxes. Provided however that the commission shall
be required to collect all project application fees, zoning fees and charges, building permit fees, fire
code compliance or other public safety permit fees or charges, planning fees, historic district fees
and charges, and other similar fees and charges that would otherwise be payable to the city of
Providence in connection with such projects located in the city of Providence and remit the greater
of one-half (1/2) of such fees collected by the commission to the city of Providence, or one-half
(1/2) of such fees the city of Providence would have received from the project under the city's
ordinances uniformly applied. The city of Providence shall continue to be entitled to collect all
other customary fees for development and maintenance within the district as uniformly applied
throughout the city of Providence, including, but not limited to, utility tie-in, connection fees,
maintenance fees and assessments.

(b) Notwithstanding any provision of law to the contrary, in order to provide for the
consolidated, coordinated, efficient and effective exercise of public development powers affecting
or benefiting the city of Providence and the state within the boundaries of the district as defined in § 37-5-8, the commission shall have the powers of:

(i) A special development district as provided for in chapter 45-24.4.

(ii) A redevelopment agency as provided for in chapters 45-31, 45-31.1, 45-31.2, 45-32, and 45-33 within areas of the district which are part of an enterprise zone as provided for in chapter 42-64.3. Within the district, the term "blighted area and substandard area" shall be deemed to include areas where the presence of hazardous materials, as defined in § 23-19.14-2, impairs the use, reuse, or redevelopment of impacted sites.

(iii) A municipal public buildings authority as provided for in chapter 45-50.

(iv) A subsidiary of the Rhode Island commerce corporation and the enactment of this chapter shall constitute the approval of the general assembly as required by § 42-64-7.1.

(v) The city planning board as established pursuant to chapter 45-23.

(vi) The city zoning board as established pursuant to chapter 45-24, including, but not limited to, the granting of any use or dimensional variances or special use permits.

(vii) The city historic district commission established pursuant to chapter 45-24.1.

(viii) Any other city board existing or created that exercises any of the authorities of a planning board, zoning board, design review board or historic district commission. Provided, however, and notwithstanding the foregoing, the commission shall at all times ensure that all projects and development subject to the jurisdiction of the commission are consistent with and subject to the city of Providence comprehensive plan adopted by the city pursuant to § 45-22.2.1 et seq. and the city of Providence zoning ordinances pursuant to § 45-24-27 et seq. as previously enacted by the city of Providence, and as may be enacted and/or amended from time to time through July 1, 2012, or enacted and/or amended thereafter with the consent of the commission.

(ix) A special economic development district as provided for in chapter 24.6 of title 45.

For the benefit of the district, the commission shall have the power to enter into agreements with the city of Providence for:

(i) The exercise of powers for tax increment financing as provided for in chapter 45-33.2;

(ii) The imposition of impact fees as provided for in chapter 45-22.4 in order to provide infrastructure capacity to or make physical improvements within the district; or

(iii) Approval within the district of a district management authority as provided for in chapter 45-59, for purposes of undertaking activities consistent with the approved plans for the district adopted pursuant to § 42-64.14-8.

Title and survey adjustments. The commission is authorized to adjust boundary lines, survey lines and property descriptions of the parcels of land comprising the I-195 surplus land as
may be necessary or appropriate to facilitate or enhance project design plans and for the location
and/or relocation of city streets, utility corridors, easements and rights-of-way.

5§14(e) The commission is authorized and empowered, in the name of and for the State of
Rhode Island, to enter into contracts for the sale, transfer or conveyance, in fee simple, by lease or
otherwise of the any of the I-195 Surplus lands identified in § 37-5-8 in order to achieve the
purposes of this chapter and customary terms for commercial real estate transactions of this nature,
and containing the following provisions:

(i) The terms for each parcel shall be the fair market value of such parcel at the time of
conveyance as determined by the commission.

(ii) As a condition to the sale, lease or other transfer of each parcel or any portion thereof,
any buyer, tenant or transferee that is a not-for-profit, organization or entity that is otherwise
exempt from municipal real estate taxes, including, without limitation, any independent public
instrumentality, governmental or quasi governmental agency, body, division, or official, or any
affiliate or subsidiary thereof, shall have entered into an agreement for payments to the city in
accordance with § 42-64.14-14 relating to tax exempt parcels, or such other things acceptable to
the city.

(iii) Promptly after taking title to a parcel, the buyer shall cause such parcel to be
attractively landscaped and maintained for use as green space until such time as development of
the parcel in accordance with this section begins.

(iv) Development of the parcels, as appropriate, shall be in accordance with the findings
set forth in this chapter and with the buyer's approved development plan for the identified parcels,
as the same may be amended from time to time with the approval of the commission.

(v) As a condition to the contract for the sale, lease, transfer or conveyance an approved
development plan shall include a construction schedule that shall commence
within twelve (12) months from the effective date of the contract and all construction shall be complete within three
(3) years from the commencement of said construction unless otherwise amended and approved by
the commission at a duly posted public meeting of the commission.

(6) Notwithstanding any provision of this chapter 42-64.14 or any other law to the contrary,
the commission shall exercise all powers authorized by §§ 42-64.14-7 and 42-64.14-8 in a manner
consistent with and subject to the city of Providence comprehensive plan adopted by the city
pursuant to 45-22-2.1 et seq. and the city of Providence zoning ordinances pursuant to 45-24-27 et
seq. as previously enacted by the city of Providence, and as may be enacted and/or amended from
time to time through July 1, 2012, or enacted thereafter with the consent of the commission.

(7)(f) Under no circumstances shall the commission establish, authorize, zone, plan, or
permit in the district a so-called "casino" or any form of gambling, including but not limited to those activities governed by title 41 of the Rhode Island general laws, so-called "video-gambling" or any lotteries whatsoever except for the sale of lottery tickets pursuant to title 42, section 61 of the general laws. Furthermore, upon conveyance, but in any event before approving any project, development, or redevelopment, the commission shall ensure that a deed restriction, running to the benefit of the city of Providence and the state, is recorded against the subject property effectuating and memorializing such restriction. The aforementioned restriction shall run with the land and be binding upon all successors and assign. Any deed restriction conveyed to the state pursuant to this subsection may be waived only by statute, resolution or other action by the general assembly which complies with the constitutional requirements for the expansion of gambling.

42-64.14-18. Inconsistent laws or ordinance inoperative.  
Except as otherwise provided herein, any provisions of any special law and part of any special law and all ordinances and parts of ordinances pertaining to development within the district which are inconsistent with the provisions of this chapter shall be inoperative and cease to be effective. The provisions of this chapter shall be deemed to provide an exclusive, additional, alternative, and complete method for the doing of the things authorized hereby and shall be deemed and construed to be supplemental and additional to, and not in derogation of, powers conferred upon the commission by law and on the city by its charter; provided, however, that insofar as the express provisions of this chapter are inconsistent with the provisions of any general or special law, administrative order or regulation, or ordinance of the city, the provisions of this chapter shall be controlling; provided, however, to the extent of any inconsistency or conflict between this chapter and chapter 24.6 of title 45, the provisions of chapter 24.6 of title 45 shall be controlling.

SECTION 10. Title 42 of the General Laws entitled "STATE AFFAIRS AND GOVERNMENT" is hereby amended by adding thereto the following chapter:

CHAPTER 64.33
THE RHODE ISLAND SMALL BUSINESS DEVELOPMENT FUND

42-64.33-1. Short title.  
This chapter shall be known and may be cited as the "Rhode Island Small Business Development Fund."

42-64.33-2. Definitions.  
(a) As used in this chapter:

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

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

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

(i) Is acquired after the effective date of this chapter at its original issuance solely in
exchange for cash;

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

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

(4) "Corporation" means the Rhode Island Commerce Corporation.

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

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

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

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

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

(iv) Is engaged in industries related to clean energy, biomedical innovation, life sciences,
information technology, software, cyber physical systems, cybersecurity, data analytics, defense,
shipbuilding, maritime, composites, advanced business services, design, food, manufacturing,
transportation, distribution, logistics, arts, education, hospitality, tourism, or, if not engaged in the
industries, the Corporation makes a determination that the investment will be beneficial to the
economic growth of the state.

(7) "Eligible distribution" means:

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

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

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

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

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

(10) "Minority business enterprise" means an eligible business which is certified by the
Rhode Island office of diversity, equity and opportunity as being a minority or women business
enterprise.

(11) "Principal business operations" means the location where at least sixty percent (60%)
of a business's employees work or where employees who are paid at least sixty percent (60%)
percent of the business's payroll work. A business that has agreed to relocate employees using the
proceeds of a qualified investment to establish its principal business operations in a new location
shall be deemed to have its principal business operations in the new location if it satisfies these
requirements no later than one hundred eighty (180) days after receiving a qualified investment.

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

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

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

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

(16) "State" means the state of Rhode Island and Providence Plantations.

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

42-64.33-3. Tax credit established.

(a) Upon making a capital investment in a small business development fund, a small business fund investor earns a vested right to a credit against the entity's state tax liability that may be utilized on each credit allowance date of the capital investment in an amount equal to the applicable percentage for the credit allowance date multiplied by the purchase price paid to the small business development fund for the capital investment. The amount of the credit claimed by any entity shall not exceed the amount of the entity's state tax liability for the tax year for which the credit is claimed. Any amount of credit that an entity is prohibited from claiming in a taxable year as a result of this section may be carried forward for a period of seven (7) years. It is the intent of this chapter that an entity claiming a credit under this section is not required to pay any additional tax that may arise as a result of claiming the credit.

(b) No credit claimed under this section shall be refundable or saleable on the open market.

Credits earned by or allocated to a partnership, limited liability company, or S-corporation may be allocated to the partners, members, or shareholders of the entity for their direct use for state tax
liability as defined in this chapter in accordance with the provisions of any agreement among the partners, members, or shareholders, and a small business development fund must notify the Corporation of the names of the entities that are eligible to utilize credits pursuant to an allocation of credits or a change in allocation of credits or due to a transfer of a capital investment upon the allocation, change, or transfer. The allocation shall be not considered a sale for purposes of this section.

(c) The Corporation shall provide copies of issued certificates to the division of taxation.

42-64.33-4. Application, approval and allocations.

(a) A small business development fund that seeks to have an equity or debt investment certified as a capital investment and eligible for credits under this chapter shall apply to the Corporation. The Corporation shall begin accepting applications within ninety (90) days of the effective date of this chapter. The small business development fund shall include the following:

(1) The amount of capital investment requested;

(2) A copy of the applicant's or an affiliate of the applicant's license as a rural business investment company under 7 U.S.C. § 2009cc, or as a small business investment company under 15 U.S.C. § 681, and a certificate executed by an executive officer of the applicant attesting that the license remains in effect and has not been revoked;

(3) Evidence that, as of the date the application is submitted, the applicant or affiliates of the applicant have invested at least one hundred million dollars ($100,000,000) in nonpublic companies;

(4) An estimate of the number of jobs that will be created or retained in this state as a result of the applicant's qualified investments;

(5) A business plan that includes a strategy for reaching out to and investing in minority business enterprises and a revenue impact assessment projecting state and local tax revenue to be generated by the applicant's proposed qualified investment prepared by a nationally recognized, third-party, independent economic forecasting firm using a dynamic economic forecasting model that analyzes the applicant's business plan over the ten (10) years following the date the application is submitted to the Corporation; and

(6) A nonrefundable application fee of five thousand dollars ($5,000), payable to the Corporation.

(b) Within thirty (30) days after receipt of a completed application, the Corporation shall grant or deny the application in full or in part. The Corporation shall deny the application if:

(1) The applicant does not satisfy all of the criteria described in subsection (a) of this section;
(2) The revenue impact assessment submitted with the application does not demonstrate
that the applicant's business plan will result in a positive economic impact on this state over a ten
year period that exceeds the cumulative amount of tax credits that would be issued to the
applicant if the application were approved; or

(3) The Corporation has already approved the maximum amount of capital investment
authority under subsection (g) of this section.

(c) If the Corporation denies any part of the application, it shall inform the applicant of the
grounds for the denial. If the applicant provides any additional information required by the
Corporation or otherwise completes its application within fifteen (15) days of the notice of denial,
the application shall be considered completed as of the original date of submission. If the applicant
fails to provide the information or fails to complete its application within the fifteen (15) day period,
the application remains denied and must be resubmitted in full with a new submission date.

(d) If the application is deemed to be complete and the applicant deemed to meet all of the
requirements of Section 42-64.33-4 (a) and (b), the Corporation shall certify the proposed equity
or debt investment as a capital investment that is eligible for credits under this chapter, subject to
the limitations contained in subsection (g) of this section. The Corporation shall provide written
notice of the certification to the small business development fund.

(e) The Corporation shall certify capital investments in the order that the applications were
received by the Corporation. Applications received on the same day shall be deemed to have been
received simultaneously.

(f) For applications that are complete and received on the same day, the Corporation shall
certify applications in proportionate percentages based upon the ratio of the amount of capital
investments requested in an application to the total amount of capital investments requested in all
applications.

(g) The Corporation shall certify sixty-five million dollars ($65,000,000) in capital
investments pursuant to this section; provided that not more than twenty million dollars
($20,000,000) may be allocated to any individual small business development fund certified under
this section.

(h) Within sixty (60) days of the applicant receiving notice of certification, the small
business development fund shall issue the capital investment to and receive cash in the amount of
the certified amount from a small business fund investor. At least forty-five percent (45%) of the
small business fund investor's capital investment shall be composed of capital raised by the small
business fund investor from sources, including directors, members, employees, officers, and
affiliates of the small business fund investor, other than the amount of capital invested by the
allocatee claiming the tax credits in exchange for the allocation of tax credits: provided that at least
ten percent (10%) of the capital investment shall be derived from the small business investment
fund's managers. The small business development fund shall provide the Corporation with evidence
of the receipt of the cash investment within sixty-five (65) days of the applicant receiving notice of
certification. If the small business development fund does not receive the cash investment and issue
the capital investment within the time period following receipt of the certification notice, the
certification shall lapse and the small business development fund shall not issue the capital
investment without reapplying to the Corporation for certification. Lapsed certifications revert to
the authority and shall be reissued pro rata to applicants whose capital investment allocations were
reduced pursuant to this chapter and then in accordance with the application process.

42-64.33-5. Tax credit recapture and exit.

(a) The Corporation, working in coordination with the Division of Taxation, may recapture,
from any entity that claims a credit on a tax return, the credit allowed under this chapter if:

(1) The small business development fund does not invest one hundred (100%) percent of
its capital investment authority in qualified investments in this state within three (3) years of the
first credit allowance date;

(2) The small business development fund, after satisfying subsection (a)(1) of this section,
fails to maintain qualified investments equal to one hundred (100%) percent of its capital
investment authority until the sixth anniversary of the initial credit allowance date. For the purposes
of this subsection, a qualified investment is considered maintained even if the qualified investment
was sold or repaid so long as the small business development fund reinvests an amount equal to the
capital returned or recovered by the small business development fund from the original investment,
exclusive of any profits realized, in other qualified investments in this state within twelve (12)
months of the receipt of the capital. Amounts received periodically by a small business
development fund shall be treated as continually invested in qualified investments if the amounts
are reinvested in one or more qualified investments by the end of the following calendar year. A
small business development fund shall not be required to reinvest capital returned from qualified
investments after the fifth anniversary of the initial credit allowance date, and the qualified
investments shall be considered held continuously by the small business development fund through
the sixth anniversary of the initial credit allowance date;

(3) The small business development fund, before exiting the program in accordance with
subsection (e) of this section, makes a distribution or payment that results in the small business
development fund having less than one hundred percent (100%) of its capital investment authority
invested in qualified investments in this state or available for investment in qualified investments.
and held in cash and other marketable securities;

(4) The small business development fund, before exiting the program in accordance with subsection (e) of this section, fails to make qualified investments in minority business enterprises that when added together equal at least ten percent (10%) of the small business development fund’s capital investment authority; or

(5) The small business development fund violates subsection (d) of this section.

(b) Recaptured credits and the related capital investment authority revert to the Corporation and shall be reissued pro rata to applicants whose capital investment allocations were reduced pursuant to § 42-64.33-4(f) of this section and then in accordance with the application process.

(c) Enforcement of each of the recapture provisions of subsection (a) of this section shall be subject to a six (6) month cure period. No recapture shall occur until the small business development fund has been given notice of noncompliance and afforded six (6) months from the date of the notice to cure the noncompliance.

(d) No eligible business that receives a qualified investment under this chapter, or any affiliates of the eligible business, may directly or indirectly:

(1) Own or have the right to acquire an ownership interest in a small business development fund or member or affiliate of a small business development fund, including, but not limited to, a holder of a capital investment issued by the small business development fund; or

(2) Loan to or invest in a small business development fund or member or affiliate of a small business development fund, including, but not limited to, a holder of a capital investment issued by a small business development fund, where the proceeds of the loan or investment are directly or indirectly used to fund or refinance the purchase of a capital investment under this chapter.

(e) On or after the sixth anniversary of the initial credit allowance date, a small business development fund may apply to the Corporation to exit the program and no longer be subject to regulation under this chapter. The Corporation shall respond to the exit application within thirty (30) days of receipt. In evaluating the exit application, the fact that no credits have been recaptured and that the small business development fund has not received a notice of recapture that has not been cured pursuant to subsection (c) of this section shall be sufficient evidence to prove that the small business development fund is eligible for exit. The Corporation shall not unreasonably deny an exit application submitted under this subsection. If the exit application is denied, the notice shall include the reasons for the determination.

(f) If the number of jobs created or retained by the eligible businesses that received qualified investments from the small business development fund, calculated pursuant to reports filed by the small business development fund pursuant to § 42-64.33-7, is:
(1) Less than sixty percent (60%) of the amount projected in the approved small business development fund's business plan filed as part of its application for certification under § 42-64.33-4, then the state shall receive thirty percent (30%) of any distribution or payment to an equity or debt holder in an approved small business development fund made after its exit from the program in excess of eligible distributions; or

(2) Greater than sixty percent (60%) but less than one hundred percent (100%) of the amount projected in the approved small business development fund's business plan filed as part of its application for certification under § 42-64.33-4, then the state shall receive fifteen percent (15%) of any distribution or payment to an equity or debt holder in an approved small business development fund made after its exit from the program in excess of eligible distributions.

(g) At the time a small business development fund applies to the Corporation to exit the program, it shall calculate the aggregate internal rate of return of its qualified investments. If the small business development fund's aggregate internal rate of return on its qualified investments at exit exceeds ten percent (10%), then, after eligible distributions, the state shall receive ten percent (10%) of any distribution or payment in excess of the aggregate ten percent (10%) internal rate of return to an equity or debtholder in an approved small business development fund.

(h) The Corporation shall not revoke a tax credit certificate after the small business development fund's exit from the program.

42-64.33-6. Request for determination.

A small business development fund, before making a qualified investment, may request from the Corporation a written opinion as to whether the business in which it is proposed to invest is an eligible business. The Corporation, not later than the fifteenth business day after the date of receipt of the request, shall notify the small business development fund of its determination. If the Corporation fails to notify the small business development fund by the fifteenth business day of its determination, the business in which the small business development fund proposes to invest shall be considered an eligible business.

42-64.33-7. Reporting obligations.

(a) Each small business development fund shall submit a report to the Corporation on or before the fifth business day after the first, second and third anniversaries of the closing date. The report shall provide documentation as to the small business development fund's qualified investments and include:

(1) A bank statement evidencing each qualified investment;

(2) The name, location, status as a minority business enterprise if applicable, and industry of each business receiving a qualified investment, including either the determination letter set forth
in § 42-64.33-6 or evidence that the business qualified as an eligible business at the time the
investment was made:

(3) The number of employment positions created or retained as a result of the small
business development fund's qualified investments as of the last day of the preceding calendar year;
and

(4) Such other reasonable information as the corporation may require.

(b) On or before the last day of February of each year following the final year in which the
report required in subsection (a) of this section is due, the small business development fund shall
submit an annual report to the Corporation including the following:

(1) The number of employment positions created or retained as a result of the small
business development fund's qualified investments as of the last day of the preceding calendar year;

(2) The number of minority business enterprises that have received qualified investments
and the amount of qualified investment that such minority business enterprises have received;

(3) The average annual salary of the positions described in subsection (b)(1) of this section;

(4) The follow-on capital investment that has occurred along with or after the small
business development fund's investment as of the last day of the preceding calendar year; and

(5) Such other reasonable information as the corporation may require.

(c) A copy of the reports required under this section must also be sent concurrently to the
speaker of the house, president of the senate, house finance chairperson, senate finance chairperson,
and the general treasurer.

(d) On or before each September 30, the corporation shall publish a report on the small
business development fund and provide such report to the speaker of the house of representatives,
president of the senate, house finance chair, senate finance chair, and the general treasurer. The
report shall contain information on the program implementation, investments made fund
performance, and to the extent practicable, track the economic impact of the investments
completed.

42-64.33-8. Limitations.

The incentives provided under this chapter shall not be granted in combination with any
other job specific benefit provided by the state, the commerce corporation, or any other state
agency, board, commission, quasi-public corporation or similar entity without the express
authorization of the commerce corporation.

42-64.33-9. Rules and regulations.

The Corporation and Division of Taxation may issue reasonable rules and regulations,
consistent with this chapter, as are necessary to carry out the intent and purpose and implementation
of the responsibilities under this chapter.

SECTION 11. Section 42-64.21-9 of the General Laws in Chapter 42-64.21 entitled "Rhode Island Tax Increment Financing" is hereby amended to read as follows:

42-64.21-9. Sunset.
The commerce corporation shall enter into no agreement under this chapter after December 31, 2020.

SECTION 12. Section 42-64.22-15 of the General Laws in Chapter 42-64.22 entitled "Tax Stabilization Incentive" is hereby amended to read as follows:

42-64.22-15. Sunset.
The commerce corporation shall enter into no agreement under this chapter after June 30, December 31, 2020.

SECTION 13. Section 42-64.23-8 of the General Laws in Chapter 42-64.23 entitled "First Wave Closing Fund" is hereby amended to read as follows:

42-64.23-8. Sunset.
No financing shall be authorized to be reserved pursuant to this chapter after June 30, December 31, 2020.

SECTION 14. Section 42-64.24-8 of the General Laws in Chapter 42-64.24 entitled "I-195 Redevelopment Project Fund" is hereby amended to read as follows:

42-64.24-8. Sunset.
No funding, credits, or incentives shall be authorized or authorized to be reserved pursuant to this chapter after June 30, December 31, 2020.

SECTION 15. Section 42-64.25-14 of the General Laws in Chapter 42-64.25 entitled "Small Business Assistance Program" is hereby amended to read as follows:

42-64.25-14. Sunset.
No grants, funding, or incentives shall be authorized pursuant to this chapter after June 30, December 31, 2020.

SECTION 16. Section 42-64.26-12 of the General Laws in Chapter 42-64.26 entitled "Stay Invested in RI Wavemaker Fellowship" is hereby amended to read as follows:

42-64.26-12. Sunset.
No incentives or credits shall be authorized pursuant to this chapter after June 30, December 31, 2020.

SECTION 17. Section 42-64.27-6 of the General Laws in Chapter 42-64.27 entitled "Main Street Rhode Island Streetscape Improvement Fund" is hereby amended to read as follows:

42-64.27-6. Sunset.
No incentives shall be authorized pursuant to this chapter after June 30, December 31, 2020.

SECTION 18. Section 42-64.28-10 of the General Laws in Chapter 42-64.28 entitled "Innovation Initiative" is hereby amended to read as follows:

42-64.28-10. Sunset.

No vouchers, grants, or incentives shall be authorized pursuant to this chapter after June 30, December 31, 2020.

SECTION 19. Section 42-64.29-8 of the General Laws in Chapter 42-64.29 entitled "Industry Cluster Grants" is hereby amended to read as follows:

42-64.29-8. Sunset.

No grants or incentives shall be authorized to be reserved pursuant to this chapter after June 30, December 31, 2020.

SECTION 20. Section 42-64.31-4 of the General Laws in Chapter 42-64.31 entitled "High School, College, and Employer Partnerships" is hereby amended to read as follows:

42-64.31-4. Sunset.

No grants shall be authorized pursuant to this chapter after June 30, December 31, 2020.

SECTION 21. Section 42-64.32-6 of the General Laws in Chapter 42-64.32 entitled "Air Service Development Fund" is hereby amended to read as follows:

42-64.32-6. Sunset.

No grants, credits, or incentives shall be authorized or authorized to be reserved pursuant to this chapter after June 30, December 31, 2020.

SECTION 22. Section 44-48.3-14 of the General Laws in Chapter 44-48.3 entitled "Rhode Island New Qualified Jobs Incentive Act 2015" is hereby amended to read as follows:


No credits shall be authorized to be reserved pursuant to this chapter after June 30, December 31, 2020.

SECTION 23. This article shall take effect upon passage.
ARTICLE 13 AS AMENDED

RELATING TO HUMAN SERVICES

SECTION 1. Section 35-17-1 of the General Laws in Chapter 35-17 entitled "Medical Assistance and Public Assistance Caseload Estimating Conferences" is hereby amended to read as follows:

35-17-1. Purpose and membership.

(a) In order to provide for a more stable and accurate method of financial planning and budgeting, it is hereby declared the intention of the legislature that there be a procedure for the determination of official estimates of anticipated medical assistance expenditures and public assistance caseloads, upon which the executive budget shall be based and for which appropriations by the general assembly shall be made.

(b) The state budget officer, the house fiscal advisor, and the senate fiscal advisor shall meet in regularly scheduled caseload estimating conferences (C.E.C.). These conferences shall be open public meetings.

(c) The chairpersonship of each regularly scheduled C.E.C. will rotate among the state budget officer, the house fiscal advisor, and the senate fiscal advisor, hereinafter referred to as principals. The schedule shall be arranged so that no chairperson shall preside over two (2) successive regularly scheduled conferences on the same subject.

(d) Representatives of all state agencies are to participate in all conferences for which their input is germane.

(e) The department of human services shall provide monthly data to the members of the caseload estimating conference by the fifteenth day of the following month. Monthly data shall include, but is not limited to, actual caseloads and expenditures for the following case assistance programs: Rhode Island Works, SSI state program, general public assistance, and child care. For individuals eligible to receive the payment under § 40-6-27(a)(1)(vi), the report shall include the number of individuals enrolled in a managed care plan receiving long-term care services and supports and the number receiving fee-for-service benefits. The executive office of health and human services shall report relevant caseload information and expenditures for the following medical assistance categories: hospitals, long-term care, managed care, pharmacy, and other medical services. In the category of managed care, caseload information and expenditures for the
following populations shall be separately identified and reported: children with disabilities, children in foster care, and children receiving adoption assistance and RIte Share enrollees under § 40-8.4-12(i). The information shall include the number of Medicaid recipients whose estate may be subject to a recovery and the anticipated amount to be collected from those subject to recovery, the total recoveries collected each month and number of estates attached to the collections and each month, the number of open cases and the number of cases that have been open longer than three months.

SECTION 2. Section Sections 40-5-10 and 40-5.2-20 of the General Laws in Chapter 40-5.2 entitled “The Rhode Island Works Program” is hereby amended to read as follows:

40-5.2-10. Necessary requirements and conditions.

The following requirements and conditions shall be necessary to establish eligibility for the program.

(a) Citizenship, alienage and residency requirements.

(1) A person shall be a resident of the State of Rhode Island.

(2) Effective October 1, 2008 a person shall be a United States citizen, or shall meet the alienage requirements established in § 402(b) of the Personal Responsibility and Work Opportunity Reconciliation Act of 1996, PRWORA, Public Laws No. 104-193 and as that section may hereafter be amended [8 U.S.C. § 1612]; a person who is not a United States citizen and does not meet the alienage requirements established in PRWORA, as amended, is not eligible for cash assistance in accordance with this chapter.

(b) The family/assistance unit must meet any other requirements established by the department of human services by rules and regulations adopted pursuant to the Administrative Procedures Act, as necessary to promote the purpose and goals of this chapter.

(c) Receipt of cash assistance is conditional upon compliance with all program requirements.

(d) All individuals domiciled in this state shall be exempt from the application of subdivision 115(d)(1)(A) of Public Law 104-193, the Personal Responsibility and Work Opportunity Reconciliation Act of 1996, PRWORA [21 U.S.C. § 862a], which makes any individual ineligible for certain state and federal assistance if that individual has been convicted under federal or state law of any offense which is classified as a felony by the law of the jurisdiction and which has as an element the possession, use, or distribution of a controlled substance as defined in § 102(6) of the Controlled Substances Act (21 U.S.C. § 802(6)).

(e) Individual employment plan as a condition of eligibility.

(1) Following receipt of an application, the department of human services shall assess the
financial conditions of the family, including the non-parent caretaker relative who is applying for
cash assistance for himself or herself as well as for the minor child(ren), in the context of an
eligibility determination. If a parent or non parent caretaker relative is unemployed or under-
employed, the department shall conduct an initial assessment, taking into account: (A) the physical
capacity, skills, education, work experience, health, safety, family responsibilities and place of
residence of the individual; and (B) the child care and supportive services required by the applicant
to avail himself or herself of employment opportunities and/or work readiness programs.

(2) On the basis of such assessment, the department of human services and the department
do labor and training, as appropriate, in consultation with the applicant, shall develop an individual
employment plan for the family which requires the individual to participate in the intensive
employment services. Intensive employment services shall be defined as the work requirement
activities in subsections 40-5.2-12(g) and (i).

(3) The director, or his/her designee, may assign a case manager to an applicant/participant,
as appropriate.

(4) The department of labor and training and the department of human services in
conjunction with the participant shall develop a revised individual employment plan which shall
identify employment objectives, taking into consideration factors above, and shall include a
strategy for immediate employment and for preparing for, finding, and retaining employment
consistent, to the extent practicable, with the individual's career objectives.

(5) The individual employment plan must include the provision for the participant to
engage in work requirements as outlined in § 40-5.2-12 of this chapter.

(6)(A) The participant shall attend and participate immediately in intensive assessment and
employment services as the first step in the individual employment plan, unless temporarily exempt
from this requirement in accordance with this chapter. Intensive assessment and employment
services shall be defined as the work requirement activities in subsections 40-5.2-12(g) and (i).

(B) Parents under age twenty (20) without a high school diploma or General Equivalency
Diploma (GED) shall be referred to special teen parent programs which will provide intensive
services designed to assist teen parent to complete high school education or GED, and to continue
approved work plan activities in accord with Works program requirements.

(7) The applicant shall become a participant in accordance with this chapter at the time the
individual employment plan is signed and entered into.

(8) Applicants and participants of the Rhode Island Work Program shall agree to comply
with the terms of the individual employment plan, and shall cooperate fully with the steps
established in the individual employment plan, including the work requirements.
(9) The department of human services has the authority under the chapter to require attendance by the applicant/participant, either at the department of human services or at the department of labor and training, at appointments deemed necessary for the purpose of having the applicant enter into and become eligible for assistance through the Rhode Island Work Program. Said appointments include, but are not limited to, the initial interview, orientation and assessment; job readiness and job search. Attendance is required as a condition of eligibility for cash assistance in accordance with rules and regulations established by the department.

(10) As a condition of eligibility for assistance pursuant to this chapter, the applicant/participant shall be obligated to keep appointments, attend orientation meetings at the department of human services and/or the Rhode Island department of labor and training, participate in any initial assessments or appraisals and comply with all the terms of the individual employment plan in accordance with department of human service rules and regulations.

(11) A participant, including a parent or non-parent caretaker relative included in the cash assistance payment, shall not voluntarily quit a job or refuse a job unless there is good cause as defined in this chapter or the department's rules and regulations.

(12) A participant who voluntarily quits or refuses a job without good cause, as defined in subsection 40-5.2-12(l), while receiving cash assistance in accordance with this chapter, shall be sanctioned in accordance with rules and regulations promulgated by the department.

(f) Resources.

(1) The Family or assistance unit's countable resources shall be less than the allowable resource limit established by the department in accordance with this chapter.

(2) No family or assistance unit shall be eligible for assistance payments if the combined value of its available resources (reduced by any obligations or debts with respect to such resources) exceeds one thousand dollars ($1,000).

(3) For purposes of this subsection, the following shall not be counted as resources of the family/assistance unit in the determination of eligibility for the works program:

(A) The home owned and occupied by a child, parent, relative or other individual;

(B) Real property owned by a husband and wife as tenants by the entirety, if the property is not the home of the family and if the spouse of the applicant refuses to sell his or her interest in the property;

(C) Real property which the family is making a good faith effort to dispose of, however, any cash assistance payable to the family for any such period shall be conditioned upon such disposal of the real property within six (6) months of the date of application and any payments of assistance for that period shall (at the time of disposal) be considered overpayments to the extent...
that they would not have occurred at the beginning of the period for which the payments were made. All overpayments are debts subject to recovery in accordance with the provisions of the chapter;

(D) Income producing property other than real estate including, but not limited to, equipment such as farm tools, carpenter's tools and vehicles used in the production of goods or services which the department determines are necessary for the family to earn a living;

(E) One vehicle for each adult household member, but not to exceed two (2) vehicles per household, and in addition, a vehicle used primarily for income producing purposes such as, but not limited to, a taxi, truck or fishing boat; a vehicle used as a family's home; a vehicle which annually produces income consistent with its fair market value, even if only used on a seasonal basis; a vehicle necessary to transport a family member with a disability where the vehicle is specially equipped to meet the specific needs of the person with a disability or if the vehicle is a special type of vehicle that makes it possible to transport the person with a disability;

(F) Household furnishings and appliances, clothing, personal effects and keepsakes of limited value;

(G) Burial plots (one for each child, relative, and other individual in the assistance unit), and funeral arrangements;

(H) For the month of receipt and the following month, any refund of federal income taxes made to the family by reason of § 32 of the Internal Revenue Code of 1986, 26 U.S.C. § 32 (relating to earned income tax credit), and any payment made to the family by an employer under § 3507 of the Internal Revenue Code of 1986, 26 U.S.C. § 3507 (relating to advance payment of such earned income credit);

(I) The resources of any family member receiving supplementary security income assistance under the Social Security Act, 42 U.S.C. § 301 et seq.

(g) Income.

(1) Except as otherwise provided for herein, in determining eligibility for and the amount of cash assistance to which a family is entitled under this chapter, the income of a family includes all of the money, goods, and services received or actually available to any member of the family.

(2) In determining the eligibility for and the amount of cash assistance to which a family/assistance unit is entitled under this chapter, income in any month shall not include the first one hundred seventy dollars ($170) of gross earnings plus fifty percent (50%) of the gross earnings of the family in excess of one hundred seventy dollars ($170) earned during the month.

(3) The income of a family shall not include:

(A) The first fifty dollars ($50.00) in child support received in any month from each non-
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custodial parent of a child plus any arrearages in child support (to the extent of the first fifty dollars ($50.00) per month multiplied by the number of months in which the support has been in arrears) which are paid in any month by a non-custodial parent of a child;

(B) Earned income of any child;

(C) Income received by a family member who is receiving supplemental security income (SSI) assistance under Title XVI of the Social Security Act, 42 U.S.C. § 1381 et seq.;

(D) The value of assistance provided by state or federal government or private agencies to meet nutritional needs, including: value of USDA donated foods; value of supplemental food assistance received under the Child Nutrition Act of 1966, as amended and the special food service program for children under Title VII, nutrition program for the elderly, of the Older Americans Act of 1965 as amended, and the value of food stamps;

(E) Value of certain assistance provided to undergraduate students, including any grant or loan for an undergraduate student for educational purposes made or insured under any loan program administered by the U.S. Commissioner of Education (or the Rhode Island council on postsecondary education or the Rhode Island division of higher education assistance);

(F) Foster Care Payments;

(G) Home energy assistance funded by state or federal government or by a nonprofit organization;

(H) Payments for supportive services or reimbursement of out-of-pocket expenses made to foster grandparents, senior health aides or senior companions and to persons serving in SCORE and ACE and any other program under Title II and Title III of the Domestic Volunteer Service Act of 1973, 42 U.S.C. § 5000 et seq.;

(I) Payments to volunteers under AmeriCorps VISTA as defined in the department's rules and regulations;

(J) Certain payments to native Americans; payments distributed per capita to, or held in trust for, members of any Indian Tribe under P.L. 92-254, 25 U.S.C. § 1261 et seq., P.L. 93-134, 25 U.S.C. § 1401 et seq., or P.L. 94-540; receipts distributed to members of certain Indian tribes which are referred to in § 5 of P.L. 94-114, 25 U.S.C. § 459d, that became effective October 17, 1975;

(K) Refund from the federal and state earned income tax credit;

(L) The value of any state, local, or federal government rent or housing subsidy, provided that this exclusion shall not limit the reduction in benefits provided for in the payment standard section of this chapter.

(4) The receipt of a lump sum of income shall affect participants for cash assistance in
accordance with rules and regulations promulgated by the department.

(h) Time limit on the receipt of cash assistance.

(1) No cash assistance shall be provided, pursuant to this chapter, to a family or assistance unit which includes an adult member who has received cash assistance, either for him/herself or on behalf of his/her children, for a total of twenty-four (24) months, (whether or not consecutive) within any sixty (60) continuous months after July 1, 2008 to include any time receiving any type of cash assistance in any other state or territory of the United States of America as defined herein. Provided further, in no circumstances other than provided for in section (3) below with respect to certain minor children, shall cash assistance be provided pursuant to this chapter to a family or assistance unit which includes an adult member who has received cash assistance for a total of a lifetime limit of forty-eight (48) months.

(2) Cash benefits received by a minor dependent child shall not be counted toward their lifetime time limit for receiving benefits under this chapter should that minor child apply for cash benefits as an adult.

(3) Certain minor children not subject to time limit. This section regarding the lifetime time limit for the receipt of cash assistance, shall not apply only in the instances of a minor child(ren) living with a parent who receives SSI benefits and a minor child(ren) living with a responsible adult non-parent caretaker relative who is not in the case assistance payment.

(4) Receipt of family cash assistance in any other state or territory of the United States of America shall be determined by the department of human services and shall include family cash assistance funded in whole or in part by Temporary Assistance for Needy Families (TANF) funds [Title IV-A of the Federal Social Security Act 42 U.S.C. § 601 et seq.] and/or family cash assistance provided under a program similar to the Rhode Island Families Work and Opportunity Program or the federal TANF program.

(A) The department of human service shall mail a notice to each assistance unit when the assistance unit has six (6) months of cash assistance remaining and each month thereafter until the time limit has expired. The notice must be developed by the department of human services and must contain information about the lifetime time limit, the number of months the participant has remaining, the hardship extension policy, the availability of a post-employment-and-closure bonus, and any other information pertinent to a family or an assistance unit nearing either the twenty-four (24) month or nearing the forty-eight (48) month lifetime time limit.

(B) For applicants who have less than six (6) months remaining in either the twenty-four (24) month or the forty-eight (48) month lifetime time limit because the family or assistance unit previously received cash assistance in Rhode Island or in another state, the department shall notify
the applicant of the number of months remaining when the application is approved and begin the
process required in paragraph (A) above.

(6) If a cash assistance recipient family closed pursuant to Rhode Island's Temporary
Assistance for Needy Families Program, (federal TANF described in Title IV A of the Federal
Social Security Act, 42 U.S.C. § 601 et seq.) formerly entitled the Rhode Island Family
Independence Program, more specifically under subdivision 40-5.1-9(2)(c), due to sanction
because of failure to comply with the cash assistance program requirements; and that recipients
family received forty-eight (48) months of cash benefits in accordance with the Family
Independence Program, than that recipient family is not able to receive further cash assistance for
his/her family, under this chapter, except under hardship exceptions.

(7) The months of state or federally funded cash assistance received by a recipient family
since May 1, 1997 under Rhode Island's Temporary Assistance for Needy Families Program,
(federal TANF described in Title IV A of the Federal Social Security Act, 42 U.S.C. § 601 et seq.)
formerly entitled the Rhode Island Family Independence Program, shall be countable toward the
time limited cash assistance described in this chapter.

(i) Time limit on the receipt of cash assistance.

(1)(A) No cash assistance shall be provided, pursuant to this chapter, to a family assistance
unit in which an adult member has received cash assistance for a total of sixty (60) months (whether
or not consecutive) to include any time receiving any type of cash assistance in any other state or
territory of the United States as defined herein effective August 1, 2008. Provided further, that no
cash assistance shall be provided to a family in which an adult member has received assistance for
twenty-four (24) consecutive months unless the adult member has a rehabilitation employment plan
as provided in subsection 40-5.2-12(g)(5).

(B) Effective August 1, 2008 no cash assistance shall be provided pursuant to this chapter
to a family in which a child has received cash assistance for a total of sixty (60) months (whether
or not consecutive) if the parent is ineligible for assistance under this chapter pursuant to
subdivision 40-5.2(a) (2) to include any time received any type of cash assistance in any other state
or territory of the United States as defined herein.

(j) Hardship Exceptions.

(1) The department may extend an assistance unit's or family's cash assistance beyond the
time limit, by reason of hardship; provided, however, that the number of such families to be
exempted by the department with respect to their time limit under this subsection shall not exceed
twenty percent (20%) of the average monthly number of families to which assistance is provided
for under this chapter in a fiscal year; provided, however, that to the extent now or hereafter

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permitted by federal law, any waiver granted under § 40-5.2-35, for domestic violence, shall not be counted in determining the twenty percent (20%) maximum under this section.

(2) Parents who receive extensions to the time limit due to hardship must have and comply with employment plans designed to remove or ameliorate the conditions that warranted the extension.

(k) Parents under eighteen (18) years of age.

(1) A family consisting of a parent who is under the age of eighteen (18), and who has never been married, and who has a child; or a family which consists of a woman under the age of eighteen (18) who is at least six (6) months pregnant, shall be eligible for cash assistance only if such family resides in the home of an adult parent, legal guardian or other adult relative. Such assistance shall be provided to the adult parent, legal guardian, or other adult relative on behalf of the individual and child unless otherwise authorized by the department.

(2) This subsection shall not apply if the minor parent or pregnant minor has no parent, legal guardian or other adult relative who is living and/or whose whereabouts are unknown; or the department determines that the physical or emotional health or safety of the minor parent, or his or her child, or the pregnant minor, would be jeopardized if he or she was required to live in the same residence as his or her parent, legal guardian or other adult relative (refusal of a parent, legal guardian or other adult relative to allow the minor parent or his or her child, or a pregnant minor, to live in his or her home shall constitute a presumption that the health or safety would be so jeopardized); or the minor parent or pregnant minor has lived apart from his or her own parent or legal guardian for a period of at least one year before either the birth of any child to a minor parent or the onset of the pregnant minor's pregnancy; or there is good cause, under departmental regulations, for waiving the subsection; and the individual resides in supervised supportive living arrangement to the extent available.

(3) For purposes of this section "supervised supportive living arrangement" means an arrangement which requires minor parents to enroll and make satisfactory progress in a program leading to a high school diploma or a general education development certificate, and requires minor parents to participate in the adolescent parenting program designated by the department, to the extent the program is available; and provides rules and regulations which ensure regular adult supervision.

(l) Assignment and Cooperation. As a condition of eligibility for cash and medical assistance under this chapter, each adult member, parent or caretaker relative of the family/assistance unit must:

(1) Assign to the state any rights to support for children within the family from any person
which the family member has at the time the assignment is executed or may have while receiving
assistance under this chapter;

(2) Consent to and cooperate with the state in establishing the paternity and in establishing
and/or enforcing child support and medical support orders for all children in the family or assistance
unit in accordance with Title 15 of the general laws, as amended, unless the parent or caretaker
relative is found to have good cause for refusing to comply with the requirements of this subsection.

(3) Absent good cause, as defined by the department of human services through the rule
making process, for refusing to comply with the requirements of (1) and (2) above, cash assistance
to the family shall be reduced by twenty-five percent (25%) until the adult member of the family
who has refused to comply with the requirements of this subsection consents to and cooperates with
the state in accordance with the requirements of this subsection.

(4) As a condition of eligibility for cash and medical assistance under this chapter, each
adult member, parent or caretaker relative of the family/assistance unit must consent to and
cooperate with the state in identifying and providing information to assist the state in pursuing any
third-party who may be liable to pay for care and services under Title XIX of the Social Security
Act, 42 U.S.C. § 1396 et seq.


Families or assistance units eligible for child-care assistance.

(a) The department shall provide appropriate child care to every participant who is eligible
for cash assistance and who requires child care in order to meet the work requirements in
accordance with this chapter.

(b) Low-income child care. The department shall provide child care to all other working
families with incomes at or below one hundred eighty percent (180%) of the federal poverty level
if, and to the extent, such other families require child care in order to work at paid employment as
defined in the department's rules and regulations. Beginning October 1, 2013, the department shall
also provide child care to families with incomes below one hundred eighty percent (180%) of the
federal poverty level if, and to the extent, such families require child care to participate on a short-
term basis, as defined in the department's rules and regulations, in training, apprenticeship,
internship, on-the-job training, work experience, work immersion, or other job-readiness/job-
attachment program sponsored or funded by the human resource investment council (governor's
workforce board) or state agencies that are part of the coordinated program system pursuant to §
42-102-11.

(c) No family/assistance unit shall be eligible for child-care assistance under this chapter if
the combined value of its liquid resources exceeds ten thousand dollars ($10,000) one million
dollars ($1,000,000), which corresponds to the amount permitted by the federal government under
the state plan and set forth in the administrative rule-making process by the department. Liquid
resources are defined as any interest(s) in property in the form of cash or other financial instruments
or accounts that are readily convertible to cash or cash equivalents. These include, but are not
limited to: cash, bank, credit union, or other financial institution savings, checking, and money
market accounts; certificates of deposit or other time deposits; stocks; bonds; mutual funds; and
other similar financial instruments or accounts. These do not include educational savings accounts,
plans, or programs; retirement accounts, plans, or programs; or accounts held jointly with another
adult, not including a spouse. The department is authorized to promulgate rules and regulations to
determine the ownership and source of the funds in the joint account.

(d) As a condition of eligibility for child-care assistance under this chapter, the parent or
caretaker relative of the family must consent to, and must cooperate with, the department in
establishing paternity, and in establishing and/or enforcing child support and medical support
orders for all any children in the family receiving appropriate child care under this section in
accordance with the applicable sections of title 15 of the state's general laws, as amended, unless
the parent or caretaker relative is found to have good cause for refusing to comply with the
requirements of this subsection.

(e) For purposes of this section, "appropriate child care" means child care, including infant,
toddler, pre-school, nursery school, school-age, that is provided by a person or organization
qualified, approved, and authorized to provide such care by the department of children, youth and
families, or by the department of elementary and secondary education, or such other lawful
providers as determined by the department of human services, in cooperation with the department
of children, youth and families and the department of elementary and secondary education the state
agency or agencies designated to make such determinations in accordance with the provisions set
forth herein.

(f)(1) Families with incomes below one hundred percent (100%) of the applicable federal
poverty level guidelines shall be provided with free child care. Families with incomes greater than
one hundred percent (100%) and less than one hundred eighty percent (180%) of the applicable
federal poverty guideline shall be required to pay for some portion of the child care they receive,
according to a sliding-fee scale adopted by the department in the department's rules.

(2) Families who are receiving child-care assistance and who become ineligible for child-
care assistance as a result of their incomes exceeding one hundred eighty percent (180%) of the
applicable federal poverty guidelines shall continue to be eligible for child-care assistance until
their incomes exceed two hundred twenty-five percent (225%) of the applicable federal poverty
guidelines. To be eligible, such families must continue to pay for some portion of the child care they receive, as indicated in a sliding-fee scale adopted in the department's rules and in accordance with all other eligibility standards.

(g) In determining the type of child care to be provided to a family, the department shall take into account the cost of available child-care options; the suitability of the type of care available for the child; and the parent's preference as to the type of child care.

(h) For purposes of this section, "income" for families receiving cash assistance under § 40-5.2-11 means gross, earned income and unearned income, subject to the income exclusions in §§ 40-5.2-10(g)(2) and 40-5.2-10(g)(3), and income for other families shall mean gross, earned and unearned income as determined by departmental regulations.

(i) The caseload estimating conference established by chapter 17 of title 35 shall forecast the expenditures for child care in accordance with the provisions of § 35-17-1.

(j) In determining eligibility for child-care assistance for children of members of reserve components called to active duty during a time of conflict, the department shall freeze the family composition and the family income of the reserve component member as it was in the month prior to the month of leaving for active duty. This shall continue until the individual is officially discharged from active duty.

SECTION 3. Sections 40-6-27 and 40-6-27.2 of the General Laws in Chapter 40-6 entitled "Public Assistance Act" are hereby amended to read as follows:

40-6-27. Supplemental security income.

(a)(1) The director of the department is hereby authorized to enter into agreements on behalf of the state with the secretary of the Department of Health and Human Services or other appropriate federal officials, under the supplementary and security income (SSI) program established by title XVI of the Social Security Act, 42 U.S.C. § 1381 et seq., concerning the administration and determination of eligibility for SSI benefits for residents of this state, except as otherwise provided in this section. The state's monthly share of supplementary assistance to the supplementary security income program shall be as follows:

(i) Individual living alone: $39.92
(ii) Individual living with others: $51.92
(iii) Couple living alone: $79.38
(iv) Couple living with others: $97.30
(v) Individual living in state licensed assisted living residence: $332.00
(vi) Individual eligible to receive Medicaid-funded long-term services and supports and living in a Medicaid certified state licensed assisted living residence or adult supportive care
residence, as defined in § 23-17.24-1, participating in the program authorized under § 40-8.13-12 or an alternative, successor, or substitute program or delivery option designated for such purposes by the secretary of the executive office of health and human services:

(a) with countable income above one hundred and twenty (120) percent of poverty: up to $465.00;

(b) with countable income at or below one hundred and twenty (120) percent of poverty: up to the total amount established in (v) and $465: $797

(vii) Individual living in state licensed supportive residential care settings that, depending on the population served, meet the standards set by the department of human services in conjunction with the department(s) of children, youth and families, elderly affairs and/or behavioral healthcare, developmental disabilities and hospitals: $300.00.

Provided, however, that the department of human services shall by regulation reduce, effective January 1, 2009, the state's monthly share of supplementary assistance to the supplementary security income program for each of the above listed payment levels, by the same value as the annual federal cost of living adjustment to be published by the federal social security administration in October 2008 and becoming effective on January 1, 2009, as determined under the provisions of title XVI of the federal social security act [42 U.S.C. § 1381 et seq.]; and provided further, that it is the intent of the general assembly that the January 1, 2009 reduction in the state's monthly share shall not cause a reduction in the combined federal and state payment level for each category of recipients in effect in the month of December 2008; provided further, that the department of human services is authorized and directed to provide for payments to recipients in accordance with the above directives.

(2) As of July 1, 2010, state supplement payments shall not be federally administered and shall be paid directly by the department of human services to the recipient.

(3) Individuals living in institutions shall receive a twenty dollar ($20.00) per month personal needs allowance from the state which shall be in addition to the personal needs allowance allowed by the Social Security Act, 42 U.S.C. § 301 et seq.

(4) Individuals living in state licensed supportive residential care settings and assisted living residences who are receiving SSI supplemental payments under this section who are participating in the program under § 40-8.13-12 or an alternative, successor, or substitute program or delivery option, or otherwise shall be allowed to retain a minimum personal needs allowance of fifty-five dollars ($55.00) per month from their SSI monthly benefit prior to payment of any monthly fees in addition to any amounts established in an administrative rule promulgated by the secretary of the executive office of health and human services for persons eligible to receive
Medicaid-funded long-term services and supports in the settings identified in subsection (a)(1)(v)
and (a)(1)(vi).

(5) Except as authorized for the program authorized under § 40-8.13-12 or an alternative,
successor, or substitute program, or delivery option designated by the secretary to ensure that
supportive residential care or an assisted living residence is a safe and appropriate service setting,
the department is authorized and directed to make a determination of the medical need and whether
a setting provides the appropriate services for those persons who: (i) Have applied for or are
receiving SSI, and who apply for admission to supportive residential care setting and assisted living
residences on or after October 1, 1998; or
(ii) Who are residing in supportive residential care settings and assisted living residences,
and who apply for or begin to receive SSI on or after October 1, 1998.

(6) The process for determining medical need required by subsection (5) of this section
shall be developed by the executive office of health and human services in collaboration with the
departments of that office and shall be implemented in a manner that furthers the goals of
establishing a statewide coordinated long-term care entry system as required pursuant to the
Medicaid section 1115 waiver demonstration.

(7) To assure access to high quality coordinated services, the executive office of health and
human services is further authorized and directed to establish certification or contract standards
that must be met by those state licensed supportive residential care settings, including adult
supportive care homes and assisted living residences admitting or serving any persons eligible for
state-funded supplementary assistance under this section or the program established under § 40-
8.13-12. Such certification or contract standards shall define:
(i) The scope and frequency of resident assessments, the development and implementation
of individualized service plans, staffing levels and qualifications, resident monitoring, service
coordination, safety risk management and disclosure, and any other related areas;
(ii) The procedures for determining whether the certifications or contract standards have
been met; and
(iii) The criteria and process for granting a one time, short-term good cause exemption
from the certification or contract standards to a licensed supportive residential care setting or
assisted living residence that provides documented evidence indicating that meeting or failing to
meet said standards poses an undue hardship on any person eligible under this section who is a
prospective or current resident.

(8) The certification or contract standards required by this section or § 40-8.13-12 or an
alternative, successor, or substitute program, or delivery option designated by the secretary shall
be developed in collaboration by the departments, under the direction of the executive office of health and human services, so as to ensure that they comply with applicable licensure regulations either in effect or in development.

(b) The department is authorized and directed to provide additional assistance to individuals eligible for SSI benefits for:

(1) Moving costs or other expenses as a result of an emergency of a catastrophic nature which is defined as a fire or natural disaster; and

(2) Lost or stolen SSI benefit checks or proceeds of them; and

(3) Assistance payments to SSI eligible individuals in need because of the application of federal SSI regulations regarding estranged spouses; and the department shall provide such assistance in a form and amount, which the department shall by regulation determine.

40-6-27.2. Supplementary cash assistance payment for certain supplemental security income recipients.

There is hereby established a $206 monthly payment for disabled and elderly individuals who, on or after July 1, 2012, receive the state supplementary assistance payment for an individual in state licensed assisted living residence under § 40-6-27 and further reside in an assisted living facility that is not eligible to receive funding under Title XIX of the Social Security Act, 42 U.S.C. § 1381 et seq. or reside in any assisted living facility financed by the Rhode Island housing and mortgage finance corporation prior to January 1, 2006, and receive a payment under § 40-6-27. Such a monthly payment shall not be made on behalf of persons participating in the program authorized under § 40-8.13-12 or an alternative, successor, or substitute program, or delivery option designated for such purposes by the secretary of the executive office of health and human services.

SECTION 4. Section 40-6.2-1.1 of the General Laws in Chapter 40-6.2 entitled “Child Care - State Subsidies” is hereby amended to read as follows:

40-6-2-1.1. Rates established.

(a) Through June 30, 2015, subject to the payment limitations in subsection (c), the maximum reimbursement rates to be paid by the departments of human services and children, youth and families for licensed childcare centers and licensed family-childcare providers shall be based on the following schedule of the 75th percentile of the 2002 weekly market rates adjusted for the average of the 75th percentile of the 2002 and the 2004 weekly market rates:

<table>
<thead>
<tr>
<th>LICENSED CHILDCARE CENTERS</th>
<th>75th PERCENTILE OF WEEKLY MARKET RATE</th>
</tr>
</thead>
<tbody>
<tr>
<td>INFANT</td>
<td>$182.00</td>
</tr>
<tr>
<td>PRESCHOOL</td>
<td>$150.00</td>
</tr>
</tbody>
</table>
Effective July 1, 2015, subject to the payment limitations in subsection (c), the maximum reimbursement rates to be paid by the departments of human services and children, youth and families for licensed childcare centers and licensed family-childcare providers shall be based on the above schedule of the 75th percentile of the 2002 weekly market rates adjusted for the average of the 75th percentile of the 2002 and the 2004 weekly market rates. These rates shall be increased by ten dollars ($10.00) per week for infant/toddler care provided by licensed family-childcare providers and license-exempt providers and then the rates for all providers for all age groups shall be increased by three percent (3%). For the fiscal year ending June 30, 2018, licensed childcare centers shall be reimbursed a maximum weekly rate of one hundred ninety-three dollars and sixty-four cents ($193.64) for infant/toddler care and one hundred sixty-one dollars and seventy-one cents ($161.71) for preschool-age children.

(b) Effective July 1, 2018, subject to the payment limitations in subsection (c), the maximum infant/toddler and preschool-age reimbursement rates to be paid by the departments of human services and children, youth and families for licensed childcare centers shall be implemented in a tiered manner, reflective of the quality rating the provider has achieved within the state's quality rating system outlined in § 42-12-23.1.

(1) For infant/toddler childcare, tier one shall be reimbursed two and one-half percent (2.5%) above the FY 2018 weekly amount, tier two shall be reimbursed five percent (5%) above the FY 2018 weekly amount, tier three shall be reimbursed thirteen percent (13%) above the FY 2018 weekly amount, tier four shall be reimbursed twenty percent (20%) above the FY 2018 weekly amount, and tier five shall be reimbursed thirty-three percent (33%) above the FY 2018 weekly amount.

(2) For preschool reimbursement rates, tier one shall be reimbursed two and one-half percent (2.5%) percent above the FY 2018 weekly amount, tier two shall be reimbursed five percent (5%) above the FY 2018 weekly amount, tier three shall be reimbursed ten percent (10%) above the FY 2018 weekly amount, tier four shall be reimbursed thirteen percent (13%) above the FY 2018 weekly amount, and tier five shall be reimbursed twenty-one percent (21%) above the FY 2018 weekly amount.
(e) The departments shall pay childcare providers based on the lesser of the applicable rate specified in subsection (a), or the lowest rate actually charged by the provider to any of its public or private childcare customers with respect to each of the rate categories, infant, preschool, and school-age.

(d) By June 30, 2004, and biennially through June 30, 2014, the department of labor and training shall conduct an independent survey or certify an independent survey of the then current weekly market rates for childcare in Rhode Island and shall forward such weekly market rate survey to the department of human services. The next survey shall be conducted by June 30, 2016, and triennially thereafter. The departments of human services and labor and training will jointly determine the survey criteria including, but not limited to, rate categories and sub-categories.

(d) In order to expand the accessibility and availability of quality childcare, the department of human services is authorized to establish by regulation alternative or incentive rates of reimbursement for quality enhancements, innovative or specialized childcare and alternative methodologies of childcare delivery, including non-traditional delivery systems and collaborations.

(c) Effective January 1, 2007, all childcare providers have the option to be paid every two (2) weeks and have the option of automatic direct deposit and/or electronic funds transfer of reimbursement payments.

(f) Effective July 1, 2019, the maximum infant/toddler reimbursement rates to be paid by the departments of human services and children, youth and families for licensed family childcare providers shall be implemented in a tiered manner, reflective of the quality rating the provider has achieved within the state's quality rating system outlined in § 42-12-23.1. Tier one shall be reimbursed two percent (2%) above the prevailing base rate for step 1 and step 2 providers, three percent (3%) above prevailing base rate for step 3 providers, and four percent (4%) above the prevailing base rate for step 4 providers; tier two shall be reimbursed five percent (5%) above the prevailing base rate; tier three shall be reimbursed eleven percent (11%) above the prevailing base rate; tier four shall be reimbursed fourteen percent (14%) above the prevailing base rate; and tier five shall be reimbursed twenty-three percent (23%) above the prevailing base rate.

SECTION 5. Sections 40-8-13.4 and 40-8-19 of the General Laws in Chapter 40-8 entitled "Medical Assistance" are hereby amended to read as follows:

40-8-13.4. Rate methodology for payment for in state and out of state hospital services.

(a) The executive office of health and human services ("executive office") shall implement a new methodology for payment for in-state and out-of-state hospital services in order to ensure access to, and the provision of, high-quality and cost-effective hospital care to its eligible recipients.
(b) In order to improve efficiency and cost effectiveness, the executive office shall:

(1)(i) With respect to inpatient services for persons in fee-for-service Medicaid, which is non-managed care, implement a new payment methodology for inpatient services utilizing the Diagnosis Related Groups (DRG) method of payment, which is a patient-classification method that provides a means of relating payment to the hospitals to the type of patients cared for by the hospitals. It is understood that a payment method based on DRG may include cost outlier payments and other specific exceptions. The executive office will review the DRG-payment method and the DRG base price annually, making adjustments as appropriate in consideration of such elements as trends in hospital input costs; patterns in hospital coding; beneficiary access to care; and the Centers for Medicare and Medicaid Services national CMS Prospective Payment System (IPPS) Hospital Input Price index.

For the twelve-month (12) period beginning July 1, 2015, the DRG base rate for Medicaid fee-for-service inpatient hospital services shall not exceed ninety-seven and one-half percent (97.5%) of the payment rates in effect as of July 1, 2014. Beginning July 1, 2019, the DRG base rate for Medicaid fee-for-service inpatient hospital services shall be 107.2% of the payment rates in effect as of July 1, 2018. Increases in the Medicaid fee-for-service DRG hospital payments for the twelve-month (12) period beginning July 1, 2020 shall be based on the payment rates in effect as of July 1 of the preceding fiscal year, and shall be the Centers for Medicare and Medicaid Services national Prospective Payment System (IPPS) Hospital Input Price Index.

(ii) With respect to inpatient services, (A) It is required as of January 1, 2011 until December 31, 2011, that the Medicaid managed care payment rates between each hospital and health plan shall not exceed ninety and one tenth percent (90.1%) of the rate in effect as of June 30, 2010. Increases in inpatient hospital payments for each annual twelve-month (12) period beginning January 1, 2012 may not exceed the Centers for Medicare and Medicaid Services national CMS Prospective Payment System (IPPS) Hospital Input Price index for the applicable period; (B) Provided, however, for the twenty-four-month (24) period beginning July 1, 2013, the Medicaid managed care payment rates between each hospital and health plan shall not exceed the payment rates in effect as of January 1, 2013, and for the twelve-month (12) period beginning July 1, 2015, the Medicaid managed-care payment inpatient rates between each hospital and health plan shall not exceed ninety-seven and one-half percent (97.5%) of the payment rates in effect as of January 1, 2013; (C) Increases in inpatient hospital payments for each annual twelve-month (12) period beginning July 1, 2017, shall be the Centers for Medicare and Medicaid Services national CMS Prospective Payment System (IPPS) Hospital Input Price Index, less Productivity Adjustment, for the applicable period and shall be paid to each hospital retroactively to July 1; (D) Beginning July 1, 2019, the Medicaid managed care payment inpatient rates between each hospital and health plan...
shall be 107.2% of the payment rates in effect as of January 1, 2019 and shall be paid to each hospital retroactively to July 1; (E) Increases in inpatient hospital payments for each annual twelve-month (12) period beginning July 1, 2020, shall be based on the payment rates in effect as of January 1 of the preceding fiscal year, and shall be the Centers for Medicare and Medicaid Services national CMS Prospective Payment System (IPPS) Hospital Input Price Index, less Productivity Adjustment, for the applicable period and shall be paid to each hospital retroactively to July 1; The executive office will develop an audit methodology and process to assure that savings associated with the payment reductions will accrue directly to the Rhode Island Medicaid program through reduced managed-care-plan payments and shall not be retained by the managed-care plans; (E) All hospitals licensed in Rhode Island shall accept such payment rates as payment in full; and (F) For all such hospitals, compliance with the provisions of this section shall be a condition of participation in the Rhode Island Medicaid program.

(2) With respect to outpatient services and notwithstanding any provisions of the law to the contrary, for persons enrolled in fee-for-service Medicaid, the executive office will reimburse hospitals for outpatient services using a rate methodology determined by the executive office and in accordance with federal regulations. Fee-for-service outpatient rates shall align with Medicare payments for similar services. Notwithstanding the above, there shall be no increase in the Medicaid fee-for-service outpatient rates effective on July 1, 2013, July 1, 2014, or July 1, 2015. For the twelve-month (12) period beginning July 1, 2015, Medicaid fee-for-service outpatient rates shall not exceed ninety-seven and one-half percent (97.5%) of the rates in effect as of July 1, 2014. Increases in the outpatient hospital payments for the twelve-month (12) period beginning July 1, 2016, may not exceed the CMS national Outpatient Prospective Payment System (OPPS) Hospital Input Price Index. Beginning July 1, 2019, the Medicaid fee-for-service outpatient rates shall be 107.2% of the payment rates in effect as of July 1, 2018. Increases in the outpatient hospital payments for the twelve-month (12) period beginning July 1, 2020 shall be based on the payment rates in effect as of July 1 of the preceding fiscal year, and shall be the CMS national Outpatient Prospective Payment System (OPPS) Hospital Input Price Index. With respect to the outpatient rate, (i) It is required as of January 1, 2011, until December 31, 2011, that the Medicaid managed-care payment rates between each hospital and health plan shall not exceed one hundred percent (100%) of the rate in effect as of June 30, 2010; (ii) Increases in hospital outpatient payments for each annual twelve-month (12) period beginning January 1, 2012 until July 1, 2017, may not exceed the Centers for Medicare and Medicaid Services national CMS Outpatient Prospective Payment System OPPS hospital price index for the applicable period; (iii) Provided, however, for the twenty-four-month (24) period beginning July 1, 2013, the Medicaid managed-care outpatient payment...
rates between each hospital and health plan shall not exceed the payment rates in effect as of January 1, 2013, and for the twelve-month (12) period beginning July 1, 2015, the Medicaid managed-care outpatient payment rates between each hospital and health plan shall not exceed ninety-seven and one-half percent (97.5%) of the payment rates in effect as of January 1, 2013; (iv) Increases in outpatient hospital payments for each annual twelve-month (12) period beginning July 1, 2017, shall be the Centers for Medicare and Medicaid Services national CMS OPPS Hospital Input Price Index, less Productivity Adjustment, for the applicable period and shall be paid to each hospital retroactively to July 1. **Beginning July 1, 2019, the Medicaid managed care outpatient payment rates between each hospital and health plan shall be one hundred seven and two-tenths percent (107.2%) of the payment rates in effect as of January 1, 2019 and shall be paid to each hospital retroactively to July 1;** (vi) Increases in outpatient hospital payments for each annual twelve-month (12) period beginning July 1, 2020, shall be based on the payment rates in effect as of January 1 of the preceding fiscal year, and shall be the Centers for Medicare and Medicaid Services national CMS OPPS Hospital Input Price Index, less Productivity Adjustment, for the applicable period and shall be paid to each hospital retroactively to July 1.

(3) “Hospital”, as used in this section, shall mean the actual facilities and buildings in existence in Rhode Island, licensed pursuant to § 23-17-1 et seq. on June 30, 2010, and thereafter any premises included on that license, regardless of changes in licensure status pursuant to chapter 17.14 of title 23 (hospital conversions) and § 23-17-6(b) (change in effective control), that provides short-term, acute inpatient and/or outpatient care to persons who require definitive diagnosis and treatment for injury, illness, disabilities, or pregnancy. Notwithstanding the preceding language, the Medicaid managed care payment rates for a court-approved purchaser that acquires a hospital through receivership, special mastership or other similar state insolvency proceedings (which court-approved purchaser is issued a hospital license after January 1, 2013) shall be based upon the new rates between the court-approved purchaser and the health plan, and such rates shall be effective as of the date that the court-approved purchaser and the health plan execute the initial agreement containing the new rates. The rate-setting methodology for inpatient-hospital payments and outpatient-hospital payments set forth in subdivisions (b)(1)(ii)(C) and (b)(2), respectively, shall thereafter apply to increases for each annual twelve-month (12) period as of July 1 following the completion of the first full year of the court-approved purchaser's initial Medicaid managed care contract.

(c) It is intended that payment utilizing the DRG method shall reward hospitals for providing the most efficient care, and provide the executive office the opportunity to conduct value-based purchasing of inpatient care.
(d) The secretary of the executive office is hereby authorized to promulgate such rules and regulations consistent with this chapter, and to establish fiscal procedures he or she deems necessary, for the proper implementation and administration of this chapter in order to provide payment to hospitals using the DRG-payment methodology. Furthermore, amendment of the Rhode Island state plan for Medicaid, pursuant to Title XIX of the federal Social Security Act, is hereby authorized to provide for payment to hospitals for services provided to eligible recipients in accordance with this chapter.

(e) The executive office shall comply with all public notice requirements necessary to implement these rate changes.

(f) As a condition of participation in the DRG methodology for payment of hospital services, every hospital shall submit year-end settlement reports to the executive office within one year from the close of a hospital's fiscal year. Should a participating hospital fail to timely submit a year-end settlement report as required by this section, the executive office shall withhold financial-cycle payments due by any state agency with respect to this hospital by not more than ten percent (10%) until said report is submitted. For hospital fiscal year 2010 and all subsequent fiscal years, hospitals will not be required to submit year-end settlement reports on payments for outpatient services. For hospital fiscal year 2011 and all subsequent fiscal years, hospitals will not be required to submit year-end settlement reports on claims for hospital inpatient services. Further, for hospital fiscal year 2010, hospital inpatient claims subject to settlement shall include only those claims received between October 1, 2009, and June 30, 2010.

(g) The provisions of this section shall be effective upon implementation of the new payment methodology set forth in this section and § 40-8-13.3, which shall in any event be no later than March 30, 2010, at which time the provisions of §§ 40-8-13.2, 27-19-14, 27-19-15, and 27-19-16 shall be repealed in their entirety.
(2) The executive office shall review the current methodology for providing Medicaid payments to nursing facilities, including other long-term-care services providers, and is authorized to modify the principles of reimbursement to replace the current cost-based methodology rates with rates based on a price-based methodology to be paid to all facilities with recognition of the acuity of patients and the relative Medicaid occupancy, and to include the following elements to be developed by the executive office:

(i) A direct-care rate adjusted for resident acuity;

(ii) An indirect-care rate comprised of a base per diem for all facilities;

(iii) A rearray of costs for all facilities every three (3) years beginning October, 2015, that may or may not result in automatic per diem revisions;

(iv) Application of a fair-rental value system;

(v) Application of a pass-through system; and

(vi) Adjustment of rates by the change in a recognized national nursing home inflation index to be applied on October 1 of each year, beginning October 1, 2012. This adjustment will not occur on October 1, 2013, October 1, 2014 or October 1, 2015, but will occur on April 1, 2015. The adjustment of rates will also not occur on October 1, 2017, January 1, 2018 and October 1, 2019. Effective July 1, 2018, rates paid to nursing facilities from the rates approved by the Centers for Medicare and Medicaid Services and in effect on October 1, 2017, both fee-for-service and managed care, will be increased by one and one-half percent (1.5%) and further increased by one percent (1%) on October 1, 2018, and further increased by one percent (1%) on October 1, 2019. Said inflation index shall be applied without regard for the transition factors in subsections (b)(1) and (b)(2). For purposes of October 1, 2016, adjustment only, any rate increase that results from application of the inflation index to subsections (a)(2)(i) and (a)(2)(ii) shall be dedicated to increase compensation for direct-care workers in the following manner: Not less than 85% of this aggregate amount shall be expended to fund an increase in wages, benefits, or related employer costs of direct-care staff of nursing homes. For purposes of this section, direct-care staff shall include registered nurses (RNs), licensed practical nurses (LPNs), certified nursing assistants (CNAs), certified medical technicians, housekeeping staff, laundry staff, dietary staff, or other similar employees providing direct care services; provided, however, that this definition of direct-care staff shall not include: (i) RNs and LPNs who are classified as "exempt employees" under the Federal Fair Labor Standards Act (29 U.S.C. § 201 et seq.); or (ii) CNAs, certified medical technicians, RNs, or LPNs who are contracted, or subcontracted, through a third-party vendor or staffing agency. By July 31, 2017, nursing facilities shall submit to the secretary, or designee, a certification that they have complied with the provisions of subsections (a)(2)(vi) with respect to the inflation index applied...
on October 1, 2016. Any facility that does not comply with terms of such certification shall be
subjected to a clawback, paid by the nursing facility to the state, in the amount of increased
reimbursement subject to this provision that was not expended in compliance with that certification.

(b) Transition to full implementation of rate reform. For no less than four (4) years after
the initial application of the price-based methodology described in subsection (a)(2) to payment
rates, the executive office of health and human services shall implement a transition plan to
moderate the impact of the rate reform on individual nursing facilities. Said transition shall include
the following components:

(1) No nursing facility shall receive reimbursement for direct-care costs that is less than
the rate of reimbursement for direct-care costs received under the methodology in effect at the time
of passage of this act; for the year beginning October 1, 2017, the reimbursement for direct-care
costs under this provision will be phased out in twenty-five percent (25%) increments each year
until October 1, 2021, when the reimbursement will no longer be in effect; and

(2) No facility shall lose or gain more than five dollars ($5.00) in its total, per diem rate the
first year of the transition. An adjustment to the per diem loss or gain may be phased out by twenty-
five percent (25%) each year; except, however, for the years beginning October 1, 2015, there shall
be no adjustment to the per diem gain or loss, but the phase out shall resume thereafter; and

(3) The transition plan and/or period may be modified upon full implementation of facility
per diem rate increases for quality of care-related measures. Said modifications shall be submitted
in a report to the general assembly at least six (6) months prior to implementation.

(4) Notwithstanding any law to the contrary, for the twelve-month (12) period beginning
July 1, 2015, Medicaid payment rates for nursing facilities established pursuant to this section shall
not exceed ninety-eight percent (98%) of the rates in effect on April 1, 2015. Consistent with the
other provisions of this chapter, nothing in this provision shall require the executive office to restore
the rates to those in effect on April 1, 2015, at the end of this twelve-month (12) period.

SECTION 6. Sections 40-8.3-2, 40-8.3-3 and 40-8.3-10 of the General Laws in Chapter
40-8.3 entitled "Uncompensated Care" are hereby amended to read as follows:

**40-8.3-2. Definitions.**

As used in this chapter:

(1) "Base year" means, for the purpose of calculating a disproportionate share payment for
any fiscal year ending after September 30, 2017 through September 30, 2018, the period from October 1, 2016, through September 30, 2017.

(2) "Medicaid inpatient utilization rate for a hospital" means a fraction (expressed as a
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percentage), the numerator of which is the hospital's number of inpatient days during the base year attributable to patients who were eligible for medical assistance during the base year and the denominator of which is the total number of the hospital's inpatient days in the base year.

(3) "Participating hospital" means any nongovernment and nonpsychiatric hospital that:

(i) Was licensed as a hospital in accordance with chapter 17 of title 23 during the base year and shall mean the actual facilities and buildings in existence in Rhode Island, licensed pursuant to § 23-17-1 et seq. on June 30, 2010, and thereafter any premises included on that license, regardless of changes in licensure status pursuant to chapter 17.14 of title 23 (hospital conversions) and § 23-17-6(b) (change in effective control), that provides short-term, acute inpatient and/or outpatient care to persons who require definitive diagnosis and treatment for injury, illness, disabilities, or pregnancy. Notwithstanding the preceding language, the negotiated Medicaid managed-care payment rates for a court-approved purchaser that acquires a hospital through receivership, special mastership, or other similar state insolvency proceedings (which court-approved purchaser is issued a hospital license after January 1, 2013) shall be based upon the newly negotiated rates between the court-approved purchaser and the health plan, and such rates shall be effective as of the date that the court-approved purchaser and the health plan execute the initial agreement containing the newly negotiated rate. The rate-setting methodology for inpatient hospital payments and outpatient hospital payments set forth in §§ 40-8-13.4(b)(1)(ii)(C) and 40-8-13.4(b)(2), respectively, shall thereafter apply to negotiated increases for each annual twelve-month (12) period as of July 1 following the completion of the first full year of the court-approved purchaser's initial Medicaid managed-care contract;

(ii) Achieved a medical assistance inpatient utilization rate of at least one percent (1%) during the base year; and

(iii) Continues to be licensed as a hospital in accordance with chapter 17 of title 23 during the payment year.

(4) "Uncompensated-care costs" means, as to any hospital, the sum of: (i) The cost incurred by such hospital during the base year for inpatient or outpatient services attributable to charity care (free care and bad debts) for which the patient has no health insurance or other third-party coverage less payments, if any, received directly from such patients; and (ii) The cost incurred by such hospital during the base year for inpatient or out-patient services attributable to Medicaid beneficiaries less any Medicaid reimbursement received therefor; multiplied by the uncompensated care index.

(5) "Uncompensated-care index" means the annual percentage increase for hospitals established pursuant to § 27-19-14 for each year after the base year, up to and including the payment
year; provided, however, that the uncompensated-care index for the payment year ending September 30, 2007, shall be deemed to be five and thirty-eight hundredths percent (5.38%), and that the uncompensated-care index for the payment year ending September 30, 2008, shall be deemed to be five and forty-seven hundredths percent (5.47%), and that the uncompensated-care index for the payment year ending September 30, 2009, shall be deemed to be five and thirty-eight hundredths percent (5.38%), and that the uncompensated-care index for the payment years ending September 30, 2010, September 30, 2011, September 30, 2012, September 30, 2013, September 30, 2014, September 30, 2015, September 30, 2016, September 30, 2017, and September 30, 2018, September 30, 2019, and September 30, 2020 shall be deemed to be five and thirty hundredths percent (5.30%).

40-8.3-3. Implementation.

(a) For federal fiscal year 2017, commencing on October 1, 2016, and ending September 30, 2017, the executive office of health and human services shall submit to the Secretary of the U.S. Department of Health and Human Services a state plan amendment to the Rhode Island Medicaid DSH Plan to provide:

(1) That the DSH Plan to all participating hospitals, not to exceed an aggregate limit of $139.7 million, shall be allocated by the executive office of health and human services to the Pool D component of the DSH Plan; and

(2) That the Pool D allotment shall be distributed among the participating hospitals in direct proportion to the individual participating hospital’s uncompensated-care costs for the base year, inflated by the uncompensated care index to the total uncompensated care costs for the base year inflated by uncompensated care index for all participating hospitals. The disproportionate-share payments shall be made on or before July 11, 2017, and are expressly conditioned upon approval on or before July 5, 2017, by the Secretary of the U.S. Department of Health and Human Services, or his or her authorized representative, of all Medicaid state plan amendments necessary to secure for the state the benefit of federal financial participation in federal fiscal year 2017 for the disproportionate-share payments.

(b) For federal fiscal year 2018, commencing on October 1, 2017, and ending September 30, 2018, the executive office of health and human services shall submit to the Secretary of the U.S. Department of Health and Human Services a state plan amendment to the Rhode Island Medicaid DSH Plan to provide:

(1) That the DSH Plan to all participating hospitals, not to exceed an aggregate limit of $138.6 million, shall be allocated by the executive office of health and human services to the Pool D component of the DSH Plan; and
(2) That the Pool D allotment shall be distributed among the participating hospitals in direct proportion to the individual participating hospital's uncompensated care costs for the base year, inflated by the uncompensated care index to the total uncompensated care costs for the base year inflated by uncompensated care index for all participating hospitals. The disproportionate share payments shall be made on or before July 10, 2018, and are expressly conditioned upon approval on or before July 5, 2018, by the Secretary of the U.S. Department of Health and Human Services, or his or her authorized representative, of all Medicaid state plan amendments necessary to secure for the state the benefit of federal financial participation in federal fiscal year 2018 for the disproportionate share payments.

(b) For federal fiscal year 2019, commencing on October 1, 2018, and ending September 30, 2019, the executive office of health and human services shall submit to the Secretary of the U.S. Department of Health and Human Services a state plan amendment to the Rhode Island Medicaid DSH Plan to provide:

(1) That the DSH Plan to all participating hospitals, not to exceed an aggregate limit of $139.7 million, shall be allocated by the executive office of health and human services to the Pool D component of the DSH Plan; and

(2) That the Pool D allotment shall be distributed among the participating hospitals in direct proportion to the individual participating hospital's uncompensated care costs for the base year, inflated by the uncompensated care index to the total uncompensated care costs for the base year inflated by uncompensated care index for all participating hospitals. The disproportionate share payments shall be made on or before July 10, 2019, and are expressly conditioned upon approval on or before July 5, 2019, by the Secretary of the U.S. Department of Health and Human Services, or his or her authorized representative, of all Medicaid state plan amendments necessary to secure for the state the benefit of federal financial participation in federal fiscal year 2019 for the disproportionate share payments.

(c) For federal fiscal year 2020, commencing on October 1, 2019, and ending September 30, 2020, the executive office of health and human services shall submit to the Secretary of the U.S. Department of Health and Human Services a state plan amendment to the Rhode Island Medicaid DSH Plan to provide:

(1) That the DSH Plan to all participating hospitals, not to exceed an aggregate limit of $142.4 million, shall be allocated by the executive office of health and human services to the Pool D component of the DSH Plan; and

(2) That the Pool D allotment shall be distributed among the participating hospitals in direct proportion to the individual participating hospital's uncompensated care costs for the base year.
inflated by the uncompensated care index to the total uncompensated care costs for the base year
inflated by uncompensated care index for all participating hospitals. The disproportionate share
payments shall be made on or before July 13, 2020, and are expressly conditioned upon approval
on or before July 6, 2020, by the Secretary of the U.S. Department of Health and Human Services,
or his or her authorized representative, of all Medicaid state plan amendments necessary to secure
for the state the benefit of federal financial participation in federal fiscal year 2020 for the
disproportionate share payments.

(d) No provision is made pursuant to this chapter for disproportionate-share hospital
payments to participating hospitals for uncompensated-care costs related to graduate medical
education programs.

(e) The executive office of health and human services is directed, on at least a monthly
basis, to collect patient-level uninsured information, including, but not limited to, demographics,
services rendered, and reason for uninsured status from all hospitals licensed in Rhode Island.

(f) Beginning with federal FY 2016, Pool D DSH payments will be recalculated by the
state based on actual hospital experience. The final Pool D payments will be based on the data from
the final DSH audit for each federal fiscal year. Pool D DSH payments will be redistributed among
the qualifying hospitals in direct proportion to the individual, qualifying hospital's uncompensated-
care to the total uncompensated care costs for all qualifying hospitals as determined by the DSH
audit. No hospital will receive an allocation that would incur funds received in excess of audited
uncompensated-care costs.

40-8.3-10. Hospital adjustment payments.

Effective July 1, 2012 and for each subsequent year, the executive office of health and
human services is hereby authorized and directed to amend its regulations for reimbursement to
hospitals for inpatient and outpatient services as follows:

(a) Each hospital in the state of Rhode Island, as defined in subdivision 23-17-38.1(c)(1),
shall receive a quarterly outpatient adjustment payment each state fiscal year of an amount
determined as follows:

(1) Determine the percent of the state's total Medicaid outpatient and emergency
department services (exclusive of physician services) provided by each hospital during each
hospital's prior fiscal year;

(2) Determine the sum of all Medicaid payments to hospitals made for outpatient and
emergency department services (exclusive of physician services) provided during each hospital's
prior fiscal year;

(3) Multiply the sum of all Medicaid payments as determined in subdivision (2) by a
percentage defined as the total identified upper payment limit for all hospitals divided by the sum of all Medicaid payments as determined in subdivision (2); and then multiply that result by each hospital's percentage of the state's total Medicaid outpatient and emergency department services as determined in subdivision (1) to obtain the total outpatient adjustment for each hospital to be paid each year;

(4) Pay each hospital on or before July 20, October 20, January 20, and April 20 one quarter (1/4) of its total outpatient adjustment as determined in subdivision (3) above.

(b) Each hospital in the state of Rhode Island, as defined in subdivision 3-17.38.19(b)(1), shall receive a quarterly inpatient adjustment payment each state fiscal year of an amount determined as follows:

(1) Determine the percent of the state's total Medicaid inpatient services (exclusive of physician services) provided by each hospital during each hospital's prior fiscal year;

(2) Determine the sum of all Medicaid payments to hospitals made for inpatient services (exclusive of physician services) provided during each hospital's prior fiscal year;

(3) Multiply the sum of all Medicaid payments as determined in subdivision (2) by a percentage defined as the total identified upper payment limit for all hospitals divided by the sum of all Medicaid payments as determined in subdivision (2); and then multiply that result by each hospital's percentage of the state's total Medicaid inpatient services as determined in subdivision (1) to obtain the total inpatient adjustment for each hospital to be paid each year;

(4) Pay each hospital on or before July 20, October 20, January 20, and April 20 one quarter (1/4) of its total inpatient adjustment as determined in subdivision (3) above.

(c) The amounts determined in subsections (a) and (b) are in addition to Medicaid inpatient and outpatient payments and emergency services payments (exclusive of physician services) paid to hospitals in accordance with current state regulation and the Rhode Island Plan for Medicaid Assistance pursuant to Title XIX of the Social Security Act and are not subject to recoupment or settlement.

SECTION 7. Section 40-8.4-12 of the General Laws in Chapter 40-8.4 entitled "Health Care For Families" is hereby amended to read as follows:

**40-8.4-12. Rite Share Health Insurance Premium Assistance Program.**

(a) Basic Rite Share Health Insurance Premium Assistance Program. Under the terms of Section 1906 of Title XIX of the U.S. Social Security Act, 42 U.S.C. § 1396e, states are permitted to pay a Medicaid eligible person's share of the costs for enrolling in employer-sponsored health insurance (ESI) coverage if it is cost effective to do so. Pursuant to the general assembly's direction in the Rhode Island Health Reform Act of 2000, the Medicaid agency requested and obtained...
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1 federal approval under § 1916, 42 U.S.C. § 1396o, to establish the Rite Share premium assistance
2 program to subsidize the costs of enrolling Medicaid eligible persons and families in employer
3 sponsored health insurance plans that have been approved as meeting certain cost and coverage
4 requirements. The Medicaid agency also obtained, at the general assembly's direction, federal
5 authority to require any such persons with access to ESI coverage to enroll as a condition of
6 retaining eligibility providing that doing so meets the criteria established in Title XIX for obtaining
7 federal matching funds.
8
9 (b) Definitions. For the purposes of this section, the following definitions apply:
10
11 (1) "Cost-effective" means that the portion of the ESI that the state would subsidize, as
12 well as wrap-around costs, would on average cost less to the state than enrolling that same
13 person/family in a managed-care delivery system.
14
15 (2) "Cost sharing" means any co-payments, deductibles, or co-insurance associated with
16 ESI.
17
18 (3) "Employee premium" means the monthly premium share a person or family is required
19 to pay to the employer to obtain and maintain ESI coverage.
20
21 (4) "Employer-sponsored insurance or ESI" means health insurance or a group health plan
22 offered to employees by an employer. This includes plans purchased by small employers through
23 the state health insurance marketplace, healthsource, RI (HSRI).
24
25 (5) "Policy holder" means the person in the household with access to ESI, typically the
26 employee.
27
28 (6) "Rite Share-approved employer-sponsored insurance (ESI)" means an employer-
29 sponsored health insurance plan that meets the coverage and cost-effectiveness criteria for Rite
30 Share.
31
32 (7) "Rite Share buy-in" means the monthly amount an Medicaid-eligible policyholder
33 must pay toward Rite Share-approved ESI that covers the Medicaid-eligible children, young adults,
34 or spouses with access to the ESI. The buy-in only applies in instances when household income is
35 above one hundred fifty percent (150%) of the FPL.
36
37 (8) "Rite Share premium assistance program" means the Rhode Island Medicaid premium
38 assistance program in which the State pays the eligible Medicaid member's share of the cost of
39 enrolling in a Rite Share-approved ESI plan. This allows the state to share the cost of the health
40 insurance coverage with the employer.
41
42 (9) "Rite Share Unit" means the entity within EOHHS responsible for assessing the cost-
43 effectiveness of ESI, contacting employers about ESI as appropriate, initiating the Rite Share
44 enrollment and disenrollment process, handling member communications, and managing the
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overall operations of the Rite Share program.

(10) "Third-Party Liability (TPL)" means other health insurance coverage. This insurance
is in addition to Medicaid and is usually provided through an employer. Since Medicaid is always
the payer of last resort, the TPL is always the primary coverage.

(11) "Wrap-around services or coverage" means any health care services not included in
the ESI plan that would have been covered had the Medicaid member been enrolled in a Rite Care
or Rhody Health Partners plan. Coverage of deductibles and co-insurance is included in the wrap.
Co-payments to providers are not covered as part of the wrap-around coverage.

(c) Rite Share populations. Medicaid beneficiaries subject to Rite Share include: children,
families, parent and caretakers eligible for Medicaid or the Children's Health Insurance Program
under this chapter or chapter 12.3 of title 42; and adults between the ages of nineteen (19) and sixty-
four (64) who are eligible under chapter 8.12 of title 40, not receiving or eligible to receive
Medicare, and are enrolled in managed care delivery systems. The following conditions apply:

(1) The income of Medicaid beneficiaries shall affect whether and in what manner they
must participate in Rite Share as follows:

(i) Income at or below one hundred fifty percent (150%) of FPL -- Persons and families
determined to have household income at or below one hundred fifty percent (150%) of the Federal
Poverty Level (FPL) guidelines based on the modified adjusted gross income (MAGI) standard or
other standard approved by the secretary are required to participate in Rite Share if a Medicaid-
eligible adult or parent/caretaker has access to cost-effective ESI. Enrolling in ESI through Rite
Share shall be a condition of maintaining Medicaid health coverage for any eligible adult with
access to such coverage.

(ii) Income above one hundred fifty percent (150%) of FPL and policy holder is not
Medicaid-eligible -- Premium assistance is available when the household includes Medicaid-
eligible members, but the ESI policy holder (typically a parent/caretaker, or spouse) is not eligible
for Medicaid. Premium assistance for parents/caretakers and other household members who are not
Medicaid-eligible may be provided in circumstances when enrollment of the Medicaid-eligible
family members in the approved ESI plan is contingent upon enrollment of the ineligible policy
holder and the executive office of health and human services (executive office) determines, based
on a methodology adopted for such purposes, that it is cost-effective to provide premium assistance
for family or spousal coverage.

(d) Rite Share enrollment as a condition of eligibility. For Medicaid beneficiaries over the
age of nineteen (19) enrollment in Rite Share shall be a condition of eligibility except as exempted
below and by regulations promulgated by the executive office.
(1) Medicaid-eligible children and young adults up to age nineteen (19) shall not be required to enroll in a parent/caretaker relative's ESI as a condition of maintaining Medicaid eligibility if the person with access to Rite Share-approved ESI does not enroll as required. These Medicaid-eligible children and young adults shall remain eligible for Medicaid and shall be enrolled in a Rite Care plan.

(2) There shall be a limited six-month (6) exemption from the mandatory enrollment requirement for persons participating in the RI Works program pursuant to chapter 5.2 of title 40.

(e) Approval of health insurance plans for premium assistance. The executive office of health and human services shall adopt regulations providing for the approval of employer-based health insurance plans for premium assistance and shall approve employer-based health insurance plans based on these regulations. In order for an employer-based health insurance plan to gain approval, the executive office must determine that the benefits offered by the employer-based health insurance plan are substantially similar in amount, scope, and duration to the benefits provided to Medicaid-eligible persons enrolled in a Medicaid managed-care plan, when the plan is evaluated in conjunction with available supplemental benefits provided by the office. The office shall obtain and make available to persons otherwise eligible for Medicaid identified in this section as supplemental benefits those benefits not reasonably available under employer-based health insurance plans that are required for Medicaid beneficiaries by state law or federal law or regulation. Once it has been determined by the Medicaid agency that the ESI offered by a particular employer is Rite Share-approved, all Medicaid members with access to that employer's plan are required to participate in Rite Share. Failure to meet the mandatory enrollment requirement shall result in the termination of the Medicaid eligibility of the policy holder and other Medicaid members nineteen (19) or older in the household who could be covered under the ESI until the policy holder complies with the Rite Share enrollment procedures established by the executive office.

(f) Premium Assistance. The executive office shall provide premium assistance by paying all or a portion of the employee's cost for covering the eligible person and/or his or her family under such a Rite Share-approved ESI plan subject to the buy-in provisions in this section.

(g) Buy-in. Persons who can afford it shall share in the cost. -- The executive office is authorized and directed to apply for and obtain any necessary state plan and/or waiver amendments from the secretary of the U.S. DHHS to require that persons enrolled in a Rite Share-approved employer-based health plan who have income equal to or greater than one hundred fifty percent (150%) of the FPL to buy-in to pay a share of the costs based on the ability to pay, provided that the buy-in cost shall not exceed five percent (5%) of the person's annual income. The executive office shall provide premium assistance by paying all or a portion of the employee's cost for covering the eligible person and/or his or her family under such a Rite Share-approved ESI plan subject to the buy-in provisions in this section.
office shall implement the buy-in by regulation, and shall consider co-payments, premium shares, or other reasonable means to do so.

(h) Maximization of federal contribution. The executive office of health and human services is authorized and directed to apply for and obtain federal approvals and waivers necessary to maximize the federal contribution for provision of medical assistance coverage under this section, including the authorization to amend the Title XXI state plan and to obtain any waivers necessary to reduce barriers to provide premium assistance to recipients as provided for in Title XXI of the Social Security Act, 42 U.S.C. § 1397 et seq.

(i) Implementation by regulation. The executive office of health and human services is authorized and directed to adopt regulations to ensure the establishment and implementation of the premium assistance program in accordance with the intent and purpose of this section, the requirements of Title XIX, Title XXI and any approved federal waivers.

(j) Outreach and Reporting. The executive office of health and human services shall develop a plan to identify Medicaid eligible individuals who have access to employer sponsored insurance and increase the use of RIte Share benefits. Beginning October 1, 2019, the executive office shall submit the plan to be included as part of the reporting requirements under § 35-17-1.

Starting January 1, 2020, the executive office of health and human services shall include the number of Medicaid recipients with access to employer sponsored insurance, the number of plans that did not meet the cost effectiveness criteria for RIte Share, and enrollment in the premium assistance program as part of the reporting requirements under § 35-17-1.

SECTION 8. Section 40-8.9-9 of the General Laws in Chapter 40-8.9 entitled "Medical Assistance - Long-Term Care Service and Finance Reform" is hereby amended to read as follows:

**40-8.9-9. Long-term-care rebalancing system reform goal.**

(a) Notwithstanding any other provision of state law, the executive office of health and human services is authorized and directed to apply for, and obtain, any necessary waiver(s), waiver amendment(s), and/or state-plan amendments from the secretary of the United States Department of Health and Human Services, and to promulgate rules necessary to adopt an affirmative plan of program design and implementation that addresses the goal of allocating a minimum of fifty percent (50%) of Medicaid long-term-care funding for persons aged sixty-five (65) and over and adults with disabilities, in addition to services for persons with developmental disabilities, to home- and community-based care; provided, further, the executive office shall report annually as part of its budget submission, the percentage distribution between institutional care and home- and community-based care by population and shall report current and projected waiting lists for long-term-care and home- and community-based care services. The executive office is further authorized
and directed to prioritize investments in home- and community-based care and to maintain the
integrity and financial viability of all current long-term-care services while pursuing this goal.

(b) The reformed long-term-care system rebalancing goal is person centered and
encourages individual self-determination, family involvement, interagency collaboration, and
individual choice through the provision of highly specialized and individually tailored home-based
services. Additionally, individuals with severe behavioral, physical, or developmental disabilities
must have the opportunity to live safe and healthful lives through access to a wide range of
supportive services in an array of community-based settings, regardless of the complexity of their
medical condition, the severity of their disability, or the challenges of their behavior. Delivery of
services and supports in less costly and less restrictive community settings, will enable children,
adolescents, and adults to be able to curtail, delay, or avoid lengthy stays in long-term care
institutions, such as behavioral health residential-treatment facilities, long-term-care hospitals,
intermediate-care facilities, and/or skilled nursing facilities.

(c) Pursuant to federal authority procured under § 42-7.2-16, the executive office of health
and human services is directed and authorized to adopt a tiered set of criteria to be used to determine
eligibility for services. Such criteria shall be developed in collaboration with the state's health and
human services departments and, to the extent feasible, any consumer group, advisory board, or
other entity designated for such purposes, and shall encompass eligibility determinations for long-
term-care services in nursing facilities, hospitals, and intermediate-care facilities for persons with
intellectual disabilities, as well as home- and community-based alternatives, and shall provide a
common standard of income eligibility for both institutional and home- and community-based care.
The executive office is authorized to adopt clinical and/or functional criteria for admission to a
nursing facility, hospital, or intermediate-care facility for persons with intellectual disabilities that
are more stringent than those employed for access to home- and community-based services. The
executive office is also authorized to promulgate rules that define the frequency of re-assessments
for services provided for under this section. Levels of care may be applied in accordance with the
following:

(1) The executive office shall continue to apply the level of care criteria in effect on June
30, 2015, for any recipient determined eligible for and receiving Medicaid-funded, long-term
services in supports in a nursing facility, hospital, or intermediate-care facility for persons with
intellectual disabilities on or before that date, unless:

(a) The recipient transitions to home- and community-based services because he or she
would no longer meet the level of care criteria in effect on June 30, 2015; or

(b) The recipient chooses home- and community-based services over the nursing facility,
hospital, or intermediate-care facility for persons with intellectual disabilities. For the purposes of
this section, a failed community placement, as defined in regulations promulgated by the executive
office, shall be considered a condition of clinical eligibility for the highest level of care. The
executive office shall confer with the long-term-care ombudsperson with respect to the
determination of a failed placement under the ombudsperson's jurisdiction. Should any Medicaid
recipient eligible for a nursing facility, hospital, or intermediate-care facility for persons with
intellectual disabilities as of June 30, 2015, receive a determination of a failed community
placement, the recipient shall have access to the highest level of care; furthermore, a recipient who
has experienced a failed community placement shall be transitioned back into his or her former
nursing home, hospital, or intermediate-care facility for persons with intellectual disabilities
whenever possible. Additionally, residents shall only be moved from a nursing home, hospital, or
intermediate-care facility for persons with intellectual disabilities in a manner consistent with
applicable state and federal laws.

(2) Any Medicaid recipient eligible for the highest level of care who voluntarily leaves a
nursing home, hospital, or intermediate-care facility for persons with intellectual disabilities shall
not be subject to any wait list for home- and community-based services.

(3) No nursing home, hospital, or intermediate-care facility for persons with intellectual
disabilities shall be denied payment for services rendered to a Medicaid recipient on the grounds
that the recipient does not meet level of care criteria unless and until the executive office has:

(i) Performed an individual assessment of the recipient at issue and provided written notice
to the nursing home, hospital, or intermediate-care facility for persons with intellectual disabilities
that the recipient does not meet level of care criteria; and

(ii) The recipient has either appealed that level of care determination and been
unsuccesful, or any appeal period available to the recipient regarding that level of care
determination has expired.

(d) The executive office is further authorized to consolidate all home- and community-
based services currently provided pursuant to 42 U.S.C. § 1396n into a single system of home- and
community-based services that include options for consumer direction and shared living. The
resulting single home- and community-based services system shall replace and supersede all 42
U.S.C. § 1396n programs when fully implemented. Notwithstanding the foregoing, the resulting
single program home- and community-based services system shall include the continued funding
of assisted-living services at any assisted-living facility financed by the Rhode Island housing and
mortgage finance corporation prior to January 1, 2006, and shall be in accordance with chapter 66.8
of title 42 as long as assisted-living services are a covered Medicaid benefit.
(e) The executive office is authorized to promulgate rules that permit certain optional services including, but not limited to, homemaker services, home modifications, respite, and physical therapy evaluations to be offered to persons at risk for Medicaid-funded, long-term care subject to availability of state-appropriated funding for these purposes.

(f) To promote the expansion of home- and community-based service capacity, the executive office is authorized to pursue payment methodology reforms that increase access to homemaker, personal care (home health aide), assisted living, adult supportive-care homes, and adult day services, as follows:

(1) Development of revised or new Medicaid certification standards that increase access to service specialization and scheduling accommodations by using payment strategies designed to achieve specific quality and health outcomes.

(2) Development of Medicaid certification standards for state-authorized providers of adult-day services, excluding such providers of services authorized under § 40.1-24-1(3), assisted living, and adult supportive care (as defined under chapter 17.24 of title 23) that establish for each, an acuity-based, tiered service and payment methodology tied to: licensure authority; level of beneficiary needs; the scope of services and supports provided; and specific quality and outcome measures.

The standards for adult-day services for persons eligible for Medicaid-funded, long-term services may differ from those who do not meet the clinical/functional criteria set forth in § 40-8.10-3.

(3) As the state's Medicaid program seeks to assist more beneficiaries requiring long-term services and supports in home- and community-based settings, the demand for home care workers has increased, and wages for these workers has not kept pace with neighboring states, leading to high turnover and vacancy rates in the state's home-care industry, the executive office shall institute a one-time increase in the base-payment rates for home-care service providers to promote increased access to and an adequate supply of highly trained home health care professionals, in amount to be determined by the appropriations process, for the purpose of raising wages for personal care attendants and home health aides to be implemented by such providers.

(4) A prospective base adjustment, effective not later than July 1, 2018, of ten percent (10%) of the current base rate for home care providers, home nursing care providers, and hospice providers contracted with the executive office of health and human services and its subordinate agencies to deliver Medicaid fee-for-service personal care attendant services.

(5) A prospective base adjustment, effective not later than July 1, 2018, of twenty percent (20%) of the current base rate for home care providers, home nursing care providers, and hospice
providers contracted with the executive office of health and human services and its subordinate agencies to deliver Medicaid fee-for-service skilled nursing and therapeutic services and hospice care.

(6) Effective upon passage of this section, hospice provider reimbursement, exclusively for room and board expenses for individuals residing in a skilled nursing facility, shall revert to the rate methodology in effect on June 30, 2018, and these room and board expenses shall be exempted from any and all annual rate increases to hospice providers as provided for in this section.

(7) On the first of July in each year, beginning on July 1, 2019, the executive office of health and human services will initiate an annual inflation increase to the base rate for home care providers, home nursing care providers, and hospice providers contracted with the executive office and its subordinate agencies to deliver Medicaid fee-for-service personal care attendant services, skilled nursing and therapeutic services and hospice care. The base rate increase shall be by a percentage amount equal to the New England Consumer Price Index card as determined by the United States Department of Labor for medical care and for compliance with all federal and state laws, regulations, and rules, and all national accreditation program requirements. (g) The executive office shall implement a long-term care options counseling program to provide individuals, or their representatives, or both, with long-term care consultations that shall include, at a minimum, information about: long-term care options, sources, and methods of both public and private payment for long-term care services and an assessment of an individual's functional capabilities and opportunities for maximizing independence. Each individual admitted to, or seeking admission to, a long-term care facility, regardless of the payment source, shall be informed by the facility of the availability of the long-term care options counseling program and shall be provided with long-term care options consultation if they so request. Each individual who applies for Medicaid long-term care services shall be provided with a long-term care consultation.

(h) The executive office is also authorized, subject to availability of appropriation of funding, and federal, Medicaid-matching funds, to pay for certain services and supports necessary to transition or divert beneficiaries from institutional or restrictive settings and optimize their health and safety when receiving care in a home or the community. The secretary is authorized to obtain any state plan or waiver authorities required to maximize the federal funds available to support expanded access to such home- and community-transition and stabilization services; provided, however, payments shall not exceed an annual or per-person amount.

(i) To ensure persons with long-term care needs who remain living at home have adequate resources to deal with housing maintenance and unanticipated housing-related costs, the secretary is authorized to develop higher resource eligibility limits for persons or obtain any state plan or
waiver authorities necessary to change the financial eligibility criteria for long-term services and
supports to enable beneficiaries receiving home and community waiver services to have the
resources to continue living in their own homes or rental units or other home-based settings.

(j) The executive office shall implement, no later than January 1, 2016, the following home-
and community-based service and payment reforms:

(1) Community-based, supportive-living program established in § 40-8.13-12 or an
alternative, successor, or substitute program, or delivery option designated for such purposes by
the secretary of the executive office of health and human services;

(2) Adult day services level of need criteria and acuity-based, tiered-payment
methodology; and

(3) Payment reforms that encourage home- and community-based providers to provide the
specialized services and accommodations beneficiaries need to avoid or delay institutional care.

(k) The secretary is authorized to seek any Medicaid section 1115 waiver or state-plan
amendments and take any administrative actions necessary to ensure timely adoption of any new
or amended rules, regulations, policies, or procedures and any system enhancements or changes,
for which appropriations have been authorized, that are necessary to facilitate implementation of
the requirements of this section by the dates established. The secretary shall reserve the discretion
to exercise the authority established under §§ 42-7.2-5(6)(v) and 42-7.2-6.1, in consultation with
the governor, to meet the legislative directives established herein.

Term Managed Care Arrangements” is hereby amended to read as follows:


(a) To expand the number of community-based service options, the executive office of
health and human services shall establish a program for beneficiaries opting to participate in
managed care long-term care arrangements under this chapter who choose to receive Medicaid-
funded assisted living, adult supportive care home, or shared living long-term care services and
supports. As part of the program, the executive office shall implement Medicaid certification or, as
appropriate, managed care contract standards for state authorized providers of these services that
establish an acuity-based, tiered service and payment system that ties reimbursements to:
beneficiary's clinical/functional level of need; the scope of services and supports provided; and
specific quality and outcome measures. Such standards shall set the base level of Medicaid state
plan and waiver services that each type of provider must deliver, the range of acuity-based service
enhancements that must be made available to beneficiaries with more intensive care needs, and the
minimum state licensure and/or certification requirements a provider must meet to participate in
the pilot at each service/payment level. The standards shall also establish any additional
requirements, terms or conditions a provider must meet to ensure beneficiaries have access to high
quality, cost effective care.

(b) Room and board. The executive office shall raise the cap on the amount Medicaid
certified assisted living and adult supportive home care providers are permitted to charge
participating beneficiaries for room and board. In the first year of the program, the monthly charges
for a beneficiary living in a single room who has income at or below three hundred percent (300%)
of the Supplemental Security Income (SSI) level shall not exceed the total of both the maximum
monthly federal SSI payment and the monthly state supplement authorized for persons requiring
long-term services under § 40-6-27.2(a)(1)(vi), less the specified personal need allowance. For a
beneficiary living in a double room, the room and board cap shall be set at eighty-five percent
(85%) of the monthly charge allowed for a beneficiary living in a single room.

(c) Program cost-effectiveness. The total cost to the state for providing the state supplement
and Medicaid-funded services and supports to beneficiaries participating in the program in the
initial year of implementation shall not exceed the cost for providing Medicaid-funded services to
the same number of beneficiaries with similar acuity needs in an institutional setting in the initial
year of the operations. The program shall be terminated if the executive office determines that the
program has not met this target. The state shall expand access to the program to qualified
beneficiaries who opt out of an LTSS arrangement, in accordance with § 40-8.13-2, or are required
to enroll in an alternative, successor, or substitute program, or delivery option designated for such
purposes by the secretary of the executive office of health and human services if the enrollment in
an LTSS plan is no longer an option.

SECTION 10. Section 40.1-22-13 of the General Laws in Chapter 40.1-22 entitled
"Developmental Disabilities" is hereby amended to read as follows:


No public or private developmental disabilities facility shall restrict the visiting of a client
by anyone at any time of the day or night; however, in special circumstances when the client is ill
or incapacitated and a visit would not be in his or her best interest, visitation may be restricted
temporarily during the illness or incapacity when documented in the client’s individualized
program plan, as defined in § 40.1-21-4.3(7) of the general laws.

SECTION 11. Section 40.1-26-3 of the General Laws in Chapter 40.1-26 entitled "Rights
for Persons with Developmental Disabilities" is hereby amended to read as follows:

40.1-26-3. Participants’ rights.

In addition to any other rights provided by state or federal laws, a participant as defined in
this chapter shall be entitled to the following rights:

1. To be treated with dignity, respect for privacy and have the right to a safe and supportive environment;
2. To be free from verbal and physical abuse;
3. To engage in any activity including employment, appropriate to his or her age, and interests in the most integrated community setting;
   (i) No participant shall be required to perform labor, which involves the essential operation and maintenance of the agency or the regular supervision or care of other participants. Participants may however, be requested to perform labor involving normal housekeeping and home maintenance functions if such responsibilities are documented in the participant's individualized plan;
4. To participate in the development of his or her individualized plan and to provide informed consent to its implementation or to have an advocate provide informed consent if the participant is not competent to do so;
5. To have access to his or her individualized plan and other medical, social, financial, vocational, psychiatric, or other information included in the file maintained by the agency;
6. To give written informed consent prior to the imposition of any plan designed to modify behavior, including those which utilizes aversive techniques or impairs the participant's liberty or to have an advocate provide written informed consent if the participant is not competent to do so. Provided, however, that if the participant is competent to provide consent but cannot provide written consent, the agency shall accept an alternate form of consent and document in the participant's record how such consent was obtained;
7. To register a complaint regarding an alleged violation of rights through the grievance procedure delineated in § 40.1-26-5;
8. To be free from unnecessary restraint. Restraints shall not be employed as punishment, for the convenience of the staff, or as a substitute for an individualized plan. Restraints shall impose the least possible restrictions consistent with their purpose and shall be removed when the emergency ends. Restraints shall not cause physical injury to the participant and shall be designed to allow the greatest possible comfort. Restraints shall be subject to the following conditions:
   (i) Physical restraint shall be employed only in emergencies to protect the participant or others from imminent injury or when prescribed by a physician, when necessary, during the conduct of a specific medical or surgical procedure or if necessary for participant protection during the time that a medical condition exists;
   (ii) Chemical restraint shall only be used when prescribed by a physician in extreme
emergencies in which physical restraint is not possible and the harmful effects of the emergency clearly outweigh the potential harmful effects of the chemical restraints;

(iii) No participant shall be placed in seclusion;

(iv) The agency shall have a written policy that defines the use of restraints, the staff members who may authorize their use, and a mechanism for monitoring and controlling their use;

(v) All orders for restraint as well as the required frequency of staff observation of the participant shall be written;

(9) To have reasonable, at any time, access to telephone communication;

(10) To receive visitors of a participant's choosing at all reasonable hours any time;

(11) To keep and be allowed to spend a reasonable amount of one's own money;

(12) To be provided advance written notice explaining the reason(s) why the participant is no longer eligible for service from the agency;

(13) To religious freedom and practice;

(14) To communicate by sealed mail or otherwise with persons of one's choosing;

(15) To select and wear one's own clothing and to keep and use one's own personal possessions;

(16) To have reasonable, prompt access to current newspapers, magazines and radio and television programming;

(17) To have opportunities for physical exercise and outdoor recreation;

(18)(i) To provide informed consent prior to the imposition of any invasive medical treatment including any surgical procedure or to have a legal guardian, or in the absence of a legal guardian, a relative as defined in this chapter, provide informed consent if the participant is not competent to do so. Information upon which a participant shall make necessary treatment and/or surgery decisions shall be presented to the participant in a manner consistent with his or her learning style and shall include, but not be limited to:

(A) The nature and consequences of the procedure(s);

(B) The risks, benefits and purpose of the procedure(s); and

(C) Alternate procedures available;

(ii) The informed consent of a participant or his or her legal guardian or, in the absence of a legal guardian, a relative as defined in this chapter, may be withdrawn at any time, with or without cause, prior to treatment. The absence of informed consent notwithstanding, a licensed and qualified physician may render emergency medical care or treatment to any participant who has been injured or who is suffering from an acute illness, disease, or condition if, within a reasonable degree of medical certainty, delay in initiation of emergency medical care or treatment would
endanger the health of the participant;

(19) Each participant shall have a central record. The record shall include data pertaining to admissions and such other information as may be required under regulations by the department;

(20) Admissions -- As part of the procedure for the admission of a participant to an agency, each participant or applicant, or advocate if the participant or applicant is not competent, shall be fully informed, orally and in writing, of all rules, regulations, and policies governing participant conduct and responsibilities, including grounds for dismissal, procedures for discharge, and all anticipated financial charges, including all costs not covered under federal and/or state programs, by other third party payors or by the agency's basic per diem rate. The written notice shall include information regarding the participant's or applicant's right to appeal the admission or dismissal decisions of the agency;

(21) Upon termination of services to or death of a participant, a final accounting shall be made of all personal effects and/or money belonging to the participant held by the agency. All personal effects and/or money including interest shall be promptly released to the participant or his or her heirs;

(22) Nothing in this chapter shall preclude intervention in the form of appropriate and reasonable restraint should it be necessary to protect individuals from physical injury to themselves or others.

SECTION 12. Section 42-7.2-5 of the General Laws in Chapter 42-7.2 entitled "Office of Health and Human Services" is hereby amended to read as follows:

42-7.2-5. Duties of the secretary.

The secretary shall be subject to the direction and supervision of the governor for the oversight, coordination and cohesive direction of state administered health and human services and in ensuring the laws are faithfully executed, notwithstanding any law to the contrary. In this capacity, the Secretary of Health and Human Services shall be authorized to:

(1) Coordinate the administration and financing of health-care benefits, human services and programs including those authorized by the state's Medicaid section 1115 demonstration waiver and, as applicable, the Medicaid State Plan under Title XIX of the U.S. Social Security Act. However, nothing in this section shall be construed as transferring to the secretary the powers, duties or functions conferred upon the departments by Rhode Island public and general laws for the administration of federal/state programs financed in whole or in part with Medicaid funds or the administrative responsibility for the preparation and submission of any state plans, state plan amendments, or authorized federal waiver applications, once approved by the secretary.

(2) Serve as the governor's chief advisor and liaison to federal policymakers on Medicaid
reform issues as well as the principal point of contact in the state on any such related matters.

(3)(a) Review and ensure the coordination of the state's Medicaid section 1115 demonstration waiver requests and renewals as well as any initiatives and proposals requiring amendments to the Medicaid state plan or category two (II) or three (III) changes formal amendment changes, as described in the special terms and conditions of the state's Medicaid section 1115 demonstration waiver with the potential to affect the scope, amount or duration of publicly-funded health-care services, provider payments or reimbursements, or access to or the availability of benefits and services as provided by Rhode Island general and public laws. The secretary shall consider whether any such changes are legally and fiscally sound and consistent with the state's policy and budget priorities. The secretary shall also assess whether a proposed change is capable of obtaining the necessary approvals from federal officials and achieving the expected positive consumer outcomes. Department directors shall, within the timelines specified, provide any information and resources the secretary deems necessary in order to perform the reviews authorized in this section;

(b) Direct the development and implementation of any Medicaid policies, procedures, or systems that may be required to assure successful operation of the state's health and human services integrated eligibility system and coordination with HealthSource RI, the state's health insurance marketplace.

(c) Beginning in 2015, conduct on a biennial basis a comprehensive review of the Medicaid eligibility criteria for one or more of the populations covered under the state plan or a waiver to ensure consistency with federal and state laws and policies, coordinate and align systems, and identify areas for improving quality assurance, fair and equitable access to services, and opportunities for additional financial participation.

(d) Implement service organization and delivery reforms that facilitate service integration, increase value, and improve quality and health outcomes.

(4) Beginning in 2006, prepare and submit to the governor, the chairpersons of the house and senate finance committees, the caseload estimating conference, and to the joint legislative committee for health-care oversight, by no later than March 15 of each year, a comprehensive overview of all Medicaid expenditures outcomes, administrative costs, and utilization rates. The overview shall include, but not be limited to, the following information:

(i) Expenditures under Titles XIX and XXI of the Social Security Act, as amended;

(ii) Expenditures, outcomes and utilization rates by population and sub-population served (e.g. families with children, persons with disabilities, children in foster care, children receiving adoption assistance, adults ages nineteen (19) to sixty-four (64), and elders);
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(iii) Expenditures, outcomes and utilization rates by each state department or other municipal or public entity receiving federal reimbursement under Titles XIX and XXI of the Social Security Act, as amended; and

(iv) Expenditures, outcomes and utilization rates by type of service and/or service provider;

and

(v) Expenditures by mandatory population receiving mandatory services and, reported separately, optional services, as well as optional populations receiving mandatory services and, reported separately, optional services for each state agency receiving Title XIX and XXI funds.

The directors of the departments, as well as local governments and school departments, shall assist and cooperate with the secretary in fulfilling this responsibility by providing whatever resources, information and support shall be necessary.

(5) Resolve administrative, jurisdictional, operational, program, or policy conflicts among departments and their executive staffs and make necessary recommendations to the governor.

(6) Assure continued progress toward improving the quality, the economy, the accountability and the efficiency of state-administered health and human services. In this capacity, the secretary shall:

(i) Direct implementation of reforms in the human resources practices of the executive office and the departments that streamline and upgrade services, achieve greater economies of scale and establish the coordinated system of the staff education, cross-training, and career development services necessary to recruit and retain a highly-skilled, responsive, and engaged health and human services workforce;

(ii) Encourage EOHHS-wide consumer-centered approaches to service design and delivery that expand their capacity to respond efficiently and responsibly to the diverse and changing needs of the people and communities they serve;

(iii) Develop all opportunities to maximize resources by leveraging the state's purchasing power, centralizing fiscal service functions related to budget, finance, and procurement, centralizing communication, policy analysis and planning, and information systems and data management, pursuing alternative funding sources through grants, awards and partnerships and securing all available federal financial participation for programs and services provided EOHHS-wide;

(iv) Improve the coordination and efficiency of health and human services legal functions by centralizing adjudicative and legal services and overseeing their timely and judicious administration;

(v) Facilitate the rebalancing of the long term system by creating an assessment and
coordination organization or unit for the expressed purpose of developing and implementing
procedures EOHHS-wide that ensure that the appropriate publicly-funded health services are
provided at the right time and in the most appropriate and least restrictive setting;

(vi) Strengthen health and human services program integrity, quality control and
collections, and recovery activities by consolidating functions within the office in a single unit that
ensures all affected parties pay their fair share of the cost of services and are aware of alternative
financing.

(vii) Assure protective services are available to vulnerable elders and adults with
developmental and other disabilities by reorganizing existing services, establishing new services
where gaps exist and centralizing administrative responsibility for oversight of all related initiatives
and programs.

(7) Prepare and integrate comprehensive budgets for the health and human services
departments and any other functions and duties assigned to the office. The budgets shall be
submitted to the state budget office by the secretary, for consideration by the governor, on behalf
of the state's health and human services agencies in accordance with the provisions set forth in §
35-3-4 of the Rhode Island general laws.

(8) Utilize objective data to evaluate health and human services policy goals, resource use
and outcome evaluation and to perform short and long-term policy planning and development.

(9) Establishment of an integrated approach to interdepartmental information and data
management that complements and furthers the goals of the unified health infrastructure project
initiative and that will facilitate the transition to consumer-centered integrated system of state
administered health and human services.

(10) At the direction of the governor or the general assembly, conduct independent reviews
of state-administered health and human services programs, policies and related agency actions and
activities and assist the department directors in identifying strategies to address any issues or areas
of concern that may emerge thereof. The department directors shall provide any information and
assistance deemed necessary by the secretary when undertaking such independent reviews.

(11) Provide regular and timely reports to the governor and make recommendations with
respect to the state's health and human services agenda.

(12) Employ such personnel and contract for such consulting services as may be required
to perform the powers and duties lawfully conferred upon the secretary.

(13) Assume responsibility for complying with the provisions of any general or public law
or regulation related to the disclosure, confidentiality and privacy of any information or records, in
the possession or under the control of the executive office or the departments assigned to the
executive office, that may be developed or acquired or transferred at the direction of the governor or the secretary for purposes directly connected with the secretary's duties set forth herein.

(14) Hold the director of each health and human services department accountable for their administrative, fiscal and program actions in the conduct of the respective powers and duties of their agencies.

SECTION 13. Section 42-12.4-7 of the General Laws in Chapter 42-12.4 entitled “The Rhode Island Medicaid Reform Act of 2008” is hereby amended to read as follows:

42-12.4-7. Demonstration implementation -- Restrictions.

The executive office of health and human services and the department of human services may implement the global consumer choice section 1115 demonstration ("the demonstration"), project number 11W-00242/1, subject to the following restrictions:

(1) Notwithstanding the provisions of the demonstration, any change that requires the implementation of a rule or regulation or modification of a rule or regulation in existence prior to the demonstration shall require prior approval of the general assembly;

(2) Notwithstanding the provisions of the demonstration, any Category II change or Category III change formal waiver amendments, as defined in the demonstration, or state plan amendments shall require the prior approval of the general assembly.

SECTION 14. Section 42-14.6-4 of the General Laws in Chapter 42-14.6 entitled "Rhode Island All-Payer Patient-Centered Medical Home Act" is hereby amended to read as follows:

42-14.6-4. Promotion of the patient-centered medical home.

(a) Care coordination payments.

(1) The commissioner and the secretary shall convene a patient-centered medical home collaborative consisting of the entities described in subdivision 42-14.6-3(7). The commissioner shall require participation in the collaborative by all of the health insurers described above. The collaborative shall propose, by January 1, 2012, a payment system, to be adopted in whole or in part by the commissioner and the secretary, that requires all health insurers to make per-person care coordination payments to patient-centered medical homes, for providing care coordination services and directly managing on-site or employing care coordinators as part of all health insurance plans offered in Rhode Island. The collaborative shall provide guidance to the state health-care program as to the appropriate payment system for the state health-care program to the same patient-centered medical homes; the state health-care program must justify the reasons for any departure from this guidance to the collaborative.

(2) The care coordination payments under this shall be consistent across insurers and patient-centered medical homes and shall be in addition to any other incentive payments such as
quality incentive payments. In developing the criteria for care coordination payments, the
commissioner shall consider the feasibility of including the additional time and resources needed
by patients with limited English-language skills, cultural differences, or other barriers to health
care. The commissioner may direct the collaborative to determine a schedule for phasing in care
coordination fees.

(3) The care coordination payment system shall be in place through July 1, 2016. Its
continuation beyond that point shall depend on results of the evaluation reports filed pursuant to §
42-71-6.

(4) Examination of other payment reforms. By January 1, 2013, the commissioner
and the secretary shall direct the collaborative to consider additional payment reforms to be
implemented to support patient-centered medical homes including, but not limited to, payment
structures (to medical home or other providers) that:

(i) Reward high-quality, low-cost providers;

(ii) Create enrollee incentives to receive care from high-quality, low-cost providers;

(iii) Foster collaboration among providers to reduce cost shifting from one part of the health
continuum to another; and

(iv) Create incentives that health care be provided in the least restrictive, most appropriate
setting.

(v) Constitute alternatives to fee for service payment, such as partial and full capitation.

(5) The patient-centered medical home collaborative shall examine and make
recommendations to the secretary regarding the designation of patient-centered medical homes, in
order to promote diversity in the size of practices designated, geographic locations of practices
designated and accessibility of the population throughout the state to patient-centered medical
homes.

(b) The patient-centered medical home collaborative shall propose to the secretary for
adoption, standards for the patient-centered medical home to be used in the payment system. In
developing these standards, the existing standards by the national committee for quality assurance,
or other independent accrediting organizations may be considered where feasible.

SECTION 15. Section 42-72-5.3 of the General Laws in Chapter 42-72 entitled
"Department of Children, Youth and Families" is hereby amended to read as follows:

42-72-5.3. Accreditation.

(a) The standards set by the Council on Accreditation (COA) are nationally recognized as
best practices for protecting and providing services to abused and neglected children.

(b) Achieving and maintaining these standards requires a solid commitment from the
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(Please provide the full text of the document here.)
fiscally sound and sustainable, the Secretary of the Executive Office requests legislative approval of the following proposals to amend the Rhode Island’s Medicaid section 1115 demonstration:

(a) Provider rates – Adjustments. The Executive Office proposes to:

(i) Increase in-patient and out-patient hospital payment rates by seven and two tenths percent (7.2%) on July 1, 2019;

(ii) Increase nursing home rates by one percent (1%) on October 1, 2019;

(iii) Establish, effective July 1, 2019, hospice provider reimbursement, exclusively for room and board expenses for individuals residing in a skilled nursing facility, shall revert to the rate methodology in effect on June 30, 2018 and these room and board expenses shall be exempted from any and all annual rate increases to hospice providers; and

(iv) Reduce the rates for Medicaid managed care plan.

Implementation of adjustments may require amendments to the Rhode Island’s Medicaid state plan and/or section 1115 demonstration waiver under applicable terms and conditions. Further, adoption of new or amended rules, regulations and procedures may also be required.

(b) Increase in the Department of Behavioral Healthcare, Developmental Disabilities and Hospitals (BHDDH) Direct Care Service Workers Wages. To further the long-term care system rebalancing goal of improving access to high quality services in the least restrictive setting, the Executive Office proposes to establish a targeted wage increase for certain community-based BHDDH developmental disability private providers and self-directed consumer direct care service workers. Implementation of the program may require amendments to the Medicaid State Plan and/or Section 1115 demonstration waiver due to changes in payment methodologies.

(c) Federal Financing Opportunities. The Executive Office proposes to review Medicaid requirements and opportunities under the U.S. Patient Protection and Affordable Care Act of 2010, as amended, and various other recently enacted federal laws and pursue any changes in the Rhode Island Medicaid program that promote service quality, access and cost-effectiveness that may warrant a Medicaid state plan amendment or amendment under the terms and conditions of Rhode Island’s section 1115 waiver, its successor, or any extension thereof. Any such actions by the Executive Office shall not have an adverse impact on beneficiaries and shall not cause an increase in expenditures beyond the amount appropriated for state fiscal year 2020.

Now, therefore, be it

RESOLVED, the General Assembly hereby approves the proposals under paragraphs (a) through (c) above; and be it further;

RESOLVED, the Secretary of the Executive Office is authorized to pursue and implement any Rhode Island’s Medicaid section 1115 demonstration waiver amendments, Medicaid state plan
amendments, and/or changes to the applicable department’s rules, regulations and procedures approved herein and as authorized by 42-12.4; and be it further

RESOLVED, that this Joint Resolution shall take effect upon passage.

SECTION 17. Title 21 of the General Laws entitled “FOOD AND DRUGS” is hereby amended by adding thereto the following chapter:

CHAPTER 28.10
OPIOID STEWARDSHIP ACT


Unless the context otherwise requires, the following terms shall be construed in this chapter to have the following meanings:

(1) “Department” means the Rhode Island department of health.
(2) "Director" means the director of the Rhode Island department of health.
(3) “Distribute” means distribute as defined in § 21-28-1.02.
(4) “Distributor” means distributor as defined in § 21-28-1.02.
(5) "Manufacture" means manufacture as defined in § 21-28-1.02.
(6) "Manufacturer" means manufacturer as defined in § 21-28-1.02.
(7) "Market share" means the total opioid stewardship fund amount measured as a percentage of each manufacturer’s, distributor’s and wholesaler’s gross, in-state, opioid sales in dollars from the previous calendar year as reported to the U.S. Drug Enforcement Administration (DEA) on its Automation of Reports and Consolidated Orders System (ARCOS) report.
(8) "Wholesaler" means wholesaler as defined in § 21-28-1.02.

21-28.10-2. Opioid registration fee imposed on manufacturers, distributors, and wholesalers.

All manufacturers, distributors, and wholesalers licensed or registered under this title or chapter 19.1 of title 5 (hereinafter referred to as "licensees"), that manufacture or distribute opioids shall be required to pay an opioid registration fee. On an annual basis, the director shall certify the amount of all revenues collected from opioid registration fees and any penalties imposed, to the general treasurer. The amount of revenues so certified shall be deposited annually into the opioid stewardship fund restricted receipt account established pursuant to § 21-28.10-10.

21-28.10-3. Determination of market share and registration fee.

(1) The total opioid stewardship fund amount shall be five million dollars ($5,000,000) annually, subject to downward adjustments pursuant to § 21-28.10-7.
(2) Each manufacturer's, distributor's, and wholesaler's annual opioid registration fee shall
be based on that licensee's in-state market share.

(3) The following sales will not be included when determining a manufacturer's, distributor's, or wholesaler's market share:

(i) The gross, in-state opioid sales attributed to the sale of buprenorphine or methadone;

(ii) The gross, in-state opioid sales sold or distributed directly to opioid treatment programs, data-waivered practitioners, or hospice providers licensed pursuant to chapter 17 of title 23;

(iii) Any sales from those opioids manufactured in Rhode Island, but whose final point of delivery or sale is outside of Rhode Island; and

(iv) Any sales of anesthesia or epidurals as defined in regulation by the department.

(v) Any in-state intracompany transfers of opioids between any division, affiliate, subsidiary, parent, or other entity under complete and common ownership and control.

(4) The department shall provide to the licensee, in writing, on or before October 15, 2019, the licensee's market share for the 2018 calendar year. Thereafter, the department shall notify the licensee, in writing, on or before October 15 of each year, of its market share for the prior calendar year based on the opioids sold or distributed for the prior calendar year.


(a) Each manufacturer, distributor, and wholesaler licensed to manufacture or distribute opioids in the state of Rhode Island shall provide to the director a report detailing all opioids sold or distributed by such manufacturer or distributor in the state of Rhode Island. Such report shall include:

(1) The manufacturer's, distributor's, or wholesaler's name, address, phone number, DEA registration number, and controlled substance license number issued by the department;

(2) The name, address, and DEA registration number of the entity to whom the opioid was sold or distributed;

(3) The date of the sale or distribution of the opioids;

(4) The gross receipt total, in dollars, of all opioids sold or distributed;

(5) The name and National Drug Code of the opioids sold or distributed;

(6) The number of containers and the strength and metric quantity of controlled substance in each container of the opioids sold or distributed; and

(7) Any other elements as deemed necessary or advisable by the director.

(b) Initial and future reports.

Such information shall be reported annually to the department via ARCOS or in such other form as defined or approved by the director; provided, however, that the initial report provided pursuant to subsection (a) of this section shall consist of all opioids sold or distributed in the state.
of Rhode Island for the 2018 calendar year, and shall be submitted by September 1, 2019.

Subsequent annual reports shall be submitted by April 15 of each year based on the actual opioid sales and distributions of the prior calendar year.


The licensee shall make payments annually to the department with the first payment of its market share due on December 31, 2019; provided, that the amount due on December 31, 2019 shall be for the full amount of the payment for the 2018 calendar year, with subsequent payments to be due and owing on the last day of every year thereafter.


In any year for which the director determines that a licensee failed to report information required by this chapter, those licensees complying with this chapter shall receive a reduced assessment of their market share in the following year equal to the amount in excess of any overpayment in the prior payment period.


(a) A licensee shall be afforded an opportunity to submit information to the department documenting or evidencing that the market share provided to the licensee (or amounts paid thereunder), pursuant to § 21-28.10-3(4), is in error or otherwise not warranted. The department may consider and examine such additional information that it determines to be reasonably related to resolving the calculation of a licensee's market share, which may require the licensee to provide additional materials to the department. If the department determines thereafter that all or a portion of such market share, as determined by the director pursuant to § 21-28.10-3(4), is not warranted, the department may:

(1) Adjust the market share;

(2) Adjust the assessment of the market share in the following year equal to the amount in excess of any overpayment in the prior payment period; or

(3) Refund amounts paid in error.

(b) Any person aggrieved by a decision of the department relating to the calculation of market share may appeal that decision to the superior court, which shall have power to review such decision, and the process by which such decision was made, as prescribed in chapter 35 of title 42.

(c) A licensee shall also have the ability to appeal its assessed opioid registration fee if the assessed fee amount exceeds the amount of profit the licensee obtains through sales in the state of products described in § 21-28.10-3. The department may, exercising discretion as it deems appropriate, waive or decrease fees as assessed pursuant to § 21-28.10-3 if a licensee can demonstrate that the correctly assessed payment will pose undue hardship to the licensee's
continued activities in state. The department shall be allowed to request, and the licensee shall furnish to the department, any information or supporting documentation validating the licensee's request for waiver or reduction under this subsection. Fees waived under this section shall not be reapportioned to other licensees which have payments due under this chapter.


By January of each calendar year, the department of behavioral healthcare, developmental disabilities and hospitals (BHDDH), the executive office of health and human services (EOHHS), the department of children, youth and families (DCYF), the Rhode Island department of education (RIDE), the Rhode Island office of veterans' affairs (RIOVA), the department of corrections (DOC), and the department of labor and training (DLT) shall report annually to the governor, the speaker of the house, and the senate president which programs in their respective departments were funded using monies from the opioid stewardship fund and the total amount of funds spent on each program.


(a) The department may assess a civil penalty in an amount not to exceed one thousand dollars ($1,000) per day against any licensee that fails to comply with this chapter.

(b)(1) In addition to any other civil penalty provided by law, where a licensee has failed to pay its market share in accordance with § 21-28.10-5, the department may also assess a penalty of no less than ten percent (10%) and no greater than three hundred percent (300%) of the market share due from such licensee.

(2) In addition to any other criminal penalty provided by law, where a licensee has failed to pay its market share in accordance with § 21-28.10-5, the department may also assess a penalty of no less than ten percent (10%) and no greater than fifty percent (50%) of the market share due from such licensee.


(a) There is hereby established, in the custody of the department, a restricted receipt account to be known as the "opioid stewardship fund."

(b) Monies in the opioid stewardship fund shall be kept separate and shall not be commingled with any other monies in the custody of the department.

(c) The opioid stewardship fund shall consist of monies appropriated for the purpose of such account, monies transferred to such account pursuant to law, contributions consisting of promises or grants of any money or property of any kind or value, or any other thing of value, including grants or other financial assistance from any agency of government and monies required by the provisions of this chapter or any other law to be paid into or credited to this account.
(d) Monies of the opioid stewardship fund shall be available to provide opioid treatment, recovery, prevention, education services, and other related programs, subject to appropriation by the general assembly.


The monies, when allocated, shall be paid out of the opioid stewardship fund and subject to the approval of the director and the approval of the director of the department of behavioral healthcare, developmental disabilities and hospitals (BHDDH), pursuant to the provisions of this chapter.


If any clause, sentence, paragraph, subdivision, or section of this act shall be adjudged by any court of competent jurisdiction to be invalid, such judgment shall not affect, impair, or invalidate the remainder thereof, but shall be confined in its operation to the clause, sentence, paragraph, subdivision, or section directly involved in the controversy in which such judgment shall have been rendered. It is hereby declared to be the intent of the legislature that this act would have been enacted even if such invalid provisions had not been included herein.


The director may prescribe rules and regulations, not inconsistent with law, to carry into effect the provisions of chapter 28.10 of title 21, which rules and regulations, when reasonably designed to carry out the intent and purpose of this chapter, are prima facie evidence of its proper interpretation. Such rules and regulations may be amended, suspended, or revoked, from time to time and in whole or in part, by the director. The director may prescribe, and may furnish, any forms necessary or advisable for the administration of this chapter.

SECTION 18. This article shall take effect upon passage.
ARTICLE 14

RELATING TO LEASE AGREEMENTS FOR LEASED OFFICE AND OPERATING SPACE

SECTION 1. This article consists of joint resolutions that are submitted pursuant to Rhode Island General Laws § 37-6-2 authorizing lease agreements for office space and operating space for the Department of Transportation, the Department of Corrections, the Department of Human Services, and the Rhode Island Board of Elections.

SECTION 2. Transportation, 288 Allens Avenue, Providence.

WHEREAS, The Department of Transportation currently holds a lease agreement with 288 Allens Avenue, LLC for 33,000 square feet of garage/highway maintenance facility space located at 288 Allens Avenue in the City of Providence; and

WHEREAS, The leased premises are occupied by a portion of the Department's Highway Maintenance Division staff and its heavy equipment fleet.

WHEREAS, The State of Rhode Island, acting by and through the Department of Transportation, attests to the fact that there are no clauses in the lease agreement with 288 Allens Avenue, LLC that would interfere with the Department of Transportation's lease agreement or use of the facility; and

WHEREAS, The existing lease expires on September 30, 2019 and the Department of Transportation wishes to renew the lease agreement with 288 Allens Avenue, LLC for a period of five (5) years; and

WHEREAS, The proposed leased premises will provide a central location from which the Department of Transportation can deploy highway maintenance crews to complete work on the state highway system and otherwise fulfill the mission of the Department; and

WHEREAS, The annual rent in the agreement in the current fiscal year, ending June 30, 2019 is $525,714; and

WHEREAS, The aggregate rent for the five-year lease term is anticipated to be within the range of $2,988,288-$3,000,000; and

WHEREAS, The State Properties Committee now respectfully requests the approval of the House of Representatives and the Senate for the lease agreement between the Department of Transportation and 288 Allens Avenue, LLC, for the facility located at 288 Allens Avenue in the City of Providence; now therefore be it
RESOLVED, That this General Assembly hereby approves the lease agreement, for a term not to exceed five (5) years and the aggregate rent in the range of $2,988,288-$3,000,000; and it be further

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

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

SECTION 3. Corrections, 249 Roosevelt Avenue, Pawtucket.

WHEREAS, The Department of Corrections holds a current lease agreement, in full force and effect, with PUI O, Inc. for 4,200 square feet of space located at 249 Roosevelt Avenue in the City of Pawtucket; and

WHEREAS, The current lease expires on June 30, 2019 and the Department of Corrections wishes to renew the lease agreement with PUI O, Inc. for a period of five (5) years; and

WHEREAS, The State of Rhode Island, acting by and through the Department of Corrections, attests to the fact that there are no clauses in the lease agreement with PUI O, Inc. that would interfere with the Department of Corrections lease agreement or use of the facility; and

WHEREAS, The leased premises provide a regional Adult Probation and Parole location from which the Department of Corrections can serve the needs of the City of Pawtucket and its surrounding communities and otherwise further fulfill the mission of the Department; and

WHEREAS, The annual all-inclusive rent (base rent/utilities/janitorial services) in the agreement in the current fiscal year, ending June 30, 2019 is $99,734; and

WHEREAS, The aggregate all-inclusive rent for the five-year lease term is anticipated to be within the range of $515,000-$520,000; and

WHEREAS, The State Properties Committee now respectfully requests the approval of the House of Representatives and the Senate for the lease agreement between the Department of Corrections and PUI O, Inc., for the facility located at 249 Roosevelt Avenue in the City of Pawtucket; now therefore be it

RESOLVED, That this General Assembly hereby approves the lease agreement, for a term not to exceed five (5) years at an aggregate all-inclusive rent for the five-year lease term in the range of $515,000-$520,000; and it be further

RESOLVED, That this Joint Resolution shall take effect upon passage by the General Assembly; and it be further
RESOLVED, That the Secretary of State is hereby authorized and directed to transmit duly
certified copies of this resolution to the Governor, the Director of the Department of Corrections,
the Director of Administration, the State Budget Officer, and the Chair of the State Properties
Committee.

SECTION 4. Human Services, 249 Roosevelt Avenue, Pawtucket.

WHEREAS, The Department of Human Services holds a current lease agreement, in full
force and effect, with PUI O, Inc. for 24,400 square feet of space located at 249 Roosevelt Avenue
in the City of Pawtucket; and

WHEREAS, The current lease expires on June 30, 2019 and the Department of Human
Services wishes to renew the lease agreement with PUI O, Inc. for a period of five (5) years; and

WHEREAS, The State of Rhode Island, acting by and through the Department of Human
Services, attests to the fact that there are no clauses in the lease agreement with PUI O, Inc. that
would interfere with the Department of Human Services lease agreement or use of the facility; and

WHEREAS, The leased premises provide a regional location from which the Department
of Human Services can serve the needs of the City of Pawtucket and its surrounding communities
and otherwise further fulfill the mission of the Department; and

WHEREAS, The annual rent (inclusive of janitorial services and systems furniture) in the
agreement in the current fiscal year, ending June 30, 2019 is $453,598; and

WHEREAS, The aggregate rent (inclusive of janitorial services and systems furniture) for
the five-year lease term is anticipated to be within the range of $2,375,000-$2,700,000; and

WHEREAS, The State Properties Committee now respectfully requests the approval of the
House of Representatives and the Senate for the lease agreement between the Department of
Human Services and PUI O, Inc., for the facility located at 249 Roosevelt Avenue in the City of
Pawtucket; now therefore be it

RESOLVED, That this General Assembly hereby approves the lease agreement, for a term
not to exceed five (5) years at an aggregate rent (inclusive of janitorial services and systems
furniture) for the five-year lease term in the range of $2,375,000-$2,700,000; and it be further
RESOLVED, That this Joint Resolution shall take effect upon passage by the General
Assembly; and it be further

RESOLVED, That the Secretary of State is hereby authorized and directed to transmit duly
certified copies of this resolution to the Governor, the Director of the Department of Human
Services, the Director of Administration, the State Budget Officer, and the Chair of the State
Properties Committee.

SECTION 5. Board of Elections, 2000 Plainfield Pike, Cranston.

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WHEREAS, The Board of Elections currently occupies space in a state-owned building located at 50 Branch Avenue in the City of Providence; and

WHEREAS, The property located at 50 Branch Avenue will require a significant capital investment over the course of the next five (5) years; and

WHEREAS, The Governor's Efficiency Commission has recommended the immediate sale of the property located at 50 Branch Avenue and the relocation of the Board of Elections into leased space; and

WHEREAS, The Board of Elections recently advertised a Request for Proposals to secure a new location that will feature both office and warehouse space; and

WHEREAS, Upon completing an evaluation of the submitted lease proposals, the Rhode Island Board of Elections wishes to enter into a ten-year lease agreement with Dean Warehouse Services Inc. and Berkeley Acquisition Inc. for office and warehouse space located at 2000 Plainfield Pike in the City of Cranston. The leased premises provide an efficient and centralized location from which the Board of Elections can serve the needs of all the municipalities located in the State of Rhode Island and otherwise further and fulfill the mission of the Board; and

WHEREAS, The aggregate rent for the ten-year lease term is anticipated to be within the range of $6,000,000-$6,500,000;

WHEREAS, The State Properties Committee now respectfully requests the approval of the House of Representatives and the Senate for the lease agreement between the Rhode Island Board of Elections and Dean Warehouse Services Inc. and Berkeley Acquisition Inc., for the facility located at 2000 Plainfield Pike in the City of Cranston; now therefore be it

RESOLVED, That this General Assembly hereby approves the lease agreement, for a term not to exceed ten (10) years and at an aggregate rent in the range of $6,000,000-$6,500,000; and it be further

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

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

SECTION 6. This article shall take effect upon passage.
ARTICLE 15 AS AMENDED

RELATING TO MARIJUANA

SECTION 1. Sections 2-26-1, 2-26-3, 2-26-4, 2-26-5, 2-26-6 and 2-26-7 of the General Laws in Chapter 2-26 entitled "Hemp Growth Act" are hereby amended to read as follows:

2-26-1. Short title.

This chapter shall be known and may be cited as the "Industrial Hemp Growth Act."

2-26-3. Definitions.

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

(1) "Applicant" means any person, firm, corporation, or other legal entity who or that, on his, her, or its own behalf, or on behalf of another, has applied for permission to engage in any act or activity that is regulated under the provisions of this chapter.

(2) "Cannabis" means all parts of the plant of the genus marijuana, also known as marijuana sativa L., whether growing or not; the seeds thereof; the resin extracted from any part of the plant; and every compound, manufacture, salt, derivative, mixture, or preparation of the plant, its seeds, or resin regardless of cannabinoid content or cannabinoid potency including "marijuana" and "industrial hemp" or "industrial hemp products" which satisfy the requirements of this chapter.

(3) "Cannabidiol" or "CBD" means cannabidiol (CBD) derived from a hemp plant as defined in § 2-26-3, not including products derived from exempt cannabis plant material as defined in 21 C.F.R. § 1308.35.

(4) "Department" means the office of cannabis regulation within the department of business regulation.

(5) "Division" means the division of agriculture in the department of environmental management.

(6) "Grower" means a person or entity who or that produces hemp for commercial purposes.

(7) "Handler" means a person or entity who or that produces or processes hemp or agricultural hemp seed for processing into commodities or who manufactures hemp, products, or agricultural hemp seed.

(8) "Hemp" or "industrial hemp" means the plant of the genus cannabis and any part of such plant, whether growing or not, with a delta-9-tetrahydrocannabinol concentration that does not
exceed three-tenths percent (0.3%) on a dry weight basis of any part of the plant cannabis, or per
volume or weight of marijuana product or the combined percent of delta-9-tetrahydrocannabinol
and tetrahydrocannabinolic acid in any part of the plant cannabis regardless of the moisture content.

Hemp is also commonly referred to in this context as “industrial hemp,” the plant Cannabis sativa
L. and any part of that plant, including the seeds thereof and all derivatives, extracts, cannabinoids,
isomers, acids, salts, and salts of isomers, whether growing or not, with a delta-9
tetrahydrocannabinol concentration of not more than three-tenths percent (0.3%) on a dry weight
or per volume basis regardless of moisture content, and which satisfies the requirements of this
chapter.

(9) "Hemp-derived consumable CBD product” means any product meant for ingestion,
including, but not limited to, concentrates, extracts, and cannabis-infused foods and products,
which contains cannabidiol derived from a hemp plant as defined in § 2-26-3, which shall only be
sold to persons age twenty-one (21) or older, and which shall not include products derived from
exempt cannabis plant material as defined in 21 C.F.R. § 1308.35.

(10) "Hemp products” or “industrial hemp products” means all products made from the
plants, including, but not limited to, concentrated oil, cloth, cordage, fiber, food, fuel, hemp-derived
consumable CBD products, paint, paper, construction materials, plastics, seed, seed meal, seed oil,
and seed certified for cultivation, which satisfy the requirements of this chapter.

(11) "Licensed CBD distributor” means a person licensed to distribute hemp-derived
consumable CBD products pursuant to this chapter.

(12) "Licensed CBD retailer” means a person licensed to sell hemp-derived consumable
CBD products pursuant to this chapter.

(13) "THC” means tetrahydrocannabinol, the principal psychoactive constituent of
cannabis.

(14) "THCA” means tetrahydrocannabinol acid.

2-26-4. Hemp an agricultural product.

Hemp is an agricultural product that may be grown as a crop, produced, possessed,
distributed, sold at retail, and commercially traded pursuant to the provisions of this chapter. Hemp
is subject to primary regulation by the department. The division may assist the department in the
regulation of hemp growth and production.

2-26-5. Authority over licensing and sales.

(a) The department shall promulgate prescribe rules and regulations for the licensing and
regulation of hemp growers, and handlers, licensed CBD distributors, and licensed CBD retailers
and persons otherwise employed by the applicant not inconsistent with law, to carry into effect
the provision of this chapter and shall be responsible for the enforcement of such licensing and regulation.

(b) All growers, and handlers, and licensed CBD distributors, and licensed CBD retailers must have a hemp license issued by the department. All production, distribution and retail sale of hemp-derived consumable CBD products must be consistent with any applicable state or local food processing and safety regulations, and the applicant shall be responsible to ensure its compliance with such regulations and any applicable food safety licensing requirements including but not limited to those promulgated by the department of health.

(c) The application for a hemp license shall include, but not be limited to, the following:

(1)(i) The name and address of the applicant who will supervise, manage, or direct the growing and handling of hemp and the names and addresses of any person or entity partnering or providing consulting services regarding the growing or handling of hemp; and

(ii) The name and address of the applicant who will supervise, manage, or direct the distribution or sale of hemp-derived consumable CBD products, and names and addresses of any person or entity partnering or providing consulting services regarding the distribution or sale of hemp-derived CBD products.

(2) A certificate of analysis that the seeds or plants obtained for cultivation are of a type and variety that do not exceed the maximum concentration of delta-9 THC, as set forth in § 2-26-3; any seeds that are obtained from a federal agency are presumed not to exceed the maximum concentration and do not require a certificate of analysis.

(3)(i) The location of the facility, including the Global Positioning System location, and other field reference information as may be required by the department with a tracking program and security layout to ensure that all hemp grown is tracked and monitored from seed to distribution outlets; and

(ii) The location of the facility and other information as may be required by the department as to where the distribution or sale of hemp-derived consumable CBD products will occur.

(4) An explanation of the seed to sale tracking, cultivation method, extraction method, and certificate of analysis or certificate of analysis for the standard hemp seeds or hemp product if required by the department.

(5) Verification, prior to planting any seed, that the plant to be grown is of a type and variety of hemp that will produce a delta-9 THC concentration of no more than three-tenths of one percent (0.3%) on a dry-weight basis.

(6) Documentation that the licensee and/or its agents have entered into a purchase agreement with a hemp handler, processor, distributor or retailer.
(7) All applicants:

(i) Shall apply to the state police, attorney general, or local law enforcement for a National Criminal Identification records check that shall include fingerprints submitted to the Federal Bureau of Investigation. Upon the discovery of a disqualifying conviction defined in paragraph (iv) and (v), and in accordance with the rules promulgated by the department, the state police shall inform the applicant, in writing, of the nature of the conviction, and the state police shall notify the department, in writing, without disclosing the nature of the conviction, that a conviction has been found;

(ii) In those situations in which no conviction has been found, the state police shall inform the applicant and the department, in writing, of this fact;

(iii) All applicants shall be responsible for any expense associated with the criminal background check with fingerprints.

(iv) Any applicant who has been convicted of any felony offense under chapter 28 of title 21, or any person who has been convicted of murder, manslaughter, first-degree sexual assault, second-degree sexual assault, first-degree child molestation, second-degree child molestation, kidnapping, first-degree arson, second-degree arson, mayhem, robbery, burglary, breaking and entering, assault with a dangerous weapon, or any assault and battery punishable as a felony or assault with intent to commit any offense punishable as a felony, shall be disqualified from holding any license or permit under this chapter. The department shall notify any applicant, in writing, of a denial of a license pursuant to this subsection.

(v) For purposes of this section, "conviction" means, in addition to judgments of conviction entered by a court subsequent to a finding of guilty, or plea of guilty, those instances where the defendant has entered a plea of nolo contendere and has received a jail sentence or a suspended jail sentence, or those instances wherein the defendant has entered into a deferred sentence agreement with the Rhode Island attorney general and the period of deferment has not been completed.

(8) Any other information as set forth in rules and regulations as required by the department.

(d) All employees of the applicant shall register with the Rhode Island state police.

(e)(d) The department shall issue a hemp license to the grower or handler applicant if he, she, or it meets the requirements of this chapter, upon the applicant paying a licensure fee of two thousand five hundred dollars ($2,500). Said license shall be renewed every two (2) years upon payment of a two thousand five hundred dollar ($2,500) renewal fee. Any licensee convicted of any disqualifying offense described in subsection (c)(7)(iv) shall have his, her, or its license revoked. The department shall collect a nonrefundable application fee of two hundred fifty dollars
($250) for each application to obtain a license.

(e) Any grower or handler license applicant or license holder may also apply for, and be
issued one (1) CBD distributor and/or one (1) CBD retailer license at no additional cost provided
their grower or handler license is issued or renewed. CBD distributor and CBD retailer licenses
shall be renewed each year at no additional fee provided the applicant also holds or renews a grower
and/or handler license.

(f) For applicants who do not hold, renew, or receive a grower or handler license, CBD
distributor and CBD retailer licenses shall have a licensure fee of five hundred dollars ($500). Said
licenses shall be renewed each year upon approval by the department and payment of a five hundred
dollar ($500) renewal fee.

2-26-6. Rulemaking authority.

(a) The department shall adopt rules to provide for the implementation of this chapter,
which shall include rules to require hemp to be tested during growth for THC levels and to require
inspection of hemp during sowing, growing season, harvest, storage, and processing. Included in
these rules should be a system requiring the licensee to submit crop samples to an approved testing
facility, as determined by the department, for testing and verification of compliance with the limits
on delta-9 THC concentration.

(b) The department shall prescribe rules and regulations for all operational requirements
for licensed growers, handlers, CBD distributors and retailers, and to ensure consistency in
manufactured products and appropriate packaging, labeling, and placement with respect to retail
sales not inconsistent with law, to carry in effect the provisions of this chapter.

(c) The department shall not adopt under this or any other section, a rule that would
prohibit a person or entity to grow, distribute or sell hemp based solely on the legal status of
hemp under federal law.

(d) The department may adopt rules and regulations based on federal law provided those
rules and regulations are designed to comply with federal guidance and mitigate federal
enforcement against the licenses issued under this chapter.

(e) All new and revised rules and regulations promulgated by the department of business
regulation and/or the department of health pursuant to this chapter shall be subject to approval by
the general assembly prior to enactment.

2-26-7. Registration/licensure.

(a) Except as provided in this section, beginning sixty (60) days after the effective date of
this chapter, the department shall accept the application for licensure to cultivate hemp submitted
by the applicant.
(b) A person or entity registered with licensed by the department pursuant to this chapter shall allow hemp crops or hemp products, throughout sowing, year-long growing seasons, harvest storage, and processing, manufacturing, and retail facilities, to be inspected and tested by and at the discretion of the department and as required pursuant to any applicable state or local food processing and safety regulations including but not limited to those promulgated by the Rhode Island department of health.

SECTION 2. Chapter 2-26 of the General Laws entitled "Hemp Growth Act" is hereby amended by adding thereto the following sections:

2-26-10. Enforcement of violations of chapter.

(a)(1) Notwithstanding any other provision of this chapter, if the director of the department or his or her designee has cause to believe that a violation of any provision of this chapter 26 of title 2 or any regulations promulgated hereunder has occurred by a licensee that is under the department's jurisdiction pursuant to this chapter, or that any person or entity is conducting any activities requiring licensure by the department under this chapter or the regulations promulgated hereunder without such licensure, the director or his or her designee may, in accordance with the requirements of the administrative procedures act, chapter 35 of title 42:

(i) Revoke or suspend a license;

(ii) Levy an administrative penalty in an amount established pursuant to regulations promulgated by the department;

(iii) Order the violator to cease and desist such actions;

(iv) Require a licensee or person or entity conducting any activities requiring licensure under chapter 26 of title 2 to take such actions as are necessary to comply with such chapter and the regulations promulgated thereunder; or

(v) Any combination of the above penalties.

(2) If the director of the department finds that public health, safety, or welfare requires emergency action, and incorporates a finding to that effect in his or her order, summary suspension of license and/or cease and desist may be ordered pending proceedings for revocation or other action.

SECTION 3. Section 21-28-1.02 of Chapter 21-28 of the General Laws entitled "Uniform Controlled Substances Act" is hereby amended to read as follows:

21-28-1.02. Definitions. [Effective until January 1, 2023.]

Unless the context otherwise requires, the words and phrases as defined in this section are used in this chapter in the sense given them in the following definitions:

(1) "Administer" refers to the direct application of controlled substances to the body of a
patient or research subject by:

(i) A practitioner, or, in his or her presence by his or her authorized agent; or
(ii) The patient or research subject at the direction and in the presence of the practitioner
whether the application is by injection, inhalation, ingestion, or any other means.

(2) "Agent" means an authorized person who acts on behalf of, or at the direction of, a
manufacturer, wholesaler, distributor, or dispenser; except that these terms do not include a
common or contract carrier or warehouse operator, when acting in the usual and lawful course of
the carrier's or warehouse operator's business.

(3) "Apothecary" means a registered pharmacist as defined by the laws of this state and,
where the context requires, the owner of a licensed pharmacy or other place of business where
controlled substances are compounded or dispensed by a registered pharmacist; and includes
registered assistant pharmacists as defined by existing law, but nothing in this chapter shall be
construed as conferring on a person who is not registered as a pharmacist any authority, right, or
privilege that is not granted to him or her by the pharmacy laws of the state.

(4) "Automated data processing system" means a system utilizing computer software and
hardware for the purposes of record keeping.

(5) "Certified law enforcement prescription drug diversion investigator" means a certified
law enforcement officer assigned by his or her qualified law enforcement agency to investigate
prescription drug diversion.

(6) "Computer" means programmable electronic device capable of multi-functions,
including, but not limited to: storage, retrieval, and processing of information.

(7) "Control" means to add a drug or other substance or immediate precursor to a schedule
under this chapter, whether by transfer from another schedule or otherwise.

(8) "Controlled substance" means a drug, substance, immediate precursor, or synthetic drug
in schedules I – V of this chapter. The term shall not include distilled spirits, wine, or malt
beverages, as those terms are defined or used in chapter I of title 3, nor tobacco.

(9) "Co-prescribing" means issuing a prescription for an opioid antagonist along with a
prescription for an opioid analgesic.

(10) "Counterfeit substance" means a controlled substance that, or the container or labeling
of which, without authorization bears the trademark, trade name, or other identifying mark, imprint,
number, or device, or any likeness of them, of a manufacturer, distributor, or dispenser, other than
the person or persons who in fact manufactured, distributed, or dispensed the substance and that
thereby falsely purports or is represented to be the product of, or to have been distributed by, the
other manufacturer, distributor, or dispenser, or which substance is falsely purported to be or
represented to be one of the controlled substances by a manufacturer, distributor, or dispenser.

(11) "CRT" means cathode ray tube used to impose visual information on a screen.

(12) "Deliver" or "delivery" means the actual, constructive, or attempted transfer of a controlled substance or imitation controlled substance, whether or not there exists an agency relationship.

(13) "Department" means the department of health of this state.

(14) "Depressant or stimulant drug" means:

(i) A drug that contains any quantity of:

(A) Barbituric acid or derivatives, compounds, mixtures, or preparations of barbituric acid; and

(B) "Barbiturate" or "barbiturates" includes all hypnotic and/or somnifacient drugs, whether or not derivatives of barbituric acid, except that this definition shall not include bromides and narcotics.

(ii) A drug that contains any quantity of:

(A) Amphetamine or any of its optical isomers;

(B) Any salt of amphetamine and/or desoxyephedrine or any salt of an optical isomer of amphetamine and/or desoxyephedrine, or any compound, mixture, or preparation of them.

(iii) A drug that contains any quantity of coca leaves. "Coca leaves" includes cocaine, or any compound, manufacture, salt, derivative, mixture, or preparation of coca leaves, except derivatives of coca leaves, that do not contain cocaine, ecgonine, or substance from which cocaine or ecgonine may be synthesized or made.

(iv) Any other drug or substance that contains any quantity of a substance that the attorney general of the United States, or the director of health, after investigation, has found to have, or by regulation designates as having, a potential for abuse because of its depressant or stimulant effect on the central nervous system.

(15) "Director" means the director of health.

(16) "Dispense" means to deliver, distribute, leave with, give away, or dispose of a controlled substance to the ultimate user or human research subject by or pursuant to the lawful order of a practitioner, including the packaging, labeling, or compounding necessary to prepare the substance for that delivery.

(17) "Dispenser" is a practitioner who delivers a controlled substance to the ultimate user or human research subject.

(18) "Distribute" means to deliver (other than by administering or dispensing) a controlled substance or an imitation controlled substance and includes actual constructive, or attempted
section.

transfer. “Distributor” means a person who so delivers a controlled substance or an imitation controlled substance.

(19) “Downtime” means that period of time when a computer is not operable.

(20) "Drug addicted person" means a person who exhibits a maladaptive pattern of behavior resulting from drug use, including one or more of the following: impaired control over drug use; compulsive use; and/or continued use despite harm, and craving.

(21) "Drug Enforcement Administration” means the Drug Enforcement Administration United States Department of Justice or its successor.

(22) "Federal law” means the Comprehensive Drug Abuse Prevention and Control Act of 1970, (84 stat. 1236) (see generally 21 U.S.C. § 801 et seq.), and all regulations pertaining to that federal act.

(23) "Hardware” means the fixed component parts of a computer.

(24) "Hospital” means an institution as defined in chapter 17 of title 23.

(25) "Imitation controlled substance” means a substance that is not a controlled substance, that by dosage unit, appearance (including color, shape, size, and markings), or by representations made, would lead a reasonable person to believe that the substance is a controlled substance and, which imitation controlled substances contain substances that if ingested, could be injurious to the health of a person. In those cases when the appearance of the dosage unit is not reasonably sufficient to establish that the substance is an "imitation controlled substance” (for example in the case of powder or liquid), the court or authority concerned should consider, in addition to all other logically relevant factors, the following factors as related to “representations made” in determining whether the substance is an "imitation controlled substance”:

(i) Statement made by an owner, possessor, transferor, recipient, or by anyone else in control of the substance concerning the nature of the substance, or its use or effect.

(ii) Statements made by the owner, possessor, or transferor, to the recipient that the substance may be resold for substantial profit.

(iii) Whether the substance is packaged in a manner reasonably similar to packaging of illicit controlled substances.

(iv) Whether the distribution or attempted distribution included an exchange of or demand for money or other property as consideration, and whether the amount of the consideration was substantially greater than the reasonable value of the non-controlled substance.

(26) “Immediate precursor” means a substance:

(i) That the director of health has found to be and by regulation designated as being the principal compound used, or produced primarily for use, in the manufacture of a controlled...
substance;

(ii) That is an immediate chemical intermediary used or likely to be used in the manufacture of those controlled substances; and

(iii) The control of which is necessary to prevent, curtail, or limit the manufacture of that controlled substance.

(27) "Laboratory" means a laboratory approved by the department of health as proper to be entrusted with controlled substances and the use of controlled substances for scientific and medical purposes and for the purposes of instruction.

(28) "Manufacture" means the production, preparation, propagation, cultivation, compounding, or processing of a drug or other substance, including an imitation controlled substance, either directly or indirectly or by extraction from substances of natural origin, or independently by means of chemical synthesis or by a combination of extraction and chemical synthesis and includes any packaging or repackaging of the substance or labeling or relabeling of its container in conformity with the general laws of this state except by a practitioner as an incident to his or her administration or dispensing of the drug or substance in the course of his or her professional practice.

(29) "Manufacturer" means a person who manufactures but does not include an apothecary who compounds controlled substances to be sold or dispensed on prescriptions.

(30) "Marijuana" means all parts of the plant cannabis sativa L., whether growing or not; the seeds of the plant; the resin extracted from any part of the plant; and every compound, manufacture, salt, derivative, mixture, or preparation of the plant, its seeds or resin, but shall not include the mature stalks of the plant, fiber produced from the stalks, oil or cake made from the seeds of the plant, any other compound, manufacture, salt, derivative, mixture, or preparation of mature stalks, (except the resin extracted from it), fiber, oil or cake, or the sterilized seed from the plant which is incapable of germination. Marijuana shall not include "industrial hemp" or "industrial hemp products" which satisfy the requirements of chapter 26 of title 2.

(31) "Narcotic drug" means any of the following, whether produced directly or indirectly by extraction from substances of vegetable origin, or independently by means of chemical synthesis or by a combination of extraction and chemical synthesis:

(i) Opium and opiates.

(ii) A compound, manufacture, salt, derivative, or preparation of opium or opiates.

(iii) A substance (and any compound, manufacture, salt, derivative, or preparation of it) that is chemically identical with any of the substances referred to in paragraphs (i) and (ii) of this subdivision.
(iv) Any other substance that the attorney general of the United States, or his or her successor, or the director of health, after investigation, has found to have, and by regulation designates as having, a potential for abuse similar to opium and opiates.

(32) "Official written order" means an order written on a form provided for that purpose by the Drug Enforcement Administration under any laws of the United States making provision for an official form, if order forms are authorized and required by federal law, and if no order form is provided then on an official form provided for that purpose by the director of health.

(33) "Opiate" means any substance having an addiction-forming or addiction-sustaining liability similar to morphine or being capable of conversion into a drug having addiction-forming or addiction-sustaining liability.

(34) "Opioid analgesics" means and includes, but is not limited to, the medicines buprenorphine, butorphanol, codeine, hydrocodone, hydromorphone, levorphanol, meperidine, methadone, morphine, nalbuphine, oxycodone, oxymorphone, pentazocine, propoxyphene as well as their brand names, isomers, and combinations, or other medications approved by the department.

(35) "Opioid antagonist" means naloxone hydrochloride and any other drug approved by the United States Food and Drug Administration for the treatment of opioid overdose.

(36) "Opium poppy" means the plant of the species papaver somniferum L., except the seeds of the plant.

(37) "Ounce" means an avoirdupois ounce as applied to solids and semi-solids, and a fluid ounce as applied to liquids.

(38) "Person" means any corporation, association, partnership, or one or more individuals.

(39) "Physical dependence" means a state of adaptation that is manifested by a drug class specific withdrawal syndrome that can be produced by abrupt cessation, rapid dose reduction, decreasing blood level of the drug, and/or administration of an antagonist.

(40) "Poppy straw" means all parts, except the seeds, of the opium poppy, after mowing.

(41) "Practitioner" means:

(i) A physician, osteopath, dentist, chiropodist, veterinarian, scientific investigator, or other person licensed, registered or permitted to distribute, dispense, conduct research with respect to or to administer a controlled substance in the course of professional practice or research in this state.

(ii) A pharmacy, hospital, or other institution licensed, registered or permitted to distribute, dispense, conduct research with respect to, or to administer a controlled substance in the course of professional practice or research in this state.

(42) "Printout" means a hard copy produced by computer that is readable without the aid of any special device.
"Production" includes the manufacture, planting, cultivation, growing, or harvesting of a controlled substance. "Qualified law enforcement agency" means the U.S. Food and Drug Administration, Drug Enforcement Administration, Federal Bureau of Investigation, Office of Inspector General of the U.S. Department of Health & Human Services, or the Medicaid Fraud and Patient Abuse Unit in the Office of the Attorney General. "Researcher" means a person authorized by the director of health to conduct a laboratory as defined in this chapter. "Sell" includes sale, barter, gift, transfer, or delivery in any manner to another, or to offer or agree to do the same. "Software" means programs, procedures and storage of required information data. "Synthetic drugs" means any synthetic cannabinoids or piperazines or any synthetic cathinones as provided for in schedule I. "Ultimate user" means a person who lawfully possesses a controlled substance for his or her own use or for the use of a member of his or her household, or for administering to an animal owned by him or her or by a member of his or her household. "Wholesaler" means a person who sells, vends, or distributes at wholesale, or as a jobber, broker agent, or distributor, or for resale in any manner in this state any controlled substance. **21-28-1.02, Definitions. [Effective January 1, 2023.]** Unless the context otherwise requires, the words and phrases as defined in this section are used in this chapter in the sense given them in the following definitions: (1) "Administer" refers to the direct application of controlled substances to the body of a patient or research subject by: (i) A practitioner, or, in his or her presence by his or her authorized agent; or (ii) The patient or research subject at the direction and in the presence of the practitioner whether the application is by injection, inhalation, ingestion, or any other means. (2) "Agent" means an authorized person who acts on behalf of, or at the direction of, a manufacturer, wholesaler, distributor, or dispenser; except that these terms do not include a common or contract carrier or warehouse operator, when acting in the usual and lawful course of the carrier's or warehouse operator's business. (3) "Apothecary" means a registered pharmacist as defined by the laws of this state and, where the context requires, the owner of a licensed pharmacy or other place of business where controlled substances are compounded or dispensed by a registered pharmacist; and includes
registered assistant pharmacists as defined by existing law, but nothing in this chapter shall be
cstrued as conferring on a person who is not registered as a pharmacist any authority, right, or
privilege that is not granted to him or her by the pharmacy laws of the state.

(4) "Automated data processing system" means a system utilizing computer software and
hardware for the purposes of record keeping.

(5) "Computer" means programmable electronic device capable of multi-functions,
including, but not limited to: storage, retrieval, and processing of information.

(6) "Control" means to add a drug or other substance or immediate precursor to a schedule
under this chapter, whether by transfer from another schedule or otherwise.

(7) "Controlled substance" means a drug, substance, immediate precursor, or synthetic drug
in schedules I – V of this chapter. The term shall not include distilled spirits, wine, or malt
beverages, as those terms are defined or used in chapter 1 of title 3, nor tobacco.

(8) "Co-prescribing" means issuing a prescription for an opioid antagonist along with a
prescription for an opioid analgesic.

(9) "Counterfeit substance" means a controlled substance that, or the container or labeling
of which, without authorization bears the trademark, trade name, or other identifying mark, imprint,
number, or device, or any likeness of them, of a manufacturer, distributor, or dispenser, other than
the person or persons who in fact manufactured, distributed, or dispensed the substance and that
thereby falsely purports or is represented to be the product of, or to have been distributed by, the
other manufacturer, distributor, or dispenser, or which substance is falsely purported to be or
represented to be one of the controlled substances by a manufacturer, distributor, or dispenser.

(10) "CRT" means cathode ray tube used to impose visual information on a screen.

(11) "Deliver" or "delivery" means the actual, constructive, or attempted transfer of a
controlled substance or imitation controlled substance, whether or not there exists an agency
relationship.

(12) "Department" means the department of health of this state.

(13) "Depressant or stimulant drug" means:

(i) A drug that contains any quantity of:

(A) Barbituric acid or derivatives, compounds, mixtures, or preparations of barbituric acid;

and

(B) "Barbiturate" or "barbiturates" includes all hypnotic and/or somnifacient drugs,
whether or not derivatives of barbituric acid, except that this definition shall not include bromides
and narcotics.

(ii) A drug that contains any quantity of:
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(A) Amphetamine or any of its optical isomers;

(B) Any salt of amphetamine and/or desoxyephedrine or any salt of an optical isomer of
amphetamine and/or desoxyephedrine, or any compound, mixture, or preparation of them.

(iii) A drug that contains any quantity of coca leaves. "Coca leaves" includes cocaine, or
any compound, manufacture, salt, derivative, mixture, or preparation of coca leaves, except
derivatives of coca leaves, that do not contain cocaine, ecgonine, or substance from which cocaine
or ecgonine may be synthesized or made.

(iv) Any other drug or substance that contains any quantity of a substance that the attorney
general of the United States, or the director of health, after investigation, has found to have, or by
regulation designates as having, a potential for abuse because of its depressant or stimulant effect
on the central nervous system.

(14) "Director" means the director of health.

(15) "Dispense" means to deliver, distribute, leave with, give away, or dispose of a
controlled substance to the ultimate user or human research subject by or pursuant to the lawful
order of a practitioner, including the packaging, labeling, or compounding necessary to prepare the
substance for that delivery.

(16) "Dispenser" is a practitioner who delivers a controlled substance to the ultimate user
or human research subject.

(17) "Distribute" means to deliver (other than by administering or dispensing) a controlled
substance or an imitation controlled substance and includes actual constructive, or attempted
transfer. "Distributor" means a person who so delivers a controlled substance or an imitation
controlled substance.

(18) "Downtime" means that period of time when a computer is not operable.

(19) "Drug addicted person" means a person who exhibits a maladaptive pattern of
behavior resulting from drug use, including one or more of the following: impaired control over
drug use; compulsive use; and/or continued use despite harm, and craving.

(20) "Drug Enforcement Administration" means the Drug Enforcement Administration
United States Department of Justice or its successor.

(21) "Federal law" means the Comprehensive Drug Abuse Prevention and Control Act of
1970, (84 stat. 1236) (see generally 21 U.S.C. § 801 et seq.), and all regulations pertaining to that
federal act.

(22) "Hardware" means the fixed component parts of a computer.

(23) "Hospital" means an institution as defined in chapter 17 of title 23.

(24) "Imitation controlled substance" means a substance that is not a controlled substance,
that by dosage unit, appearance (including color, shape, size, and markings), or by representations
made, would lead a reasonable person to believe that the substance is a controlled substance and,
which imitation controlled substances contain substances that if ingested, could be injurious to the
health of a person. In those cases when the appearance of the dosage unit is not reasonably sufficient
to establish that the substance is an "imitation controlled substance" (for example in the case of
powder or liquid), the court or authority concerned should consider, in addition to all other logically
relevant factors, the following factors as related to "representations made" in determining whether
the substance is an "imitation controlled substance":
(i) Statement made by an owner, possessor, transferor, recipient, or by anyone else in
control of the substance concerning the nature of the substance, or its use or effect.
(ii) Statements made by the owner, possessor, or transferor, to the recipient that the
substance may be resold for substantial profit.
(iii) Whether the substance is packaged in a manner reasonably similar to packaging of
illicit controlled substances.
(iv) Whether the distribution or attempted distribution included an exchange of or demand
for money or other property as consideration, and whether the amount of the consideration was
substantially greater than the reasonable value of the non-controlled substance.
(25) "Immediate precursor" means a substance:
(i) That the director of health has found to be and by regulation designated as being the
principal compound used, or produced primarily for use, in the manufacture of a controlled
substance;
(ii) That is an immediate chemical intermediary used or likely to be used in the manufacture
of those controlled substances; and
(iii) The control of which is necessary to prevent, curtail, or limit the manufacture of that
controlled substance.
(26) "Laboratory" means a laboratory approved by the department of health as proper to be
entrusted with controlled substances and the use of controlled substances for scientific and medical
purposes and for the purposes of instruction.
(27) "Manufacture" means the production, preparation, propagation, cultivation,
compounding, or processing of a drug or other substance, including an imitation controlled
substance, either directly or indirectly or by extraction from substances of natural origin, or
independently by means of chemical synthesis or by a combination of extraction and chemical
synthesis and includes any packaging or repackaging of the substance or labeling or relabeling of
its container in conformity with the general laws of this state except by a practitioner as an incident
to his or her administration or dispensing of the drug or substance in the course of his or her professional practice.

(28) "Manufacturer" means a person who manufactures but does not include an apothecary who compounds controlled substances to be sold or dispensed on prescriptions.

(29) "Marijuana" means all parts of the plant cannabis sativa L., whether growing or not; the seeds of the plant; the resin extracted from any part of the plant; and every compound, manufacture, salt, derivative, mixture, or preparation of the plant, its seeds or resin, but shall not include the mature stalks of the plant, fiber produced from the stalks, oil or cake made from the seeds of the plant, any other compound, manufacture, salt, derivative, mixture, or preparation of mature stalks, (except the resin extracted from it), fiber, oil or cake, or the sterilized seed from the plant which is incapable of germination. 

(30) "Narcotic drug" means any of the following, whether produced directly or indirectly by extraction from substances of vegetable origin, or independently by means of chemical synthesis or by a combination of extraction and chemical synthesis:

(i) Opium and opiates.

(ii) A compound, manufacture, salt, derivative, or preparation of opium or opiates.

(iii) A substance (and any compound, manufacture, salt, derivative, or preparation of it) that is chemically identical with any of the substances referred to in paragraphs (i) and (ii) of this subdivision.

(iv) Any other substance that the attorney general of the United States, or his or her successor, or the director of health, after investigation, has found to have, and by regulation designates as having, a potential for abuse similar to opium and opiates.

(31) "Official written order" means an order written on a form provided for that purpose by the Drug Enforcement Administration under any laws of the United States making provision for an official form, if order forms are authorized and required by federal law, and if no order form is provided then on an official form provided for that purpose by the director of health.

(32) "Opiate" means any substance having an addiction-forming or addiction-sustaining liability similar to morphine or being capable of conversion into a drug having addiction-forming or addiction-sustaining liability.

(33) "Opioid analgesics" means and includes, but is not limited to, the medicines buprenorphine, butorphanol, codeine, hydrocodone, hydromorphone, levorphanol, meperidine, methadone, morphine, nalbuphine, oxycodone, oxymorphone, pentazocine, propoxyphene as well as their brand names, isomers, and combinations, or other medications approved by the department.
(34) "Opioid antagonist" means naloxone hydrochloride and any other drug approved by the United States Food and Drug Administration for the treatment of opioid overdose.

(35) "Opium poppy" means the plant of the species papaver somniferum L., except the seeds of the plant.

(36) "Ounce" means an avoirdupois ounce as applied to solids and semi-solids, and a fluid ounce as applied to liquids.

(37) "Person" means any corporation, association, partnership, or one or more individuals.

(38) "Physical dependence" means a state of adaptation that is manifested by a drug class specific withdrawal syndrome that can be produced by abrupt cessation, rapid dose reduction, decreasing blood level of the drug, and/or administration of an antagonist.

(39) "Poppy straw" means all parts, except the seeds, of the opium poppy, after mowing.

(40) "Practitioner" means:

(i) A physician, osteopath, dentist, chiropodist, veterinarian, scientific investigator, or other person licensed, registered or permitted to distribute, dispense, conduct research with respect to or to administer a controlled substance in the course of professional practice or research in this state.

(41) "Printout" means a hard copy produced by computer that is readable without the aid of any special device.

(42) "Production" includes the manufacture, planting, cultivation, growing, or harvesting of a controlled substance.

(43) "Researcher" means a person authorized by the director of health to conduct a laboratory as defined in this chapter.

(44) "Sell" includes sale, barter, gift, transfer, or delivery in any manner to another, or to offer or agree to do the same.

(45) "Software" means programs, procedures and storage of required information data.

(46) "Synthetic drugs" means any synthetic cannabinoids or piperazines or any synthetic cathinones as provided for in schedule I.

(47) "Ultimate user" means a person who lawfully possesses a controlled substance for his or her own use or for the use of a member of his or her household, or for administering to an animal owned by him or her or by a member of his or her household.

(48) "Wholesaler" means a person who sells, vends, or distributes at wholesale, or as a jobber, broker agent, or distributor, or for resale in any manner in this state any controlled substance.

SECTION 4. Section 21-28.5-2 of the General Laws in Chapter 21-28.5 entitled "Sale of
Drug Paraphernalia” is hereby amended to read as follows:


It is unlawful for any person to deliver, sell, possess with intent to deliver, or sell, or manufacture with intent to deliver, or sell drug paraphernalia, knowing that it will be used to plant, propagate, cultivate, grow, harvest, manufacture, compound, convert, produce, process, prepare, test, analyze, pack, repack, store, contain, conceal, inject, ingest, inhale, or introduce into the human body a controlled substance in violation of chapter 28 of this title. A violation of this section shall be punishable by a fine not exceeding five thousand dollars ($5,000) or imprisonment not exceeding two (2) years, or both.

Notwithstanding any other provision of the general laws, the sale, manufacture, or delivery of drug paraphernalia to a person acting in accordance with chapter 28.6 of title 21 shall not be considered a violation of this chapter.


For the purposes of this chapter:

(1) “Authorized purchaser” means a natural person who is at least twenty-one (21) years old and who is registered with the department of health for the purposes of assisting a qualifying patient in purchasing marijuana from a compassion center. An authorized purchaser may assist no more than one patient, and is prohibited from consuming marijuana obtained for the use of the qualifying patient. An authorized purchaser shall be registered with the department of health and shall possesses a valid registry identification card.

(2) “Cannabis” means all parts of the plant of the genus marijuana, also known as marijuana sativa L., whether growing or not; the seeds thereof; the resin extracted from any part of the plant; and every compound, manufacture, salt, derivative, mixture, or preparation of the plant, its seeds, or resin regardless of cannabinoid content or cannabinoid potency including "marijuana", and "industrial hemp" or "industrial hemp products" which satisfy the requirements of chapter 26 of title 2.

(3) “Cannabis testing laboratory” means a third-party analytical testing laboratory licensed by the department of health, in coordination with the department of business regulation, to collect and test samples of cannabis.

(4) “Cardholder” means a person who has been registered or licensed with the
department of health or the department of business regulation pursuant to this chapter and possesses
a valid registry identification card or license.

(3)(5) "Commercial unit" means a building, office, suite, or room other space within a
commercial or industrial building, for use by one business or person and is rented or owned by that
business or person.

(4)(6)(i) "Compassion center" means a not-for-profit corporation, subject to the provisions
chapter 6 of title 7, and registered is licensed under § 21-28.6-12, that acquires, possesses,
cultivates, manufactures, delivers, transfers, transports, supplies, or dispenses medical marijuana,
and/or related supplies and educational materials, to patient cardholders and/or their registered
caregiver, cardholder or authorized purchaser.

(ii) "Compassion center cardholder" means a principal officer, board member, employee,
volunteer, or agent of a compassion center who has registered with the department of health or the
department of business regulation and has been issued and possesses a valid, registry identification
card.

(5)(7) "Debilitating medical condition" means:

(i) Cancer, glaucoma, positive status for human immunodeficiency virus, acquired immune
deficiency syndrome, Hepatitis C, post-traumatic stress disorder, or the treatment of these
conditions;

(ii) A chronic or debilitating disease or medical condition, or its treatment, that produces
one or more of the following: cachexia or wasting syndrome; severe, debilitating, chronic pain;
severe nausea; seizures, including but not limited to, those characteristic of epilepsy; or severe and
persistent muscle spasms, including but not limited to, those characteristic of multiple sclerosis or
Crohn's disease; or agitation of Alzheimer's Disease; or

(iii) Any other medical condition or its treatment approved by the department of health, as
provided for in § 21-28.6-5.

(6)(8) "Department of business regulation" means the office of cannabis regulation within
the Rhode Island department of business regulation or its successor agency.

(7)(9) "Department of health" means the Rhode Island department of health or its successor
agency.

(8)(10) "Department of public safety" means the Rhode Island department of public safety
or its successor agency.

(9)(11) "Dried, useable marijuana" means the dried leaves and flowers of the marijuana
plant as defined by regulations promulgated by the department of business regulation health.

(10)(12) "Dwelling unit" means the room, or group of rooms, within a residential dwelling
used or intended for use by one family or household, or by no more than three (3) unrelated
individuals, with facilities for living, sleeping, sanitation, cooking, and eating.

(11) "Equivalent amount" means the portion of usable marijuana, be it in extracted,
edible, concentrated, or any other form, found to be equal to a portion of dried usable marijuana,
as defined by regulations promulgated by the department of business regulation.

(12) "Licensed cultivator" means a person, as identified in § 43-3-6, who has been licensed
by the department of business regulation to cultivate marijuana pursuant to § 21-28.6-16.

(13) "Marijuana" has the meaning given that term in § 21-28-1.02(20).

(14) "Mature marijuana plant" means a marijuana plant that has flowers or buds that are
readily observable by an unaided visual examination.

(15) "Medical marijuana testing laboratory" means a third party analytical testing
laboratory licensed by the department of health to collect and test samples of medical marijuana
pursuant to regulations promulgated by the department. "Immature marijuana plant" means a
marijuana plant, rooted or unrooted, with no observable flower or buds.

(16) "Licensed medical marijuana cultivator" means a person or entity, as identified in §
43-3-6, who has been licensed by the department of business regulation to cultivate medical
marijuana pursuant to § 21-28.6-16.

(17) "Marijuana" has the meaning given that term in § 21-28-1.02.

(18) "Mature marijuana plant" means a marijuana plant that has flowers or buds that are
readily observable by an unaided visual examination.

(19) "Medical marijuana emporium" means any establishment, facility or club, whether
operated for-profit or nonprofit, or any commercial unit, at which the sale, distribution, transfer or
use of medical marijuana or medical marijuana products is proposed and/or occurs to, by or among
registered patients, registered caregivers, authorized purchaser cardholders or any other person.
This shall not include a compassion center regulated and licensed by the department of business
regulation pursuant to the terms of this chapter.

(20) "Medical marijuana" means marijuana and marijuana products which satisfy the
requirements of this chapter and have been given the designation of "medical marijuana" due to
dose, potency, form. Medical marijuana products are only available for use by patient cardholders.
and may only be sold to or possessed by patient cardholders, or their registered caregiver, or authorized purchaser in accordance with this chapter. Medical marijuana may not be sold to, possessed by, manufactured by, or used except as permitted under this chapter.

(21) "Medical marijuana plant tag set" or "plant tag" means any tag, identifier, registration, certificate, or inventory tracking system authorized or issued by the department or which the department requires be used for the lawful possession and cultivation of medical marijuana plants in accordance with this chapter.

(16)(22) "Medical use" means the acquisition, possession, cultivation, manufacture, use, delivery, transfer, or transportation of medical marijuana or paraphernalia relating to the consumption of marijuana to alleviate a patient cardholder's debilitating medical condition or symptoms associated with the medical condition in accordance with the provisions of this chapter.

(17)(23) "Practitioner" means a person who is licensed with authority to prescribe drugs pursuant to chapters 34, 37, and 54 of title 5, who may provide a qualifying patient with a written certification in accordance with regulations promulgated by the department of health or a physician licensed with authority to prescribe drugs in Massachusetts or Connecticut.

(18)(24) "Primary caregiver" means a natural person who is at least twenty-one (21) years old. A primary caregiver who is registered under this chapter in order to, and who may, assist one qualifying patient, but no more than five (5) qualifying patients with their medical use of marijuana, provided that a qualified patient may also serve as his or her own primary caregiver subject to the registration and requirements set forth in § 21-28.6-4.

(19)(25) "Qualifying patient" means a person who has been diagnosed certified by a practitioner as having a debilitating medical condition and is a resident of Rhode Island.

(20)(26) "Registry identification card" means a document issued by the department of health or the department of business regulation, as applicable, that identifies a person as a registered qualifying patient, a registered primary caregiver, or authorized purchaser, or a document issued by the department of business regulation or department of health that identifies a person as a registered principal officer, board member, employee, volunteer, or agent of a compassion center, licensed medical marijuana cultivator, cannabis testing lab, or any other medical marijuana licensee.

(21) "Seedling" means a marijuana plant with no observable flowers or buds.

(22)(27) "Unusable marijuana" means marijuana seeds, stalks, seedlings and unusable roots and shall not count towards any weight-based possession limits established in the chapter.

(22)(28) "Usable marijuana" means the dried leaves and flowers of the marijuana plant, and any mixture or preparation thereof, but does not include the seeds, stalks, and roots of the plant.
“Wet marijuana” means the harvested leaves and flowers of the marijuana plant before they have reached a dry useable state, as defined by regulations promulgated by the departments of health and business regulation.

“Written certification” means the qualifying patient's medical records, and a statement signed by a practitioner, stating that, in the practitioner's professional opinion, the potential benefits of the medical use of marijuana would likely outweigh the health risks for the qualifying patient. A written certification shall be made only in the course of a bona fide, practitioner-patient relationship after the practitioner has completed a full assessment of the qualifying patient's medical history. The written certification shall specify the qualifying patient's debilitating medical condition or conditions which may include the qualifying patient's relevant medical records.

21-28.6-4. Protections for the medical use of marijuana.

(a) A qualifying patient cardholder who has in his or her possession a registry identification card shall not be subject to arrest, prosecution, or penalty in any manner, or denied any right or privilege, including, but not limited to, civil penalty or disciplinary action by a business or occupational or professional licensing board or bureau, solely for the medical use of medical marijuana; provided;

(1) Before July 1, 2019, that the qualifying patient cardholder possesses an amount of medical marijuana that does not exceed twelve (12) mature marijuana plants and twelve (12) immature marijuana plants that are accompanied by valid medical marijuana plant tags, two and one-half (2.5) ounces (2.5 oz.) of dried usable medical marijuana, or its equivalent amount which satisfies the requirements of this chapter, and an amount of wet medical marijuana to be set by regulations promulgated by the departments of health and business regulation. Said plants shall be stored in an indoor facility. Marijuana plants and the marijuana they produce shall only be grown, stored, manufactured, and processed in accordance with regulations promulgated by the department of business regulation; and

(b) An authorized purchaser who has in his or her possession a registry identification card shall not be subject to arrest, prosecution, or penalty in any manner, or denied any right or privilege, including, but not limited to, civil penalty or disciplinary action by a business or occupational or professional licensing board or bureau, for the possession of medical marijuana; provided that the authorized purchaser possesses an amount of medical marijuana that does not exceed two and one-half (2.5) ounces of usable medical marijuana, or its equivalent amount, and this medical marijuana was purchased legally from a compassion center for the use of their designated qualifying patient.

(c) A qualifying patient cardholder, who has in his or her possession a registry
identification card, shall not be subject to arrest, prosecution, or penalty in any manner, or denied
any right or privilege, including, but not limited to, civil penalty or disciplinary action by a business
or occupational or professional licensing board or bureau, for selling, giving, or distributing, on or
before December 31, 2016 to a compassion center cardholder. medical marijuana of the type, and
in an amount not to exceed, that set forth in subsection (a), that he or she has cultivated or
manufactured pursuant to this chapter.

(d) No school, employer, or landlord may refuse to enroll, employ, or lease to, or otherwise
penalize, a person solely for his or her status as a cardholder. Provided, however, due to the safety
and welfare concern for other tenants, the property, and the public, as a whole, a landlord may have
the discretion not to lease, or continue to lease, to a cardholder who cultivates, manufactures,
processes, smokes, or vaporizes medical marijuana in the leased premises.

(e) No employer may refuse to employ, or otherwise penalize, a person solely for his or her status as a cardholder, except:

(1) To the extent employer action is taken with respect to such person’s:

(i) Use or possession of marijuana or being under the influence of marijuana in any
workplace;

(ii) Undertaking a task under the influence of marijuana when doing so would constitute
negligence or professional malpractice or jeopardize workplace safety;

(iii) Operation, navigation or actual physical control of any motor vehicle or other transport
vehicle, aircraft, motorboat, machinery or equipment, or firearms while under the influence of
marijuana; or

(iv) Violation of employment conditions pursuant to the terms of a collective bargaining
agreement; or

(2) Where the employer is a federal contractor or otherwise subject to federal law such that
failure of the employer to take such action against the employee would cause the employer to lose
a monetary or licensing related benefit.

(f) A primary caregiver cardholder, who has in his or her possession a registry
identification card, shall not be subject to arrest, prosecution, or penalty in any manner, or denied
any right or privilege, including, but not limited to, civil penalty or disciplinary action by a business
or occupational or professional licensing board or bureau, for assisting a patient cardholder, to
whom he or she is connected through the department of health or department of business
regulation’s registration process, with the medical use of medical marijuana; provided, that the
primary caregiver cardholder possesses an amount of marijuana that does not exceed twelve (12)
mature marijuana plants that are accompanied by valid medical marijuana tags, two and one-half
(2.5) ounces of usable marijuana, or its equivalent amount, and an amount of wet marijuana set in regulations promulgated by the departments of health and business regulation for each qualified patient cardholder to whom he or she is connected through the department of health registration process.

(p-q) A qualifying patient cardholder shall be allowed to possess a reasonable amount of unusable marijuana, including up to twelve (12) seedlings immature marijuana plants that are accompanied by valid medical marijuana tags. A primary caregiver cardholder shall be allowed to possess a reasonable amount of unusable marijuana, including up to twenty-four (24) seedlings immature marijuana plants that are accompanied by valid medical marijuana tags and an amount of wet marijuana set in regulations promulgated by the departments of health and business regulation.

(p-r) There shall exist a presumption that a cardholder is engaged in the medical use of marijuana if the cardholder:

(1) Is in possession of a registry identification card; and

(2) Is in possession of an amount of marijuana that does not exceed the amount permitted under this chapter. Such presumption may be rebutted by evidence that conduct related to marijuana was not for the purpose of alleviating the qualifying patient's debilitating medical condition or symptoms associated with the medical condition.

(p-s) A primary caregiver cardholder may receive reimbursement for costs associated with assisting a qualifying patient cardholder's medical use of marijuana. A primary caregiver cardholder may only receive reimbursement for the actual costs of goods, materials, services or utilities for which they have incurred expenses. A primary caregiver may not receive reimbursement or compensation for his or her time, knowledge, or expertise. Compensation shall not constitute sale of controlled substances under state law. The department of business regulation may promulgate regulations for the documentation and tracking of reimbursements and the transfer of medical marijuana between primary caregivers and their registered patients.

(p-t) A primary caregiver cardholder, who has in his or her possession a registry identification card, shall not be subject to arrest, prosecution, or penalty in any manner, or denied any right or privilege, including, but not limited to, civil penalty or disciplinary action by a business or occupational or professional licensing board or bureau, for selling, giving, or distributing, on or before December 31, 2016 to a compassion center cardholder, marijuana, of the type, and in an amount not to exceed that set forth in subsection (p-q), if:

(1) The primary caregiver cardholder cultivated the marijuana pursuant to this chapter, not to exceed the limits of subsection (p-q); and...
(2) Each qualifying patient cardholder the primary caregiver cardholder is connected with through the department of health's registration process has been provided an adequate amount of the marijuana to meet his or her medical needs, not to exceed the limits of subsection (a).

§ 15(k) A practitioner shall not be subject to arrest, prosecution, or penalty in any manner, or denied any right or privilege, including, but not limited to, civil penalty or disciplinary action by the Rhode Island board of medical licensure and discipline, or by any other business an employer or occupational or professional licensing board or bureau solely for providing written certifications in accordance with this chapter and regulations promulgated by the department of health, or for otherwise stating that, in the practitioner's professional opinion, the potential benefits of the medical marijuana would likely outweigh the health risks for a patient.

§ 15(j) Any interest in, or right to, property that is possessed, owned, or used in connection with the lawful medical use of marijuana, or acts incidental to such use, shall not be forfeited.

§ 15(m) No person shall be subject to arrest or prosecution for constructive possession, conspiracy, aiding and abetting, being an accessory, or any other offense, for simply being in the presence or vicinity of the medical use of marijuana as permitted under this chapter, or for assisting a qualifying patient cardholder with using or administering marijuana.

§ 15(n) A practitioner licensed with authority to prescribed drugs pursuant to chapters 34, 37 and 54 of title 5, or pharmacist licensed under chapter 19.1 of title 5, or certified school nurse teacher, shall not be subject to arrest, prosecution, or penalty in any manner, or denied any right or privilege, including, but not limited to, civil penalty or disciplinary action by an employer a business or occupational or professional licensing board or bureau solely for discussing discussing the benefits or health risks of medical marijuana or its interaction with other substances with a patient.

(2) Administering a non-smokable and non-vaporized form of medical marijuana in a school setting to a qualified patient registered in accordance with chapter 28.6 of title 21.

§ 15(o) A qualifying patient or primary caregiver registry identification card, or its equivalent, issued under the laws of another state, U.S. territory, or the District of Columbia, to permit the medical use of marijuana by a patient with a debilitating medical condition, or to permit a person to assist with the medical use of marijuana by a patient with a debilitating medical condition, shall have the same force and effect as a registry identification card.

§ 15(p) Notwithstanding the provisions of subsection § 15(o), no primary caregiver cardholder shall possess an amount of marijuana in excess of twenty-four (24) mature marijuana plants that are accompanied by valid medical marijuana tags and five (5) ounces of usable marijuana, or its equivalent, and an amount of wet medical marijuana set in regulations promulgated by the
A qualifying patient or primary caregiver cardholder may give marijuana to another qualifying patient or primary caregiver cardholder to whom they are not connected by the department's registration process, provided that no consideration is paid for the marijuana, and that the recipient does not exceed the limits specified in this section.

Qualifying patient cardholders and primary caregiver cardholders who are authorized to grow marijuana shall only grow at one premises, and this premises shall be registered with the department of health and business regulation. Except for licensed compassion centers, and licensed cooperative cultivations, and licensed cultivators, no more than twenty four (24) mature marijuana plants that are accompanied by valid medical marijuana tags shall be grown or otherwise located at any one dwelling unit or commercial unit. The number of qualifying patients or primary caregivers residing, owning, renting, growing, or otherwise operating at a dwelling or commercial unit does not affect this limit. The department of health and business regulation shall promulgate regulations to enforce this provision.

For the purposes of medical care, including organ transplants, a patient cardholder's authorized use of marijuana shall be considered the equivalent of the authorized use of any other medication used at the direction of a physician, and shall not constitute the use of an illicit substance.

Notwithstanding any other provisions of the general laws, the manufacture of marijuana using a solvent extraction process that includes the use of a compressed, flammable gas as a solvent by a patient cardholder or primary caregiver cardholder shall not be subject to the protections of this chapter.

Notwithstanding any provisions to the contrary, nothing in this chapter or the general laws shall restrict or otherwise affect the manufacturing, distribution, transportation, sale, prescribing and dispensing of a product that has been approved for marketing as a prescription medication by the U.S. Food and Drug Administration and legally prescribed, nor shall hemp, as defined in accordance with chapter 26 of title 2 §2-26-3, be defined as marijuana or marihuana pursuant to this chapter, chapter 28 of this title or elsewhere in the general laws.
the public to add debilitating medical conditions to those included in this chapter. In considering such petitions, the department of health shall include public notice of, and an opportunity to comment in a public hearing, upon such petitions. The department of health shall, after hearing, approve or deny such petitions within one hundred eighty (180) days of submission. The approval or denial of such a petition shall be considered a final department of health action, subject to judicial review. Jurisdiction and venue for judicial review are vested in the superior court. The denial of a petition shall not disqualify qualifying patients with that condition, if they have a debilitating medical condition as defined in § 21-28.6-3(5). The denial of a petition shall not prevent a person with the denied condition from raising an affirmative defense.

(b) Not later than ninety (90) days after the effective date of this chapter, the department of health shall promulgate regulations governing the manner in which it shall consider applications for, and renewals of, registry identification cards for qualifying patients, primary caregivers, and authorized purchasers. The department of health's regulations shall establish application and renewal fees that generate revenues sufficient to offset all expenses of implementing and administering this chapter. The department of health may vary the application and renewal fees along a sliding scale that accounts for a qualifying patient's or caregiver's income. The department of health may accept donations from private sources in order to reduce the application and renewal fees.

(c) Not later than October 1, 2019, the department of business regulation shall promulgate regulations not inconsistent with law, to carry into effect the provisions of this section, governing the manner in which it shall consider applications for, and renewals of, registry identification cards for primary caregivers. The department of business regulation's regulations shall establish application and renewal fees. The department of business regulation may vary the application and renewal fees along a sliding scale that accounts for a qualifying patient's or caregiver's income. The department of business regulation may accept donations from private sources in order to reduce the application and renewal fees.

§ 21-28.6-6. Administration of departments of health and business regulation regulations.

(a) The department of health shall issue registry identification cards to qualifying patients who submit the following, in accordance with the department's regulations. Applications shall include but not be limited to:

(1) Written certification as defined in § 21-28.6-3(25) of this chapter;

(2) Application fee, as applicable;

(3) Name, address, and date of birth of the qualifying patient; provided, however, that if
the patient is homeless, no address is required;

(4) Name, address, and telephone number of the qualifying patient's practitioner;

(5) Whether the patient elects to grow medical marijuana plants for himself or herself; and

(6) Name, address, and date of birth of one primary caregiver of the qualifying patient and any authorized purchaser for the qualifying patient, if any primary caregiver or authorized purchaser is chosen by the patient or allowed in accordance with regulations promulgated by the department departments of health or business regulation.

(b) The department of health shall not issue a registry identification card to a qualifying patient under the age of eighteen (18) unless:

(1) The qualifying patient's practitioner has explained the potential risks and benefits of the medical use of marijuana to the qualifying patient and to a parent, guardian, or person having legal custody of the qualifying patient; and

(2) A parent, guardian, or person having legal custody consents in writing to:

(i) Allow the qualifying patient's medical use of marijuana;

(ii) Serve as the qualifying patient's primary caregiver or authorized purchaser; and

(iii) Control the acquisition of the marijuana, the dosage, and the frequency of the medical use of marijuana by the qualifying patient.

(c) The department of health shall renew registry identification cards to qualifying patients in accordance with regulations promulgated by the department of health and subject to payment of any applicable renewal fee.

(d) The department of health shall not issue a registry identification card to a qualifying patient seeking treatment for post-traumatic stress disorder (PTSD) under the age of eighteen (18).

(e) The department of health shall verify the information contained in an application or renewal submitted pursuant to this section, and shall approve or deny an application or renewal within thirty-five (35) days of receiving it. The department may deny an application or renewal only if the applicant did not provide the information required pursuant to this section, or if the department determines that the information provided was falsified, or that the renewing applicant has violated this chapter under their previous registration. Rejection of an application or renewal is considered a final department action, subject to judicial review. Jurisdiction and venue for judicial review are vested in the superior court.

(f) If the qualifying patient's practitioner notifies the department of health in a written statement that the qualifying patient is eligible for hospice care or chemotherapy, the department of health and department of business regulation, as applicable, shall give priority to these applications when verifying the information in accordance with subsection (e) and issue a registry
identification card to these qualifying patients, primary caregivers and authorized purchasers within seventy-two (72) hours of receipt of the completed application. The departments shall not charge a registration fee to the patient, caregivers or authorized purchasers named in the application. The department of health may identify through regulation a list of other conditions qualifying a patient for expedited application processing.

(g) Following the promulgation of regulations pursuant to § 21-28.6-5(c), the department of health shall issue or renew a registry identification card to the qualifying patient cardholder's primary caregiver, if any, who is named in the qualifying patient's approved application. The department of business regulation shall verify the information contained in applications and renewal forms submitted pursuant to this chapter prior to issuing any registry identification card. The department of business regulation may deny an application or renewal if the applicant or appointing patient did not provide the information required pursuant to this section, or if the department determines that the information provided was falsified, or if the applicant or appointing patient has violated this chapter under his or her previous registration or has otherwise failed to satisfy the application or renewal requirements.

(1) A primary caregiver applicant or an authorized purchaser applicant shall apply to the bureau of criminal identification of the department of attorney general, department of public safety division of state police, or local police department for a national criminal records check that shall include fingerprints submitted to the Federal Bureau of Investigation. Upon the discovery of any disqualifying information as defined in subdivision (g)(5), and in accordance with the rules promulgated by the director, the bureau of criminal identification of the department of attorney general, department of public safety division of state police, or the local police department shall inform the applicant, in writing, of the nature of the disqualifying information; and, without disclosing the nature of the disqualifying information, shall notify the department of business regulation or department of health, as applicable, in writing, that disqualifying information has been discovered.

(2) In those situations in which no disqualifying information has been found, the bureau of criminal identification of the department of attorney general, department of public safety division of state police, or the local police shall inform the applicant and the department of business regulation or department of health, as applicable, in writing, of this fact.

(3) The department of health or department of business regulation, as applicable, shall maintain on file evidence that a criminal records check has been initiated on all applicants seeking a primary caregiver registry identification card or an authorized purchaser registry identification card and the results of the checks. The primary caregiver cardholder shall not be required to apply
for a national criminal records check for each patient he or she is connected to through the department's registration process, provided that he or she has applied for a national criminal records check within the previous two (2) years in accordance with this chapter. The department of health and department of business regulation, as applicable, shall not require a primary caregiver cardholder or an authorized purchaser cardholder to apply for a national criminal records check more than once every two (2) years.

(4) Notwithstanding any other provision of this chapter, the department of business regulation or department of health may revoke or refuse to issue any class or type of registry identification card or license if it determines that failing to do so would conflict with any federal law or guidance pertaining to regulatory, enforcement and other systems that states, businesses, or other institutions may implement to mitigate the potential for federal intervention or enforcement.

This provision shall not be construed to prohibit the overall implementation and administration of this chapter on account of the federal classification of marijuana as a schedule I substance or any other federal prohibitions or restrictions.

(5) Information produced by a national criminal records check pertaining to a conviction for any felony offense under chapter 28 of title 21 ("Rhode Island Controlled Substances Act"), murder, manslaughter, rape, first-degree sexual assault, second-degree sexual assault, first-degree child molestation, second-degree child molestation, kidnapping, first-degree arson, second-degree arson, mayhem, robbery, burglary, breaking and entering, assault with a dangerous weapon, assault or battery involving grave bodily injury, and/or assault with intent to commit any offense punishable as a felony or a similar offense from any other jurisdiction shall result in a letter to the applicant and the department of health or department of business regulation, as applicable, disqualifying the applicant. If disqualifying information has been found, the department of health or department of business regulation, as applicable may use its discretion to issue a primary caregiver registry identification card or an authorized purchaser registry identification card if the applicant's connected patient is an immediate family member and the card is restricted to that patient only.

(6) The primary caregiver or authorized purchaser applicant shall be responsible for any expense associated with the national criminal records check.

(7) For purposes of this section, "conviction" means, in addition to judgments of conviction entered by a court subsequent to a finding of guilty or a plea of guilty, those instances where the defendant has entered a plea of nolo contendere and has received a sentence of probation and those instances where a defendant has entered into a deferred sentence agreement with the attorney general.
(8) (i) The office of cannabis regulation may adopt rules and regulations based on federal guidance provided those rules and regulations are designed to comply with federal guidance and mitigate federal enforcement against the registrations and licenses issued under this chapter.

(ii) All new and revised rules and regulations promulgated by the department of business regulation and/or the department of health pursuant to this chapter shall be subject to approval by the general assembly prior to enactment.

(iii) On or before December 31, 2016, the department of health shall issue registry identification cards within five (5) business days of approving an application or renewal that shall expire two (2) years after the date of issuance.

(iv) Effective January 1, 2017, and thereafter, the department of health or the department of business regulation, as applicable, shall issue registry identification cards within five (5) business days of approving an application or renewal that shall expire one year after the date of issuance.

Registry identification cards shall contain:

(i) The date of issuance and expiration date of the registry identification card;

(ii) A random registry identification number;

(iii) A photograph; and

(iv) Any additional information as required by regulation or the department of health or business regulation as applicable.

(i) Persons issued registry identification cards by the department of health or department of business regulation shall be subject to the following:

(1) A qualifying patient cardholder shall notify the department of health of any change in his or her name, address, primary caregiver, or authorized purchaser; or if he or she ceases to have his or her debilitating medical condition, within ten (10) days of such change.

(2) A qualifying patient cardholder who fails to notify the department of health of any of these changes is responsible for a civil infraction, punishable by a fine of no more than one hundred fifty dollars ($150). If the patient cardholder has ceased to suffer from a debilitating medical condition, the card shall be deemed null and void and the person shall be liable for any other penalties that may apply to the person's nonmedical use of marijuana.

(3) A primary caregiver cardholder or authorized purchaser shall notify the issuing department of health of any change in his or her name or address within ten (10) days of such change. A primary caregiver cardholder or authorized purchaser who fails to notify the issuing department of any of these changes is responsible for a civil infraction, punishable by a fine of no more than one hundred fifty dollars ($150).

(4) When a qualifying patient cardholder or primary caregiver cardholder notifies the
(5) When a qualifying patient cardholder changes his or her primary caregiver or authorized purchaser, the department of health or department of business regulation, as applicable, shall notify the primary caregiver cardholder or authorized purchaser within ten (10) days. The primary caregiver cardholder's protections as provided in this chapter as to that patient shall expire ten (10) days after notification by the issuing department. If the primary caregiver cardholder or authorized purchaser is connected to no other qualifying patient cardholders in the program, he or she must return his or her registry identification card to the issuing department.

(6) If a cardholder or authorized purchaser loses his or her registry identification card, he or she shall notify the department that issued the card and submit a ten-dollar ($10.00) fee within ten (10) days of losing the card. Within five (5) days, the department of health or department of business regulation shall issue a new registry identification card with new random identification number.

(7) Effective January 1, 2019, if a patient cardholder chooses to alter his or her registration with regard to the growing of medical marijuana for himself or herself, he or she shall notify the department prior to the purchase of medical marijuana tags or the growing of medical marijuana plants.

(8) If a cardholder or authorized purchaser willfully violates any provision of this chapter as determined by the department of health or the department of business regulation, his or her registry identification card may be revoked.

(j) Possession of, or application for, a registry identification card shall not constitute probable cause or reasonable suspicion, nor shall it be used to support the search of the person or property of the person possessing or applying for the registry identification card, or otherwise subject the person or property of the person to inspection by any governmental agency.

(k)(1) Applications and supporting information submitted by qualifying patients, including information regarding their primary caregivers, authorized purchaser, and practitioners, are confidential and protected unless in accordance with the federal Health Insurance Portability and Accountability Act of 1996, as amended, and shall be exempt from the provisions of chapter 2 of title 38 et seq. (Rhode Island access to public records act) and not subject to disclosure, except to authorized employees of the departments of health and business regulation as necessary to perform
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official duties of the department, and pursuant to subsection (l) and (m).

(2) The application for qualifying patient's registry identification card shall include a question asking whether the patient would like the department of health to notify him or her of any clinical studies about marijuana's risk or efficacy. The department of health shall inform those patients who answer in the affirmative of any such studies it is notified of, that will be conducted in Rhode Island. The department of health may also notify those patients of medical studies conducted outside of Rhode Island.

(3) The department of health and the department of business regulation, as applicable, shall maintain a confidential list of the persons to whom the department of health or department of business regulation has issued authorized patient, primary caregiver, and authorized purchaser registry identification cards. Individual names and other identifying information on the list shall be confidential, except from the provisions of Rhode Island access to public information, chapter 2 of title 38, and not subject to disclosure, except to authorized employees of the department of health and business regulation as necessary to perform official duties of the department and pursuant to subsections (l) and (m) of this section.

(l) Notwithstanding subsections (k) and (m) of this section, the departments of health and business regulation, as applicable, shall verify to law enforcement personnel whether a registry identification card is valid and may provide additional information to confirm whether a cardholder is compliant with the provisions of this chapter and the regulations promulgated hereunder, solely by confirming the random registry identification number or name. The department of business regulation shall verify to law enforcement personnel whether a registry identification card is valid and may confirm whether the cardholder is compliant with the provisions of this chapter and the regulations promulgated hereunder. This verification may occur through the use of a shared database, provided that any medical records or confidential information in this database related to a cardholder's specific medical condition is protected in accordance with subdivision (k)(1).

(m) It shall be a crime, punishable by up to one hundred eighty (180) days in jail and a one thousand dollar ($1,000) fine, for any person, including an employee or official of the departments of health, business regulation, public safety, or another state agency or local government, to breach the confidentiality of information obtained pursuant to this chapter. Notwithstanding this provision, the department of health and department of business regulation employees may notify law enforcement about falsified or fraudulent information submitted to the department or violations of this chapter. Nothing in this act shall be construed as to prohibit law enforcement, public safety, fire, or building officials from investigating violations of, or enforcing state law.
(n) On or before the fifteenth day of the month following the end of each quarter of the fiscal year, the department of health and the department of business regulation shall report to the governor, the speaker of the House of Representatives, and the president of the senate on applications for the use of marijuana for symptom relief. The report shall provide:

1. The number of applications for registration as a qualifying patient, primary caregiver, or authorized purchaser that have been made to the department of health and the department of business regulation during the preceding quarter, the number of qualifying patients, primary caregivers, and authorized purchasers approved, the nature of the debilitating medical conditions of the qualifying patients, the number of registrations revoked, and the number and specializations, if any, of practitioners providing written certification for qualifying patients.

(o) On or before September 30 of each year, the department of health and the department of business regulation, as applicable, shall report to the governor, the speaker of the House of Representatives, and the president of the senate on the use of marijuana for symptom relief. The report shall provide:

1. The total number of applications for registration as a qualifying patient, primary caregiver, or authorized purchaser that have been made to the department of health and the department of business regulation, the number of qualifying patients, primary caregivers, and authorized purchasers approved, the nature of the debilitating medical conditions of the qualifying patients, the number of registrations revoked, and the number and specializations, if any, of practitioners providing written certification for qualifying patients;

2. The number of active qualifying patient, primary caregiver, and authorized purchaser registrations as of June 30 of the preceding fiscal year;

3. An evaluation of the costs permitting the use of marijuana for symptom relief, including any costs to law enforcement agencies and costs of any litigation;

4. Statistics regarding the number of marijuana-related prosecutions against registered patients and caregivers, and an analysis of the facts underlying those prosecutions;

5. Statistics regarding the number of prosecutions against physicians for violations of this chapter; and

6. Whether the United States Food and Drug Administration has altered its position regarding the use of marijuana for medical purposes or has approved alternative delivery systems for marijuana.

(p) After June 30, 2018, the department of business regulation shall report to the speaker of the house, senate president, the respective fiscal committee chairpersons, and fiscal advisors within 60 days of the close of the prior fiscal year. The report shall provide:
(1) The number of applications for registry identification cards to compassion center staff,
the number approved, denied and the number of registry identification cards revoked, and the
number of replacement cards issued;
(2) The number of applications for compassion centers and licensed cultivators;
(3) The number of marijuana plant tag sets ordered, delivered, and currently held within
the state;
(4) The total revenue collections of any monies related to its regulator activities for the
prior fiscal year, by the relevant category of collection, including enumerating specifically the total
amount of revenues foregone or fees paid at reduced rates pursuant to this chapter.

21-28.6-7. Scope of chapter.
(a) This chapter shall not permit:
(1) Any person to undertake any task under the influence of marijuana, when doing so
would constitute negligence or professional malpractice;
(2) The smoking of marijuana:
(i) In a school bus or other form of public transportation;
(ii) On any school grounds;
(iii) In any correctional facility;
(iv) In any public place;
(v) In any licensed drug treatment facility in this state; or
(vi) Where exposure to the marijuana smoke significantly adversely affects the health,
safety, or welfare of children.
(3) Any person to operate, navigate, or be in actual physical control of any motor vehicle,
aircraft, or motorboat while under the influence of marijuana. However, a registered qualifying
patient shall not be considered to be under the influence solely for having marijuana metabolites in
his or her system.

(4) The operation of a medical marijuana emporium, which is expressly prohibited.
(b) Nothing in this chapter shall be construed to require:
(1) A government medical assistance program or private health insurer or workers' compensation insurer, workers' compensation group self-insurer or employer self-insured for
workers' compensation under § 28-36-1 to reimburse a person for costs associated with the medical
use of marijuana; or
(2) An employer to accommodate the medical use of marijuana in any workplace.
(c) Fraudulent representation to a law enforcement official of any fact or circumstance
relating to the medical use of marijuana to avoid arrest or prosecution shall be punishable by a fine
of five hundred dollars ($500) which shall be in addition to any other penalties that may apply for
making a false statement for the nonmedical use of marijuana.


(a) Except as provided in § 21-28.6-7, a qualifying patient may assert the medical purpose
for using marijuana as a defense to any prosecution involving marijuana, and such defense shall be
presumed valid where the evidence shows that:

(1) The qualifying patient's practitioner has stated that, in the practitioner's professional
opinion, after having completed a full assessment of the person's medical history and current
medical condition made in the course of a bona fide practitioner-patient relationship, the potential
benefits of using marijuana for medical purposes would likely outweigh the health risks for the
qualifying patient; and

(2) The qualifying patient was compliant with this chapter and all regulations promulgated
hereunder and in possession of a quantity of marijuana that was not more than what is permitted
under this chapter to ensure the uninterrupted availability of marijuana for the purpose of alleviating
the person's medical condition or symptoms associated with the medical condition.

(b) A person may assert the medical purpose for using marijuana in a motion to dismiss,
and the charges shall be dismissed following an evidentiary hearing where the defendant shows the
elements listed in subsection (a) of this section.

(c) Any interest in, or right to, property that was possessed, owned, or used in connection
with a qualifying patient's use of marijuana for medical purposes shall not be forfeited if the
qualifying patient demonstrates the qualifying patient's medical purpose for using marijuana
pursuant to this section.


(a) If the department of health fails to adopt regulations to implement this chapter within
one hundred twenty (120) days of the effective date of this act, a qualifying patient may commence
an action in a court of competent jurisdiction to compel the department to perform the actions
mandated pursuant to the provisions of this chapter.

(b) If the department of health or the department of business regulation fails to issue a valid
registry identification card in response to a valid application submitted pursuant to this chapter
within thirty-five (35) days of its submission, the registry identification card shall be deemed
granted and a copy of the registry identification application shall be deemed a valid registry
identification card.

(c) The department of health and the department of business regulation shall revoke and
shall not reissue, the registry identification card of any cardholder or licensee who is convicted of;
placed on probation; whose case is filed pursuant to § 12-10-12 where the defendant pleads nolo contendere; or whose case is deferred pursuant to § 12-19-19 where the defendant pleads nolo contendere for any felony offense under chapter 28 of title 21 ("Rhode Island Controlled Substances Act") or a similar offense from any other jurisdiction.

(d) If a cardholder exceeds the possession limits set forth in §§ 21-28.6-4 or 21-28.6-14, or is in violation of any other section of this chapter or the regulations promulgated hereunder, he or she shall may be subject to arrest and prosecution under chapter 28 of title 21 ("Rhode Island Controlled Substances Act").

(e)(1) Notwithstanding any other provision of this chapter, if the director of the department of business regulation or his or her designee has cause to believe that a violation of any provision of chapter 28.6 of title 21 or the regulations promulgated thereunder has occurred by a licensee or registrant under the department's jurisdiction, or that any person or entity is conducting any activities requiring licensure or registration by the department of business regulation under chapter 28.6 of title 21 or the regulations promulgated thereunder without such licensure or registration, or is otherwise violating any provisions of said chapter, the director or his or her designee may, in accordance with the requirements of the administrative procedures act, chapter 35 of title 42:

(i) With the exception of patient and authorized purchaser registrations, revoke or suspend any license or registration issued under chapters 26 of title 2 or 28.6 of title 21;

(ii) Levy an administrative penalty in an amount established pursuant to regulations promulgated by the department of business regulation;

(iii) Order the violator to cease and desist such actions;

(iv) Require a licensee or registrant or person or entity conducting any activities requiring licensure or registration under chapter 28.6 of title 21 to take such actions as are necessary to comply with such chapter and the regulations promulgated thereunder; or

(v) Any combination of the above penalties.

(2) If the director of the department of business regulation finds that public health, safety, or welfare imperatively requires emergency action, and incorporates a finding to that effect in his or her order, summary suspension of license or registration and/or cease and desist may be ordered pending proceedings for revocation or other action. These proceedings shall be promptly instituted and determined.

(f) All cannabis products that are held for sale or distribution within the borders of this state in violation of the requirements of this chapter are declared to be contraband goods and may be seized by the department of business regulation, the tax administrator or his or her agents, or employees, or by any sheriff, or his or her deputy, or any police officer when requested by the tax.
administrative or the department of business regulation to do so, without a warrant. All contraband
goods seized by the state under this chapter may be destroyed.


(a) A compassion center registered licensed under this section may acquire, possess, cultivate, manufacture, deliver, transfer, transport, supply, or dispense medical marijuana, or related supplies and educational materials, to registered qualifying patients and their registered primary caregivers or authorized purchasers, or out of state patient cardholders or other marijuana establishment licensees. Except as specifically provided to the contrary, all provisions of chapter 28.6 of title 21 (the Edward O. Hawkins and Thomas C. Slater Medical Marijuana Act), apply to a compassion center unless the provision(s) conflict with a provision contained in § 21-28.6-12. (b) Registration License of compassion centers--authority of the departments of health and business regulation:

(1) Not later than ninety (90) days after the effective date of this chapter, the department of health shall promulgate regulations governing the manner in which it shall consider applications for registration certificates licenses for compassion centers, including regulations governing:

(i) The form and content of registration license and renewal applications;
(ii) Minimum oversight requirements for compassion centers;
(iii) Minimum record-keeping requirements for compassion centers;
(iv) Minimum security requirements for compassion centers; and
(v) Procedures for suspending, revoking, or terminating the registration license of compassion centers that violate the provisions of this section or the regulations promulgated pursuant to this subsection.

(2) Within ninety (90) days of the effective date of this chapter, the department of health shall begin accepting applications for the operation of a single compassion center.

(3) Within one hundred fifty (150) days of the effective date of this chapter, the department of health shall provide for at least one public hearing on the granting of an application to a single compassion center.

(4) Within one hundred ninety (190) days of the effective date of this chapter, the department of health shall grant a single registration certificate license to a single compassion center, providing at least one applicant has applied who meets the requirements of this chapter.

(5) If at any time after fifteen (15) months after the effective date of this chapter, there is no operational compassion center in Rhode Island, the department of health shall accept applications, provide for input from the public, and issue a registration certificate license for a compassion center if a qualified applicant exists.
(6) Within two (2) years of the effective date of this chapter, the department of health shall begin accepting applications to provide registration certificates/license for two (2) additional compassion centers. The department shall solicit input from the public, and issue registration certificates/licenses if qualified applicants exist.

(7) (i) Any time a compassion center registration certificate/license is revoked, is relinquished, or expires on or before December 31, 2016, the department of health shall accept applications for a new compassion center.

(ii) Any time a compassion center registration certificate/license is revoked, is relinquished, or expires on or after January 1, 2017, the department of business regulation shall accept applications for a new compassion center.

(8) (i) If at any time after three (3) years after the effective date of this chapter and on or before December 31, 2016, fewer than three (3) compassion centers are holding valid registration certificates/licenses in Rhode Island, the department of health shall accept applications for a new compassion center. If at any time on or after January 1, 2017, fewer than three (3) compassion centers are holding valid registration certificates/licenses in Rhode Island, the department of business regulation shall accept applications for a new compassion center. No more than three (3) compassion centers that may hold valid registration certificates/licenses at one time. If at any time on or after July 1, 2019, fewer than nine (9) compassion centers are holding valid licenses in Rhode Island, the department of business regulation shall accept applications for new compassion centers and shall continue the process until nine (9) licenses have been issued by the department of business regulation.

(9) Any compassion center application selected for approval by the department of health on or before December 31, 2016, or selected for approval by the department of business regulation on or after January 1, 2017, shall remain in full force and effect, notwithstanding any provisions of this chapter to the contrary, and shall be subject to state law adopted herein and rules and regulations adopted by the departments of health and business regulation subsequent to passage of this legislation.

(10) A licensed cultivator may apply for, and be issued, an available compassion center license provided that the licensed cultivation premises is disclosed on the compassion center application as the permitted second location for growing medical marijuana in accordance with §21-28.6-12(c)(1). If a licensed cultivator is issued an available compassion center license, their cultivation facility license will merge with and into their compassion center license in accordance with regulations promulgated by the department of business regulation. Once merged, the cultivation of medical marijuana may then be conducted under the compassion center license in
accordance with § 21-28.6-12 and the cultivation license will be considered null and void and of no further force or effect.

(c) Compassion center and agent applications and registration license:

(1) Each application for a compassion center shall include be submitted in accordance with regulations promulgated by the department of business regulation and shall include, but not be limited to:

(i) A non-refundable application fee paid to the department in the amount of two hundred fifty dollars ($250) ten thousand dollars ($10,000);

(ii) The proposed legal name and proposed articles of incorporation of the compassion center;

(iii) The proposed physical address of the compassion center, if a precise address has been determined, or, if not, the general location where it would be located, this may include a second location for the cultivation of medical marijuana;

(iv) A description of the enclosed, locked facility that would be used in the cultivation of medical marijuana;

(v) The name, address, and date of birth of each principal officer and board member of the compassion center;

(vi) Proposed security and safety measures that shall include at least one security alarm system for each location, planned measures to deter and prevent the unauthorized entrance into areas containing marijuana and the theft of marijuana, as well as a draft, employee-instruction manual including security policies, safety and security procedures, personal safety, and crime-prevention techniques; and

(vii) Proposed procedures to ensure accurate record keeping;

(2)(i) For applications submitted on or before December 31, 2016, any time one or more compassion center registration license applications are being considered, the department of health shall also allow for comment by the public and shall solicit input from registered qualifying patients, registered primary caregivers; and the towns or cities where the applicants would be located;

(ii) For applications submitted on or after January 1, 2017, any time one or more compassion center registration license applications are being considered, the department of business regulation shall also allow for comment by the public and shall solicit input from registered qualifying patients, registered primary caregivers; and the towns or cities where the applicants would be located.

(3) Each time a new compassion center certificate license is granted issued, the decision
shall be based upon the overall health needs of qualified patients and the safety of the public, including, but not limited to, the following factors:

(i) Convenience to patients from areas throughout the state of Rhode Island, to the compassion centers if the applicant were approved;

(ii) The applicant's ability to provide a steady supply to the registered qualifying patients in the state;

(iii) The applicant's experience running a non-profit or business;

(iv) The interests of qualifying patients regarding which applicant be granted a registration certificate license;

(v) The interests of the city or town where the dispensary would be located taking into consideration need and population;

(vi) Nothing herein shall prohibit more than one compassion center being geographically located in any city or town.

(vii) The sufficiency of the applicant's plans for record keeping and security, which records shall be considered confidential health-care information under Rhode Island law and are intended to be deemed protected health-care information for purposes of the Federal Health Insurance Portability and Accountability Act of 1996, as amended; and

(viii) The sufficiency of the applicant's plans for safety and security, including proposed location, security devices employed, and staffing;

(4) A compassion center approved by the department of health on or before December 31, 2016, shall submit the following to the department before it may begin operations:

(i) A fee paid to the department in the amount of five thousand dollars ($5,000);

(ii) The legal name and articles of incorporation of the compassion center;

(iii) The physical address of the compassion center; this may include a second address for the secure cultivation of marijuana;

(iv) The name, address, and date of birth of each principal officer and board member of the compassion center; and

(v) The name, address, and date of birth of any person who will be an agent of, employee, or volunteer of the compassion center at its inception.

(5) A compassion center approved or renewed by the department of business regulation on or after January 1, 2017 but before July 1, 2019, shall submit materials pursuant to regulations promulgated by the department of business regulation the following to the department before it may begin operations:

(A) A fee paid to the department in the amount of five thousand dollars ($5,000);
The legal name and articles of incorporation of the compassion center;

The physical address of the compassion center; this may include a second address for the secure cultivation of medical marijuana

The name, address, and date of birth of each principal officer and board member of the compassion center;

The name, address, and date of birth of any person who will be an agent of, employee, or volunteer of the compassion center at its inception.

(ii) A compassion center approved or renewed by the department of business regulation on or after July 1, 2019, shall submit materials pursuant to regulations promulgated by the department of business regulation before it may begin operations which shall include but not be limited to:

(A) A fee paid to the department in the amount of five hundred thousand dollars ($500,000);
(B) The legal name and articles of incorporation of the compassion center;
(C) The physical address of the compassion center; this may include a second address for the secure cultivation of medical marijuana;
(D) The name, address, and date of birth of each principal officer and board member of the compassion center, and any person who has a direct or indirect ownership interest in any marijuana establishment licensee, which ownership interest shall include, but not be limited to, any interests arising pursuant to the use of shared management companies, management agreements or other agreements that afford third party management or operational control, or other familial or business relationships between compassion center or cultivator owners, members, officers, directors, managers, investors, agents, or key persons which effect dual license interests as determined by the department of business regulation;
(E) The name, address, and date of birth of any person who will be an agent of, employee, or volunteer of the compassion center at its inception; and

(6) Except as provided in subdivision (7), the department of health or the department of business regulation shall issue each principal officer, board member, agent, volunteer, and employee of a compassion center a registry identification card or renewal card after receipt of the person’s name, address, date of birth; a fee in an amount established by the department of health or the department of business regulation; and notification to the department of health or the department of business regulation by the department of public safety division of state police, attorney general's office, or local law enforcement that the registry identification card applicant has not been convicted of a felony drug offense or has not entered a plea of nolo contendere for a felony drug offense and received a sentence of probation. Each card
shall specify that the cardholder is a principal officer, board member, agent, volunteer, or employee of a compassion center and shall contain the following:

(i) The name, address, and date of birth of the principal officer, board member, agent, volunteer, or employee;

(ii) The legal name of the compassion center to which the principal officer, board member, agent, volunteer, or employee is affiliated;

(iii) A random identification number that is unique to the cardholder;

(iv) The date of issuance and expiration date of the registry identification card; and

(v) A photograph, if the department of health or the department of business regulation decides to require one; and

(7) Except as provided in this subsection, neither the department of health nor the department of business regulation shall issue a registry identification card to any principal officer, board member, or agent, volunteer, or employee of a compassion center who has been convicted of a felony drug offense or has entered a plea of nolo contendere for a felony drug offense and received a sentence of probation. If a registry identification card is denied, the compassion center will be notified in writing of the purpose for denying the registry identification card. A registry identification card may be granted if the offense was for conduct that occurred prior to the enactment of the Edward O. Hawkins and Thomas C. Slater Medical Marijuana Act or that was prosecuted by an authority other than the state of Rhode Island and for which the Edward O. Hawkins and Thomas C. Slater Medical Marijuana Act would otherwise have prevented a conviction.

(i) All registry identification card applicants shall apply to the department of public safety division of state police, the attorney general's office, or local law enforcement for a national criminal identification records check that shall include fingerprints submitted to the federal bureau of investigation. Upon the discovery of a felony drug offense conviction or a plea of nolo contendere for a felony drug offense with a sentence of probation, and in accordance with the rules promulgated by the department of health and the department of business regulation, the department of public safety division of state police, the attorney general's office, or local law enforcement shall inform the applicant, in writing, of the nature of the felony and the department of public safety division of state police shall notify the department of health or the department of business regulation, in writing, without disclosing the nature of the felony, that a felony drug offense conviction or a plea of nolo contendere for a felony drug offense with probation has been found.

(ii) In those situations in which no felony drug offense conviction or plea of nolo contendere for a felony drug offense with probation has been found, the department of public safety division of state police, the attorney general's office, or local law enforcement shall inform the applicant, in writing, of the nature of the felony and the department of public safety division of state police shall notify the department of health or the department of business regulation, in writing, without disclosing the nature of the felony, that a felony drug offense conviction or a plea of nolo contendere for a felony drug offense with probation has been found.
division of state police, the attorney general's office, or local law enforcement shall inform the
applicant and the department of health or the department of business regulation, in writing, of this
fact.

(iii) All registry identification card applicants except for employees with no ownership,
equity, financial interest, or managing control of a marijuana establishment license shall be
responsible for any expense associated with the criminal background check with fingerprints.

(8) A registry identification card of a principal officer, board member, agent, volunteer, or
employee, or any other designation required by the department of business regulation shall expire
one year after its issuance, or upon the expiration of the registered licensed organization's
registration certificate license, or upon the termination of the principal officer, board member,
agent, volunteer or employee's relationship with the compassion center, whichever occurs first.

(9) A compassion center cardholder shall notify and request approval from the department
of business regulation of any change in his or her name or address within ten (10) days of such
change. A compassion center cardholder who fails to notify the department of business regulation
of any of these changes is responsible for a civil infraction, punishable by a fine of no more than
one hundred fifty dollars ($150).

(10) When a compassion center cardholder notifies the department of health or the
department of business regulation of any changes listed in this subsection, the department shall
issue the cardholder a new registry identification card within ten (10) days of receiving the updated
information and a ten-dollar ($10.00) fee.

(11) If a compassion center cardholder loses his or her registry identification card, he or
she shall notify the department of health or the department of business regulation and submit a ten
dollar ($10.00) fee within ten (10) days of losing the card. Within five (5) days, the department
shall issue a new registry identification card with new random identification number.

(12) On or before December 31, 2016, a compassion center cardholder shall notify the
department of health of any disqualifying criminal convictions as defined in subdivision (c)(7). The
department of health may choose to suspend and/or revoke his or her registry identification card
after such notification.

(13) On or after January 1, 2017, a compassion center cardholder shall notify the
department of business regulation of any disqualifying criminal convictions as defined in
subdivision (c)(7). The department of business regulation may choose to suspend and/or revoke his
or her registry identification card after such notification.

(14) If a compassion center cardholder violates any provision of this chapter or regulations
promulgated hereunder as determined by the departments of health and business regulation, his or
her registry identification card may be suspended and/or revoked.

(d) Expiration or termination of compassion center:

(1) On or before December 31, 2016, a compassion center's registration license shall expire two (2) years after its registration certificate license is issued. On or after January 1, 2017, a compassion center's registration license shall expire one year after its registration certificate license is issued. The compassion center may submit a renewal application beginning sixty (60) days prior to the expiration of its registration certificate license:

(2) The department of health or the department of business regulation shall grant a compassion center's renewal application within thirty (30) days of its submission if the following conditions are all satisfied:

   (i) The compassion center submits the materials required under subdivisions (c)(4) and (c)(5), including a two hundred fifty thousand dollar ($250,000) fee or a five hundred thousand dollar ($500,000) fee;

   (ii) The compassion center's registration license has never been suspended for violations of this chapter or regulations issued pursuant to this chapter; and

   (iii) The department of health and the department of business regulation find that the compassion center is adequately providing patients with access to medical marijuana at reasonable rates;

(3) If the department of health or the department of business regulation determines that any of the conditions listed in paragraphs (d)(2)(i) – (iii) have not been met, the department may begin an open application process for the operation of a compassion center. In granting a new registration certificate license, the department of health or the department of business regulation shall consider factors listed in subdivision (c)(3);

(4) The department of health or the department of business regulation shall issue a compassion center one or more thirty-day (30) temporary registration certificates licenses after that compassion center's registration license would otherwise expire if the following conditions are all satisfied:

   (i) The compassion center previously applied for a renewal, but the department had not yet come to a decision;

   (ii) The compassion center requested a temporary registration certificate license; and

   (iii) The compassion center has not had its registration certificate license suspended or revoked due to violations of this chapter or regulations issued pursuant to this chapter.

(5) A compassion center's registry identification card license shall be denied, suspended, or subject to revocation if the compassion center:
(i) Possesses an amount of marijuana exceeding the limits established by this chapter;
(ii) Is in violation of the laws of this state;
(iii) Is in violation of other departmental regulations; or
(iv) Employs or enters into a business relationship with a medical practitioner who provides
written certification of a qualifying patient's medical condition.
(v) If any compassion center owner, member, officer, director, manager, investor, agent,
or key person, as defined in regulations promulgated by the department of business regulation, has
any interest, direct or indirect, in another compassion center or another licensed cultivator, except
as permitted in § 21-28.6-12(b)(10). Prohibited interests shall also include interests arising pursuant
to the use of shared management companies, management agreements or other agreements that
afford third party management or operational control, or other familial or business relationships
between compassion center or cultivator owners, members, officers, directors, managers, investors,
agents, or key persons which effect dual license interests as determined by the department of
business regulation.

(e) Inspection. Compassion centers are subject to reasonable inspection by the department
of health, division of facilities regulation and the department of business regulation. During an
inspection, the departments may review the compassion center’s confidential records, including its
dispensing records, which shall track transactions according to qualifying patients' registry
identification numbers to protect their confidentiality.

(f) Compassion center requirements:

(1) A compassion center shall be operated on a not-for-profit basis for the mutual benefit
of its patients. A compassion center need not be recognized as a tax-exempt organization by the
Internal Revenue Service. A compassion center shall be subject to regulations promulgated by the
department of business regulation for general operations and record keeping which shall include,
but not be limited to:

(i) Minimum security and surveillance requirements;
(ii) Minimum requirements for workplace safety and sanitation;
(iii) Minimum requirements for product safety and testing;
(iv) Minimum requirements for inventory tracking and monitoring;
(v) Minimum requirements for the secure transport and transfer of medical marijuana;
(vi) Minimum requirements to address odor mitigation;
(vii) Minimum requirements for product packaging and labeling;
(viii) Minimum requirements and prohibitions for advertising;
(ix) Minimum requirements for the testing and destruction of marijuana.
destruction of medical marijuana and medical marijuana product is required to bring a person or entity into compliance with any provision of chapter 28.6 of title 21, any rule or regulation promulgated thereunder, or any administrative order issued in accordance therewith, the director of the department of business regulation may designate his or her employees or agents to facilitate said destruction;

(x) A requirement that if a compassion center violates this chapter, or any regulation thereunder, and the department of business regulation determines that violation does not pose an immediate threat to public health or public safety, the compassion center shall pay to the department of business regulation a fine of no less than five-hundred dollars ($500); and

(xi) A requirement that if a compassion center violates this chapter, or any regulation promulgated hereunder, and the department of business regulation determines that the violation poses an immediate threat to public health or public safety, the compassion center shall pay to the department of business regulation a fine of no less than two-thousand dollars ($2,000) and the department shall be entitled to pursue any other enforcement action provided for under this chapter and the regulations.

(2) A compassion center may not be located within one thousand feet (1000') of the property line of a preexisting public or private school;

(3) On or before December 31, 2016, a compassion center shall notify the department of health within ten (10) days of when a principal officer, board member, agent, volunteer, or employee ceases to work at the compassion center. On or after January 1, 2017, a compassion center shall notify the department of business regulation within ten (10) days of when a principal officer, board member, agent, volunteer, or employee ceases to work at the compassion center. His or her card shall be deemed null and void and the person shall be liable for any penalties that may apply to any nonmedical possession or use of marijuana by the person;

(4)(i) On or before December 31, 2016, a compassion center shall notify the department of health in writing of the name, address, and date of birth of any new principal officer, board member, agent, volunteer or employee and shall submit a fee in an amount established by the department for a new registry identification card before that person begins his or her relationship with the compassion center;

(ii) On or after January 1, 2017, a compassion center shall notify the department of business regulation, in writing, of the name, address, and date of birth of any new principal officer, board member, agent, volunteer, or employee and shall submit a fee in an amount established by the department of business regulation for a new registry identification card before that person begins his or her relationship with the compassion center;
(5) A compassion center shall implement appropriate security measures to deter and
prevent the unauthorized entrance into areas containing marijuana and
shall insure that each location has an operational security alarm system. Each compassion center
shall request that the department of public safety division of state police visit the compassion center
to inspect the security of the facility and make any recommendations regarding the security of the
facility and its personnel within ten (10) days prior to the initial opening of each compassion center.
Said recommendations shall not be binding upon any compassion center, nor shall the lack of
implementation of said recommendations delay or prevent the opening or operation of any center.
If the department of public safety division of state police does not inspect the compassion center
within the ten-day (10) period, there shall be no delay in the compassion center's opening.

(6) The operating documents of a compassion center shall include procedures for the
oversight of the compassion center and procedures to ensure accurate record keeping.

(7) A compassion center is prohibited from acquiring, possessing, cultivating,
manufacturing, delivering, transferring, transporting, supplying, or dispensing marijuana for any
purpose except to assist registered qualifying patients with the medical use of
marijuana directly or through the qualifying patient's primary caregiver or authorized purchaser.

(8) All principal officers and board members of a compassion center must be residents of
the state of Rhode Island.

(9) Each time a new, registered, qualifying patient visits a compassion center, it shall
provide the patient with a frequently asked questions sheet, designed by the department, that
explains the limitations on the right to use medical marijuana under state law.

(10) Effective July 1, 2016 2017, each compassion center shall be subject to any regulations
promulgated by the department of health and business regulation that specify how
usable marijuana must be tested for items included but not limited to cannabinoid profile and
contaminants.

(11) Effective January 1, 2017, each compassion center shall be subject to any product
labeling requirements promulgated by the department of business regulation.

(12) Each compassion center shall develop, implement, and maintain on the premises
employee, volunteer, and agent policies and procedures to address the following requirements:
(i) A job description or employment contract developed for all employees and agents, and
a volunteer agreement for all volunteers, that includes duties, authority, responsibilities,
qualifications, and supervision; and
(ii) Training in, and adherence to, state confidentiality laws.

(13) Each compassion center shall maintain a personnel record for each employee, agent,
and volunteer that includes an application and a record of any disciplinary action taken.

(14) Each compassion center shall develop, implement, and maintain on the premises an on-site training curriculum, or enter into contractual relationships with outside resources capable of meeting employee training needs, that includes, but is not limited to, the following topics:

(i) Professional conduct, ethics, and patient confidentiality; and

(ii) Informational developments in the field of medical use of marijuana.

(15) Each compassion center entity shall provide each employee, agent, and volunteer, at the time of his or her initial appointment, training in the following:

(i) The proper use of security measures and controls that have been adopted; and

(ii) Specific procedural instructions on how to respond to an emergency, including robbery or violent accident.

(16) All compassion centers shall prepare training documentation for each employee and volunteer and have employees and volunteers sign a statement indicating the date, time, and place of the employee and volunteer received said training and topics discussed, to include name and title of presenters. The compassion center shall maintain documentation of an employee's and a volunteer's training for a period of at least six (6) months after termination of an employee's employment or the volunteer's volunteering.

(g) Maximum amount of usable marijuana to be dispensed:

(1) A compassion center or principal officer, board member, agent, volunteer, or employee of a compassion center may not dispense more than two and one-half (2.5) ounces (2.5 oz.) of usable marijuana, or its equivalent, to a qualifying patient directly or through a qualifying patient's primary caregiver or authorized purchaser during a fifteen-day (15) period;

(2) A compassion center or principal officer, board member, agent, volunteer, or employee of a compassion center may not dispense an amount of usable marijuana, or its equivalent, seedlings, or mature marijuana plants, to a patient cardholder, qualifying patient, a qualifying patient's primary caregiver, or a qualifying patient's authorized purchaser that the compassion center, principal officer, board member, agent, volunteer, or employee knows would cause the recipient to possess more marijuana than is permitted under the Edward O. Hawkins and Thomas C. Slater Medical Marijuana Act.

(3) Compassion centers shall utilize a database administered by the departments of health and business regulation. The database shall contain all compassion centers' transactions according to qualifying patients, authorized purchasers', and primary caregivers', registry identification numbers to protect the confidentiality of patient personal and medical information. Compassion centers will not have access to any applications or supporting information submitted.
by qualifying patients, authorized purchasers or primary caregivers. Before dispensing marijuana

to any patient, or authorized purchaser, the compassion center must utilize the database to ensure

that a qualifying patient is not dispensed more than two and one-half (2.5) ounces (2.5 oz.) of usable

marijuana or its equivalent directly or through the qualifying patient's primary caregiver or

authorized purchaser during a fifteen-day (15) period.

(h) Immunity:

(1) No registered licensed compassion center shall be subject to prosecution; search, except

by the departments pursuant to subsection (e); seizure; or penalty in any manner, or denied any

right or privilege, including, but not limited to, civil penalty or disciplinary action by a business,

occupational, or professional licensing board or entity, solely for acting in accordance with this

section to assist registered qualifying patients.

(2) No registered licensed compassion center shall be subject to prosecution, seizure, or

penalty in any manner, or denied any right or privilege, including, but not limited to, civil penalty

or disciplinary action, by a business, occupational, or professional licensing board or entity, for

selling, giving, or distributing marijuana in whatever form, and within the limits established by, the

department of health or the department of business regulation to another registered compassion

center.

(3) No principal officers, board members, agents, volunteers, or employees of a registered

compassion center shall be subject to arrest, prosecution, search, seizure, or penalty in any manner,

or denied any right or privilege, including, but not limited to, civil penalty or disciplinary action by

a business, occupational, or professional licensing board or entity, solely for working for or with a

compassion center to engage in acts permitted by this section.

(4) No state employee shall be subject to arrest, prosecution or penalty in any manner, or

denied any right or privilege, including, but not limited to, civil penalty, disciplinary action,

termination, or loss of employee or pension benefits, for any and all conduct that occurs within the

scope of his or her employment regarding the administration, execution and/or enforcement of this

act, and the provisions of §§ 9-31-8 and 9-31-9 shall be applicable to this section.

(i) Prohibitions:

(1) A compassion center must limit its inventory of seedlings, plants, and usable marijuana

to reflect the projected needs of qualifying patients;

(2) A compassion center may not dispense, deliver, or otherwise transfer marijuana to a

person other than a patient cardholder or to such a qualified patient's primary caregiver or

authorized purchaser;

(3) A compassion center may not procure, purchase, transfer or sell marijuana to or from


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(4) A person found to have violated paragraph (2) or (3) of this subsection may not be an employee, agent, volunteer, principal officer, or board member of any compassion center;

(5) An employee, agent, volunteer, principal officer or board member of any compassion center found in violation of paragraph (2) or (3) shall have his or her registry identification revoked immediately; and

(6) No person who has been convicted of a felony drug offense or has entered a plea of nolo contendere for a felony drug offense with a sentence or probation may be the principal officer, board member, or agent, volunteer, or employee of a compassion center unless the department has determined that the person's conviction was for the medical use of marijuana or assisting with the medical use of marijuana in accordance with the terms and conditions of this chapter. A person who is employed by or is an agent, volunteer, principal officer, or board member of a compassion center in violation of this section is guilty of a civil violation punishable by a fine of up to one thousand dollars ($1,000). A subsequent violation of this section is a misdemeanor.

(j) Legislative oversight committee:

(1) The general assembly shall appoint a nine-member (9) oversight committee comprised of: one member of the house of representatives; one member of the senate; one physician to be selected from a list provided by the Rhode Island medical society; one nurse to be selected from a list provided by the Rhode Island state nurses association; two (2) registered qualifying patients; one registered primary caregiver; one patient advocate to be selected from a list provided by the Rhode Island patient advocacy coalition; and the superintendent of the department of public safety, or his/her designee.

(2) The oversight committee shall meet at least six (6) times per year for the purpose of evaluating and making recommendations to the general assembly regarding:

(i) Patients' access to medical marijuana;

(ii) Efficacy of compassion centers;

(iii) Physician participation in the Medical Marijuana Program;

(iv) The definition of qualifying medical condition; and

(v) Research studies regarding health effects of medical marijuana for patients.

(3) On or before January 1 of every even numbered year, the oversight committee shall report to the general assembly on its findings.

(k) License required. No person or entity shall engage in activities described in § 21-28.6-12 without a compassion center license issued by the department of business regulation.

(a) Two (2) or more qualifying cardholders may cooperatively cultivate marijuana in residential or non-residential locations subject to the following restrictions:

(1) Effective January 1, 2017, cooperative cultivations shall apply to the department of business regulation for a license to operate;

(2) A registered patient or primary caregiver cardholder can only cultivate in one location, including participation in a cooperative cultivation;

(3) No single location may have more than one cooperative cultivation. For the purposes of this section, location means one structural building, not units within a structural building;

(4) The cooperative cultivation shall not be visible from the street or other public areas;

(5) A written acknowledgement of the limitations of the right to use and possess marijuana for medical purposes in Rhode Island that is signed by each cardholder and is displayed prominently in the premises cooperative cultivation;

(6) Cooperative cultivations are restricted to the following possession limits:

(i) A non-residential, cooperative cultivation may have no more than ten (10) ounces of dried marijuana, or its equivalent which satisfies the requirements of this chapter, and an amount of wet marijuana set in regulations promulgated by the department of business regulation, forty-eight (48) mature marijuana plants, and forty-eight (48) seedlings;

(ii) A residential, cooperative cultivation may have no more than ten (10) ounces of dried marijuana, or its equivalent which satisfies the requirements of this chapter, and an amount of wet marijuana set in regulations promulgated by the department of business regulation, twenty-four (24) mature marijuana plants, and twenty-four (24) seedlings;

(iii) A non-residential or residential, cooperative cultivation must have displayed prominently on the premises its license issued by the department of business regulation;

(iv) Every marijuana plant possessed by a cooperative cultivation must be accompanied by a valid medical marijuana tag issued by the department of business regulation pursuant to § 21-28.6-15. Each cooperative cultivation must purchase at least one medical marijuana tag in order to remain a licensed cooperative cultivation; and

(v) Cooperative cultivations are subject to reasonable inspection by the department of business regulation for the purposes of enforcing regulations promulgated pursuant to this chapter and all applicable Rhode Island general laws.

(7) Cooperative cultivations must be inspected as follows:

(i) A non-residential, cooperative cultivation must have displayed prominently on the premises documentation from the municipality where the single location is located that the location
and the cultivation has been inspected by the municipal building and/or zoning official and the
municipal fire department and is in compliance with any applicable state or municipal housing and
zoning codes; and

(ii) A residential, cooperative cultivation must have displayed prominently on the premises
an affidavit by a licensed electrician that the cultivation has been inspected and is in compliance
with any applicable state or municipal housing and zoning codes for the municipality where the
cooperative cultivation is located.

(8) Cooperative cultivations must report the location of the cooperative cultivation to the
department of public safety.

(9) The reports provided to the department of public safety in subsection (8) of this section
shall be confidential, but locations may be confirmed for law enforcement purposes. The report of
the location of the cooperative cultivation alone shall not constitute probable cause for a search of
the cooperative cultivation.

(10) The department of business regulation shall promulgate regulations governing the
licensing and operation of cooperative cultivations, and may promulgate regulations that set a fee
for a cooperative cultivation license.

(b) Any violation of any provision of this chapter or regulations promulgated hereunder as
determined by the department of business regulation may result in the revocation/suspension of the
cooperative cultivation license.

(c) License required. No person or entity shall engage in activities described in § 21-28.6-
14 without a cooperative cultivation license issued by the department of business regulation.

(d) Effective July 1, 2019, except as to cooperative cultivator licenses issued by the
department of business regulation before July 1, 2019, the department of business regulation shall
no longer accept applications or renewals for licensed cooperative cultivations and cooperative
cultivations shall no longer be permitted.

(e) Effective July 1, 2019, not more than one registered cardholder shall be permitted to
grow marijuana in a dwelling unit or commercial unit, except for two (2) or more qualifying patient
or primary caregiver cardholder(s) who are primary residents of the same dwelling unit where the
medical marijuana plants are grown and in all instances subject to the plant limits provided in § 21-
28.6-4(r).


(a) Effective January 1, 2017, the department of business regulation shall make medical
marijuana tag sets available for purchase. Effective April 1, 2017, every marijuana plant, either
mature or seedling immature, grown by a registered patient or primary caregiver must be
accompanied by a physical medical marijuana tag purchased through the department of business regulation and issued by the department of health to qualifying patients and primary caregivers or by the department of business regulation to licensed cultivators.

(1) The department of business regulation shall charge an annual fee for each medical marijuana tag set which shall include one tag for a mature medical marijuana plant and one tag for a seedling or immature plant. If the required fee has not been paid, those medical marijuana tags shall be considered expired and invalid. The fee established by the department of business regulation shall be in accordance with the following requirements:

(i) For patient cardholders authorized to grow medical marijuana by the department of health, the fee per tag set shall not exceed twenty-five dollars ($25);

(ii) For primary caregivers, the fee per tag set shall not exceed twenty-five dollars ($25);

(iii) For patients that qualify for reduced-registration due to income or disability status, there shall be no fee per tag set;

(iv) For caregivers who provide care for a patient cardholder who qualifies for reduced-registration due to income or disability status, there shall be no fee per tag set for such qualifying patient; and

(v) For licensed medical marijuana cultivators, the fee per tag set shall be established in regulations promulgated by the department of business regulation.

(2) Effective January 1, 2017, the department of business regulation shall verify with the department of health that all medical marijuana tag purchases are made by qualifying patient cardholders or primary caregiver cardholders. The department of health shall provide this verification according to qualifying patients' and primary caregivers' registry identification numbers and without providing access to any applications or supporting information submitted by qualifying patients to protect patient confidentiality;

(3) Effective January 1, 2017 and thereafter, the department of business regulation shall verify with the department of health that all medical marijuana tag purchases are made by registered patient cardholders who have notified the department of health of their election to grow medical marijuana or primary caregiver cardholders. The department of health shall provide this verification according to qualifying patients' and primary caregivers' registry identification numbers and without providing access to any applications or supporting information submitted by qualifying patients to protect patient confidentiality;

(4) The department of business regulation shall maintain information pertaining to medical marijuana tags and shall share that information with the department of health.
(5) All primary caregivers shall purchase at least one medical marijuana tag set for each patient under their care and all patients growing medical marijuana for themselves shall purchase at least one medical marijuana tag set.

(6) All licensed medical marijuana cultivators shall purchase at least one medical marijuana tag set or utilize a seed to sale tracking system.

(7) The departments of business regulation and health shall jointly promulgate regulations to establish a process by which medical marijuana tags may be returned to either department. The department of business regulation may choose to reimburse a portion or the entire amount of any fees paid for medical marijuana tags that are subsequently returned.

(b) Enforcement:

(1) If a patient cardholder, primary caregiver cardholder, licensed compassion center, or licensed medical marijuana cultivator violates any provision of this chapter or the regulations promulgated hereunder as determined by the departments of business regulation and health, his or her medical marijuana tags may be revoked. In addition, the department that issued the cardholder's registration or the license may revoke the cardholder's registration or license pursuant to §21-28-6-9.

(2) The department of business regulation may revoke and not reissue, pursuant to regulations, medical marijuana tags to any cardholder or licensee who is convicted of; placed on probation; whose case is filed pursuant to §12-10-12 where the defendant pleads nolo contendere; or whose case is deferred pursuant to §12-19-19 where the defendant pleads nolo contendere for any felony offense under chapter 28 of title 21 (“Rhode Island Controlled Substances Act”) or a similar offense from any other jurisdiction.

(3) If a patient cardholder, primary caregiver cardholder, licensed cooperative cultivation, compassion center, licensed medical marijuana cultivator or any other person or entity is found to have mature marijuana plants, or marijuana material without valid medical marijuana tags sets or which are not tracked in accordance with regulation, the department of health or department of business regulation shall impose an administrative penalty in accordance with regulations promulgated by the department on such patient cardholder, primary caregiver cardholder, licensed cooperative cultivation, compassion center, licensed medical marijuana cultivator or other person or entity for each untagged mature marijuana plant or unit of untracked marijuana material not in excess of the limits set forth in §21-28-6-4, §21-28-6-14 and §21-28-6-16 of no more than the total fee that would be paid by a cardholder or licensee who purchased medical marijuana tags for such plants in compliance with this chapter.

(4) If a patient cardholder, primary caregiver cardholder, or licensed cooperative
cultivation is found to have mature marijuana plants exceeding the limits set forth in §21-28.6-1, §21-28.6-14, and §21-28.6-16 in addition to any penalties that may be imposed pursuant to §21-28.6-9, the department of health or department of business regulation may impose an administrative penalty on that cardholder or license holder for each mature marijuana plant in excess of the applicable statutory limit of no less than the total fee that would be paid by a cardholder who purchased medical marijuana tags for such plants in compliance with this chapter.

**21-28.6-16. Licensed medical marijuana cultivators.**

(a) A licensed medical marijuana cultivator licensed under this section may acquire, possess, manufacture, cultivate, deliver, or transfer medical marijuana to licensed compassion centers, to another licensed medical marijuana cultivator. A licensed medical marijuana cultivator shall not be a primary caregiver cardholder registered with any qualifying patient(s) and shall not hold a cooperative cultivation license. Except as specifically provided to the contrary, all provisions of chapter 28.6 of title 21 (the Edward O. Hawkins and Thomas C. Slater Medical Marijuana Act), apply to a licensed medical marijuana cultivator unless they conflict with a provision contained in § 21-28.6-16.

(b) Licensing of medical marijuana cultivators – Department of business regulation authority. The department of business regulation shall promulgate regulations governing the manner in which it shall consider applications for the licensing of medical marijuana cultivators, including regulations governing:

1. The form and content of licensing and renewal applications;
2. Minimum oversight requirements for licensed medical marijuana cultivators;
3. Minimum record-keeping requirements for cultivators;
4. Minimum security requirements for cultivators; and
5. Procedures for suspending, revoking, or terminating the license of cultivators that violate the provisions of this section or the regulations promulgated pursuant to this subsection.

(c) A licensed medical marijuana cultivator license issued by the department of business regulation shall expire one year after it was issued and the licensed medical marijuana cultivator may apply for renewal with the department in accordance with its regulations pertaining to licensed medical marijuana cultivators.

(d) The department of business regulation shall promulgate regulations that govern how many marijuana plants, how many marijuana seedlings mature and immature, how much wet marijuana, and how much usable marijuana a licensed medical marijuana cultivator may possess. Every marijuana plant possessed by a licensed medical marijuana cultivator must be accompanied by valid medical marijuana tag issued by the department of business regulation pursuant to § 21-
or catalogued in a seed to sale inventory tracking system in accordance with regulations promulgated by the department of business regulation. Each cultivator must purchase at least one medical marijuana tag or in order to remain a licensed cultivator.

(e) Medical marijuana cultivators shall only sell marijuana to compassion centers, another licensed medical marijuana cultivator. All marijuana possessed by a cultivator in excess of the possession limit established pursuant to subsection (d) shall be under formal agreement to be purchased by a marijuana establishment compassion center. If such excess marijuana is not under formal agreement to be purchased, the cultivator will have a period of time, specified in regulations promulgated by the department of business regulation, to sell or destroy that excess marijuana. The department may suspend and/or revoke the cultivator's license and the license of any officer, director, employee, or agent of such cultivator and/or impose an administrative penalty in accordance with such regulations promulgated by the department for any violation of this section or the regulations. In addition, any violation of this section or the regulations promulgated pursuant to this subsection and subsection (d) shall cause a licensed medical marijuana cultivator to lose the protections described in subsection (m) and may subject the licensed medical marijuana cultivator to arrest and prosecution under Chapter 28 of title 21 (the Rhode Island Controlled Substances Act).

(f) Medical marijuana cultivators shall be subject to any regulations promulgated by the department of health or department of business regulation that specify how marijuana must be tested for items, including, but not limited to, potency, cannabinoid profile, and contaminants;

(g) Medical marijuana cultivators shall be subject to any product labeling requirements promulgated by the department of business regulation and the department of health;

(h) Notwithstanding any other provisions of the general laws, the manufacture or processing of marijuana using a solvent extraction process that includes the use of a compressed, flammable gas as a solvent by a licensed medical marijuana cultivator shall not be subject to the protections of this chapter.

(i) Medical marijuana cultivators shall only be licensed to grow, medical marijuana at a single location, registered with the department of business regulation and the department of public safety. The department of business regulation may promulgate regulations governing where cultivators are allowed to grow. Medical marijuana cultivators must abide by all local ordinances, including zoning ordinances.

(j) Inspection. Medical marijuana cultivators shall be subject to reasonable inspection by the department of business regulation or the department of health for the purposes of enforcing regulations promulgated pursuant to this chapter and all applicable Rhode Island general laws.

(k) The cultivator applicant, unless he or she are an employee with no equity, ownership,
financial interest, or managing control, shall apply to the bureau of criminal identification of the department of attorney general, department of public safety division of state police, or local police department for a national criminal records check that shall include fingerprints submitted to the Federal Bureau of Investigation. Upon the discovery of any disqualifying information as defined in subdivision (k)(2), and in accordance with the rules promulgated by the director of the department of business regulation, the bureau of criminal identification of the department of attorney general, department of public safety division of state police, or the local police department shall inform the applicant, in writing, of the nature of the disqualifying information; and, without disclosing the nature of the disqualifying information, shall notify the department of business regulation, in writing, that disqualifying information has been discovered.

(1) In those situations in which no disqualifying information has been found, the bureau of criminal identification of the department of attorney general, department of public safety division of state police, or the local police department shall notify the applicant and the department of business regulation, in writing, of this fact.

(2) Information produced by a national criminal records check pertaining to a conviction for a felony drug offense or a plea of nolo contendere for a felony drug offense and received a sentence of probation shall result in a letter to the applicant and the department of business regulation disqualifying the applicant.

(3) The except for employees with no ownership, equity, financial interest, or managing control of a marijuana establishment license, the cultivator applicant shall be responsible for any expense associated with the national criminal records check.

(4) Persons issued medical marijuana cultivator licenses shall be subject to the following:

(1) A licensed medical marijuana cultivator cardholder shall notify and request approval from the department of business regulation of any change in his or her name or address within ten (10) days of such change. A cultivator cardholder who fails to notify the department of business regulation of any of these changes is responsible for a civil infraction, punishable by a fine of no more than one hundred fifty dollars ($150).

(2) When a licensed medical marijuana cultivator cardholder notifies the department of business regulation of any changes listed in this subsection, the department of business regulation shall issue the cultivator cardholder a new license registry identification card after the department approves the changes and receives from the licensee payment of a fee specified in regulation.

(3) If a licensed medical marijuana cultivator cardholder loses his or her license card, he or she shall notify the department of business regulation and submit a fee specified in regulation within ten (10) days of losing the license card. The department of business regulation shall issue a new...
license card with a new random identification number.

(4) A licensed medical marijuana cultivator cardholder shall notify the department of business regulation of any disqualifying criminal convictions as defined in subdivision (k)(2). The department of business regulation may choose to suspend and/or revoke his or her license card after such notification.

(5) If a licensed medical marijuana cultivator or cultivator cardholder violates any provision of this chapter or regulations promulgated hereunder as determined by the department of business regulation, his or her card and the issued license may be suspended and/or revoked.

(m) Immunity:

(1) No licensed medical marijuana cultivator shall be subject to prosecution; search, except by the departments pursuant to subsection (j); seizure; or penalty in any manner, or denied any right or privilege, including, but not limited to, civil penalty or disciplinary action by a business, occupational, or professional licensing board or entity, solely for acting in accordance with this section to assist registered qualifying;

(2) No licensed medical marijuana cultivator shall be subject to prosecution, seizure, or penalty in any manner, or denied any right or privilege, including, but not limited to, civil penalty or disciplinary action by a business, occupational, or professional licensing board or entity, for selling, giving, or distributing marijuana in whatever form and within the limits established by the department of business regulation to a licensed compassion center;

(3) No principal officers, board members, agents, volunteers, or employees of a licensed medical marijuana cultivator shall be subject to arrest, prosecution, search, seizure, or penalty in any manner, or denied any right or privilege, including, but not limited to, civil penalty or disciplinary action by a business, occupational, or professional licensing board or entity, solely for working for or with a licensed medical marijuana cultivator to engage in acts permitted by this section.

(4) No state employee shall be subject to arrest, prosecution, or penalty in any manner, or denied any right or privilege, including, but not limited to, civil penalty, disciplinary action, termination, or loss of employee or pension benefits, for any and all conduct that occurs within the scope of his or her employment regarding the administration, execution, and/or enforcement of this act, and the provisions of §§ 9-31-8 and 9-31-9 shall be applicable to this section.

(n) License required. No person or entity shall engage in activities described in § 21-28.6-16 without a medical marijuana cultivator license issued by the department of business regulation.

(o) Effective July 1, 2019, the department of business regulation will not reopen the application period for new medical marijuana cultivator licenses.

(a) No medical marijuana cannabis testing laboratory shall be subject to prosecution; search (except by the departments pursuant to regulations); seizure; or penalty in any manner, or denied any right or privilege, including, but not limited to, civil penalty or disciplinary action by a business, occupational, or professional licensing board or entity, solely for acting in accordance with the act and regulations promulgated hereunder to assist licensees.

(b) No medical marijuana cannabis testing laboratory shall be subject to prosecution, search (except by the departments pursuant to regulations), seizure, or penalty in any manner, or denied any right or privilege, including, but not limited to, civil penalty or disciplinary action, by a business, occupational, or professional licensing board or entity, for selling, giving, or distributing marijuana in whatever form, and within the limits established by, the department of health to another medical marijuana cannabis testing laboratory.

(c) No principal officers, board members, agents, volunteers, or employees of a medical marijuana cannabis testing laboratory shall be subject to arrest, prosecution, search, seizure, or penalty in any manner, or denied any right or privilege, including, but not limited to, civil penalty or disciplinary action by a business, occupational, or professional licensing board or entity, solely for working for or with a medical marijuana cannabis testing laboratory to engage in acts permitted by the act and the regulations promulgated hereunder.

(d) No state employee shall be subject to arrest, prosecution or penalty in any manner, or denied any right or privilege, including, but not limited to, civil penalty, disciplinary action, termination, or loss of employee or pension benefits, for any and all conduct that occurs within the scope of his or her employment regarding the administration, execution and/or enforcement of this act, and the provisions of §§ 9-31-8 and 9-31-9 shall be applicable to this section.

21-28.6-17. Revenue.

(a) Effective July 1, 2016, all fees collected by the departments of health and business regulation from applicants, registered patients, primary caregivers, authorized purchasers, licensed medical marijuana cultivators, cooperative cultivations, compassion centers, other licensees licensed pursuant to this chapter, and compassion-center and other registry identification cardholders shall be placed in restricted-receipt accounts to support the state's medical marijuana program, including but not limited to, payment of expenses incurred by the departments of health and business regulation for the administration of the program. The restricted receipt account will be known as the "medical marijuana licensing account" and will be housed within the budgets of the department of business regulation, and health.
(b) All revenues remaining in the restricted-receipt accounts after payments specified in subsection (a) of this section shall first be paid to cover any existing deficit in the department of health's restricted-receipt account or the department of business regulation's restricted-receipt account. These transfers shall be made annually on the last business day of the fiscal year.

(c) All revenues remaining in the restricted-receipt accounts after payments specified in subsections (a) and (b) shall be paid into the state's general fund. These payments shall be made annually on the last business day of the fiscal year.

SECTION 6. Chapter 21-28.6 of the General Laws entitled “The Edward O. Hawkins and Thomas C. Slater Medical Marijuana Act” is hereby amended by adding thereto the following section:


The provisions of this chapter do not exempt any person from arrest, civil or criminal penalty, seizure or forfeiture of assets, discipline by any state or local licensing board or authority, and state prosecution for, nor may they establish an affirmative defense based on this chapter to charges arising from, any of the following acts:

(1) Driving, operating, or being in actual physical control of a vehicle or a vessel under power or sail while impaired by marijuana or marijuana products;

(2) Possessing or using marijuana or marijuana products if the person is a prisoner;

(3) Possessing or using marijuana or marijuana products in any local detention facility, county jail, state prison, reformatory, or other correctional facility, including, without limitation, any facility for the detention of juvenile offenders; or

(4) Manufacturing or processing of marijuana products with the use of prohibited solvents, in violation of chapter 28.6 of title 21; or,

(5) Possessing, using, distributing, cultivating, processing or manufacturing marijuana or marijuana products which do not satisfy the requirements of this chapter.

SECTION 7. This act shall take effect upon passage.
ARTICLE 16 AS AMENDED

AN ACT RELATING TO CENTRAL FALLS RETIREES' BENEFICIARIES

SECTION 1. Section 45-21-67 of the General Laws in Chapter 45-21 entitled "Retirement of Municipal Employees" is hereby amended to read as follows:

45-21-67. Central Falls retirees -- Settlement agreement.

(a) Definitions. As used in this section:

(1) "Base pension benefit" is the amount listed on Appendix A, Appendix D-A, and Appendix E-A, attached to the settlement agreement, under the column labeled "amount prior to reduction", which is the amount each Central Falls retiree was receiving as of July 31, 2011.

(2) "Central Falls retirees" are the retirees, or the beneficiaries of retirees, of the city of Central Falls, listed on Appendix A to the settlement agreement, as amended from time to time, when a retiree or beneficiary dies.

(3) "Settlement agreement" shall mean that settlement and release agreement, as set forth in P.L. 2012, Ch. 241, Art. 22, signed by and between the receiver of the city of Central Falls, the director of revenue and the participating retirees, approved by the bankruptcy court by order dated January 9, 2012.

(b) Legislative findings and purpose.

(1) Pursuant to P.L. 2012, Ch. 241, Art. 22, which defined the terms of the initial appropriation, the state made an appropriation of two million six hundred thirty-six thousand nine hundred thirty-two dollars ($2,636,932), which was deposited into a restricted account held by the city of Central Falls, for the purpose of supplementing the reduced pensions of the Central Falls retirees, to enable the city to pay the Central Falls retirees seventy-five percent (75%) of their base pension benefit as of July 31, 2011, for a five-year (5) period, with the last supplemental appropriation to be paid on or within thirty (30) days of July 1, 2015.

(2) The drastic pension reductions experienced by the Central Falls retirees provided a harsh example of the risks of unfunded-pension liabilities, which, in turn, provided the primary incentive toward successful pension negotiations with other municipal, police, and fire retirees, saving the state more than sixty million dollars ($60,000,000).

(3) If said appropriation is not made prior to July 1, 2016, the Central Falls retirees, many of whom sustained serious and permanent injuries in service to the city, will have their pensions reduced yet again, in some instances to less than sixty percent (60%) of the pension they were
(4) It is fair and just that the state appropriate sufficient funds to the city to supplement the
city's funding of the pension benefits to the Central Falls retirees to ensure that the Central Falls
retirees continue to receive no less than seventy-five percent (75%) of the base pension benefit,
after taking into account all applicable cost-of-living adjustments, for their lifetime, and to the
extent applicable, for the life of their beneficiaries.

(c) Appropriation payment.

(1) Appropriation payment and restrictions on use. In accordance with the terms set forth
in Article 22 and the settlement agreement, the state shall annually appropriate sufficient funds to
the restricted account for the city of Central Falls to supplement the city's funding for payments to
Central Falls retirees in order that they continue to receive no less than seventy-five percent (75%)
of their base pension benefit as of July 31, 2011, after taking into account all applicable cost-of-
living adjustments, for their lifetime, and to the extent applicable, for the life of their beneficiaries.
Such appropriation shall be determined annually by an actuarial valuation ("appropriation
amount"), and it is expected over the life of the existing retirees to total four million eight hundred
seventeen thousand seven hundred eight dollars ($4,817,708).

(2) Deposit of appropriation payment and payments to Central Falls retirees. The
appropriation payment shall be immediately deposited by the city into the previously established
"participating retirees restricted five-year (5) account", which shall be redesignated as the
"participating retirees' restricted account." The participating retirees' account shall be administered
by the city and not by any third-party pension-fund manager.

(d) Any and all withdrawals, transfers, and payments from the participating retirees'
account shall be made as set forth in the settlement agreement and accompanying appendices and
said Article 22 (c) until the payments are made on July 1, 2015.

(e) Beginning on or within thirty (30) days of July 1, 2016, and annually thereafter, with
payments to be paid each retiree or beneficiary as applicable on or within thirty (30) days of July
1 of each year they are eligible for benefits under the Central Falls pension plan, the city shall
distribute to each participating retiree or beneficiary the annual amount listed on the actuarial
spreadsheets prepared by Sherman Actuarial Services, which shall supplement the pension
payments paid by the city in order that each retiree will receive no less than seventy-five percent
(75%) of his or her base pension benefit, after taking into account all applicable cost-of-living
adjustments, for his or her lifetime, and to the extent applicable, sixty-seven and one-half percent
(67.5%) of the base pension benefit, after taking into account all applicable cost-of-living
adjustments, to his or her beneficiaries for his or her lifetime. Such supplemental distributions shall
be made by the city when the funds appropriated by the state are made available to the city, which shall be as close to July 1 as practicable.

(f) Relationship to base pension payments. The supplemental payments to the Central Falls retirees from the participating retirees' restricted account shall not be included in the calculation of base pension benefits for the purposes of determining a retiree's or beneficiary's cost-of-living adjustment.

(g) The cost-of-living adjustments as set forth in the settlement agreement are to be paid by the city of Central Falls to the Central Falls retirees, and to the extent applicable, their beneficiaries.

(h) The following provision shall amend and supersede P.L. 2012, Ch. 241, Art. 22 (c)(4) regarding the balance in the participating retirees' restricted account as of August 1, 2015:

(1) Distribution of balance. As of August 1, 2015, no further supplemental payments shall be distributed to the Central Falls retirees under the terms of the settlement agreement. The balance of monies in the participating retirees' restricted account shall be distributed in accordance with this Article, in the amounts and to those retirees and beneficiaries listed on the actuarial spreadsheets prepared by Sherman Actuarial Services, LLC and maintained and administered by the city. The amounts set forth on the actuarial spreadsheets will supplement the pension payments being made by the city in order that each retiree will receive no less than seventy-five percent (75%) of their base pension benefit, after taking into account all applicable cost-of-living adjustments, for his or her lifetime, and to the extent applicable, sixty-seven and one-half percent (67.5%) of the base pension benefit, after taking into account all applicable cost-of-living adjustments, to their beneficiaries for his or her lifetime.

(2) Any monies remaining in the participating retirees' restricted account after the last-living retiree attains seventy-five percent (75%) of the base pension benefit, after taking into account all applicable cost-of-living adjustments, or last-living beneficiary attains sixty-seven and one-half percent (67.5%) of the base pension benefit, after taking into account all applicable cost-of-living adjustments, shall be returned to the state under state law.

(i) Access to account information and records. The city shall maintain appropriate account information and records relating to all receipts into, maintenance of, and distributions from, the participating retirees' restricted account, and shall allow, at all reasonable times, for the full inspection and copying and sharing of information about such account and any and all payments therefrom with any participating retiree and the state.

(j) Unclaimed payments. Any monies distributed to a participating retiree or beneficiary from the participating retirees' restricted account and not claimed by a participating retiree or

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beneficiary after the city has exercised good faith attempts over a six-month (6) period to deliver it to the best, last-known address of such participating retiree or beneficiary, shall not escheat under state law, but shall remain in the participating retirees' restricted account until the conditions of subsection (h) herein have been satisfied.

(k) Liabilities and penalties for inappropriate use of appropriation payment. Any person, whether in his/her individual capacity, who uses, appropriates, or takes or instructs another to use, appropriate, or take, the appropriation payment, or any portion thereof, that is not specifically used for making payments to participating retirees or their beneficiaries as required hereunder and under the terms of the settlement agreement, shall be personally liable for repayment of said funds and further shall be subject to any and all applicable civil and criminal sanctions and/or penalties for such act(s).

(l) Retirees' beneficiaries. Upon the death of any retiree covered by this section, their beneficiary shall receive sixty-seven percent (67%) of the retiree's base pension benefit, as defined in § 45-21-67(a)(1).
ARTICLE 17 AS AMENDED

RELATING TO EFFECTIVE DATE

SECTION 1. This act shall take effect as of July 1, 2019, except as otherwise provided herein.

SECTION 2. This article shall take effect upon passage.