

STATE OF RHODE ISLAND

IN GENERAL ASSEMBLY

JANUARY SESSION, A.D. 2004

A N A C T

RELATING TO MAKING APPROPRIATIONS FOR THE SUPPORT OF THE STATE FOR
THE FISCAL YEAR ENDING JUNE 30, 2005

Introduced By: Representatives Watson, Callahan, Story, Long, and Scott

Date Introduced: March 02, 2004

Referred To: House Finance

It is enacted by the General Assembly as follows:

- 1 ARTICLE 1 RELATING TO MAKING APPROPRIATIONS IN SUPPORT OF FY
- 2 2005
- 3 ARTICLE 2 RELATING TO PREPAYMENT OF CIGARETTE SALES TAX
- 4 ARTICLE 3 RELATING TO CIGARETTE TAX
- 5 ARTICLE 4 RELATING TO MEAL AND BEVERAGE TAX
- 6 ARTICLE 5 RELATING TO CAPITAL DEVELOPMENT PROGRAM
- 7 ARTICLE 6 RELATING TO DEPOSITORS ECONOMIC PROTECTION
- 8 CORPORATION – SINKING FUND
- 9 ARTICLE 7 RELATING TO TOBACCO DEALERS LICENSES
- 10 ARTICLE 8 RELATING TO GENERAL PUBLIC ASSISTANCE – HARDSHIP
- 11 CONTINGENCY FUND
- 12 ARTICLE 9 RELATING TO HOSPITAL UNCOMPENSATED CARE
- 13 ARTICLE 10 RELATING TO FUEL USE REPORTING LAW
- 14 ARTICLE 11 RELATING TO MOTOR VEHICLE EXCISE TAX
- 15 ARTICLE 12 RELATING TO HUMAN RESOURCE INVESTMENT COUNCIL
- 16 ARTICLE 13 RELATING TO LABOR AND TRAINING FEES
- 17 ARTICLE 14 RELATING TO CHILD SUPPORT ENFORCEMENT
- 18 ARTICLE 15 RELATING TO LICENSING OF CHILD CARE PROVIDERS

- 1 ARTICLE 16 RELATING TO STATE AID
- 2 ARTICLE 17 RELATING TO TAX CREDIT RESTRUCTURING
- 3 ARTICLE 18 RELATING TO MEDICAL ASSISTANCE – NURSING FACILITY
- 4 RATES
- 5 ARTICLE 19 RELATING TO CHILD CARE ASSISTANCE – ELIGIBILITY
- 6 ARTICLE 20 RELATING TO HUMAN SERVICES – CASH ASSISTANCE
- 7 OVERPAYMENTS
- 8 ARTICLE 21 RELATING TO LICENSING OF HOSPITAL FACILITIES
- 9 ARTICLE 22 RELATING TO HEALTH INSURANCE – EARLY INTERVENTION
- 10 SERVICES
- 11 ARTICLE 23 RELATING TO BOND FINANCING FOR SCHOOL HOUSING
- 12 PROJECTS
- 13 ARTICLE 24 RELATING TO PROPERTY TAX RELIEF
- 14 ARTICLE 25 RELATING TO HUMAN SERVICES – CASH ASSISTANCE
- 15 WAIVERS
- 16 ARTICLE 26 RELATING TO HUMAN SERVICES – CASH ASSISTANCE
- 17 SANCTIONS
- 18 ARTICLE 27 RELATING TO HUMAN SERVICES – CHILD CARE STATE
- 19 SUBSIDIES
- 20 ARTICLE 28 RELATING TO BUSINESS CORPORATION AND FRANCHISE
- 21 TAXES
- 22 ARTICLE 29 RELATING TO NONRESIDENT SHAREHOLDER WITHHOLDING
- 23 ARTICLE 30 RELATING TO BUSINESS REGULATION FEES
- 24 ARTICLE 31 RELATING TO PUBLIC UTILITIES AND CARRIERS –
- 25 TELECOMMUNICATION SURCHARGE
- 26 ARTICLE 32 RELATING TO STATE FUNDS - INDIRECT COST RECOVERIES
- 27 ON RESTRICTED RECEIPT ACCOUNTS
- 28 ARTICLE 33 RELATING TO ENVIRONMENTAL MANAGEMENT FEES
- 29 ARTICLE 34 RELATING TO SETOFF OF REFUND OF PERSONAL INCOME
- 30 TAX
- 31 ARTICLE 35 RELATING TO PUBLIC UTILITIES AND CARRIERS
- 32 ARTICLE 36 RELATING TO LICENSING OF NURSING FACILITIES
- 33 ARTICLE 37 RELATING TO RESOURCE RECOVERY CORPORATION
- 34 ARTICLE 38 RELATING TO ADMINISTRATIVE PROCEDURES

- 1 ARTICLE 39 RELATING TO COMPENSATION OF BOARD MEMBERS
- 2 ARTICLE 40 RELATING TO LIMITED SERVICE POSITIONS
- 3 ARTICLE 41 RELATING TO ISSUANCE OF LICENSES UPON PAYMENT OF
- 4 TAXES
- 5 ARTICLE 42 RELATING TO MUNICIPAL COURT COLLECTIONS
- 6 ARTICLE 43 RELATING TO PHARMACEUTICAL ASSISTANCE
- 7 ARTICLE 44 RELATING TO BRISTOL COUNTY WATER SUPPLY
- 8 ARTICLE 45 RELATING TO AUTHORIZATION UNDER PUBLIC
- 9 CORPORATION DEBT MANAGEMENT ACT
- 10 ARTICLE 46 RELATING TO EDUCATION AID
- 11 ARTICLE 47 RELATING TO CORRECTIONS
- 12 ARTICLE 48 RELATING TO HUMAN SERVICES - HEALTH CARE
- 13 ASSISTANCE FOR WORKING PEOPLE WITH DISABILITIES
- 14 ARTICLE 49 RELATING TO STATE AFFAIRS AND GOVERNMENT – EDC
- 15 CAPITAL
- 16 ARTICLE 50 RELATING TO EFFECTIVE DATE
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ARTICLE 1

RELATING TO MAKING APPROPRIATIONS IN SUPPORT OF FY 2005

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, 2005. 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 Revenue Total	3,820,003
Federal Funds Total	280,705
Total - Central Management	4,100,708

Accounts and Control

General Revenue Total	4,004,758
Total - Accounts and Control	4,004,758

Budgeting

General Revenue Total	2,349,275
Total - Budgeting	2,349,275

Municipal Affairs

General Revenue Total	1,188,426
Federal Funds Total	9,966,039
Total - Municipal Affairs	11,154,465

Purchasing

General Revenue Total	2,015,876
Total - Purchasing	2,015,876

Auditing

General Revenue Total	1,690,061
Total - Auditing	1,690,061

Human Resources

General Revenue Total	7,019,631
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1	Total - Human Resources	7,019,631
2	<i>Personnel Appeal Board</i>	
3	General Revenue Total	117,622
4	Total - Personnel Appeal Board	117,622
5	<i>Taxation</i>	
6	General Revenue Total	17,684,104
7	Federal Funds Total	1,027,275
8	Restricted Receipts Total	1,109,092
9	Other Funds	
10	Motor Fuel Tax Evasion Program	56,487
11	Temporary Disability Insurance	756,775
12	Other Funds Total	813,262
13	Total - Taxation	20,633,733
14	<i>Registry of Motor Vehicles</i>	
15	General Revenue Total	15,354,008
16	Federal Funds Total	28,826
17	Restricted Receipts Total	14,255
18	Total – Registry of Motor Vehicles	15,397,089
19	<i>Child Support Enforcement</i>	
20	General Revenue Total	3,309,006
21	Federal Funds Total	6,655,612
22	Total – Child Support Enforcement	9,964,618
23	<i>Central Services</i>	
24	General Revenues	
25	General Revenue	11,622,086
26	Energy Office Grants	662,515
27	Renewable Energy Program	700,000
28	General Revenue Total	12,984,601
29	Federal Funds Total	18,069,352
30	Restricted Receipts Total	776,577
31	Total - Central Services	31,830,530
32	<i>Office of Library and Information Services</i>	
33	General Revenue Total	4,453,301
34	Federal Funds Total	1,287,901

1	Restricted Receipts Total	5,000
2	Other Funds	
3	Federal Highway - PL Systems Planning	997,220
4	Air Quality Modeling	17,459
5	Other Funds Total	1,014,679
6	Total - Office of Library and Information Services	6,760,881
7	<i>General</i>	
8	General Revenues	
9	General Revenue	1,460,000
10	Property Tax Relief Credit	6,000,000
11	Shepard Building Operating/Parking	1,970,331
12	Select Commission on Public Integrity	200,000
13	Torts – Courts	400,000
14	Contingency Fund	750,000
15	State Employees/Teachers Retiree Health Subsidy	5,644,039
16	Economic Development Corporation	5,591,067
17	Office of City & Town Development – EDC	500,000
18	EPScore – EDC	1,500,000
19	Centers of Excellence	4,000,000
20	Economic Policy Council	300,000
21	Housing Resources Commission	3,260,147
22	Neighborhood Opportunities Program	5,000,000
23	Motor Vehicle Excise Tax Payment	104,987,142
24	Property Valuation	2,228,320
25	General Revenue Sharing Program	51,438,532
26	Payment in Lieu of Tax Exempt Properties	21,716,117
27	Distressed Communities Relief Program	7,533,333
28	Resource Sharing and State Library Aid	7,867,415
29	Library Construction Aid	2,621,329
30	General Revenue Total	234,967,772
31	Restricted Receipts Total	1,125,983
32	Other Funds	
33	RICAP - State House Terrace/South Stairs	150,000
34	RICAP - Chapin Health Laboratory	150,000

1	RICAP - Cranston Street Armory	1,000,000
2	RICAP - Cannon Building	400,000
3	RICAP - Old State House	300,000
4	RICAP - State Office Building	250,000
5	RICAP - Veterans' Office Building	250,000
6	RICAP - Court Buildings – HVAC	600,000
7	RICAP - Washington County Government Center	215,000
8	RICAP - Williams Powers Building	210,000
9	RICAP - State House Renovations – Phase II	500,000
10	RICAP – State House Renovations – Phase III	245,000
11	RICAP – Powers Building Technology Infrastructure	200,000
12	RICAP - Environmental Compliance	750,000
13	RICAP - Fox Point Hurricane Barrier	50,000
14	RICAP – State Buildings Reuse/Construction	250,000
15	RICAP – Pastore Center Sewer	1,500,000
16	RICAP – Fire Code Compliance State Buildings	500,000
17	Other Funds Total	7,520,000
18	Total - General	243,613,755
19	<i>Debt Service Payments</i>	
20	General Revenues	
21	Debt Service Payments	86,410,948
22	General Revenue Total	86,410,948
23	Federal Funds Total	1,286,406
24	Restricted Receipts Total	7,786,896
25	Other Funds	
26	MHRH Community Services Program	5,412,502
27	MHRH Community Mental Health Program	2,087,498
28	DEM – Narragansett Bay Commission	373,493
29	DEM – Wastewater Treatment	4,731,069
30	DEM – Recreation	9,167,438
31	RIPTA - Debt Service	632,579
32	Transportation Debt Service	34,672,803
33	RIRBA - DLT – Temporary Disability Insurance	45,586
34	COPS - DLT Building – TDI	360,935

1	COPS - Center General – Furniture – TDI	19,046
2	COPS - Pastore Center Telecommunications – TDI	17,236
3	COPS – DLT Building – Reed Act	29,821
4	COPS – Center General – Furniture – Reed Act	5,642
5	COPS – Pastore Center Telecommunications – Reed Act	1,425
6	Debt - URI Education and General	1,088,999
7	Debt - URI Housing Loan Funds	1,751,951
8	Debt - URI Dining Services	266,889
9	Debt - URI Health Services	126,218
10	Debt - W. Alton Jones Services	112,766
11	Debt - URI Memorial Union	98,277
12	Debt - URI Sponsored Research (Indirect Cost)	101,334
13	Debt - RIC Education and General	296,614
14	Debt - RIC Housing	568,191
15	Debt - RIC Student Center and Dining	177,951
16	Debt - RIC Student Union	217,171
17	Debt - CCRI Bookstore	177,092
18	Other Funds Total	62,540,526
19	Total - Debt Service Payments	158,024,776
20	<i>Sheriffs</i>	
21	General Revenue Total	13,427,890
22	Total – Sheriffs	13,427,890
23	<i>Salary Adjustment Fund</i>	
24	General Revenue Total	5,917,149
25	Federal Funds Total	1,832,034
26	Restricted Receipts Total	349,944
27	Other Funds	
28	Salary Adjustment Fund	2,536,514
29	Other Funds Total	2,536,514
30	Total – Salary Adjustment Fund	10,635,641
31	Grand Total - General Revenue	416,714,431
32	Grand Total - Administration	542,741,309
33	Business Regulation	
34	<i>Central Management</i>	

1	General Revenue Total	1,686,137
2	Total - Central Management	1,686,137
3	<i>Banking Regulation</i>	
4	General Revenue Total	1,687,281
5	Total - Banking Regulation	1,687,281
6	<i>Securities Regulation</i>	
7	General Revenue Total	806,336
8	Total - Securities Regulation	806,336
9	<i>Commercial Licensing and Regulation</i>	
10	General Revenue Total	1,206,764
11	Restricted Receipts Total	100,000
12	Total - Commercial Licensing and Regulation	1,306,764
13	<i>Racing and Athletics</i>	
14	General Revenue Total	546,145
15	Total - Racing and Athletics	546,145
16	<i>Insurance Regulation</i>	
17	General Revenue Total	3,525,206
18	Restricted Receipts Total	529,657
19	Total - Insurance Regulation	4,054,863
20	<i>Board of Accountancy</i>	
21	General Revenue Total	135,480
22	Total – Board of Accountancy	135,480
23	Grand Total - General Revenue	9,593,349
24	Grand Total - Business Regulation	10,223,006
25	Labor and Training	
26	<i>Central Management</i>	
27	General Revenue Total	272,253
28	Restricted Receipts Total	446,311
29	Total - Central Management	718,564
30	<i>Workforce Development Services</i>	
31	Federal Funds Total	14,673,696
32	Restricted Receipts Total	12,960,602
33	Other Funds	
34	Reed Act – Rapid Job Entry	1,650,413

1	Reed Act – Woonsocket netWORKri Office Renovations	150,000
2	Reed Act – Workforce Development	5,998,166
3	Other Funds Total	7,798,579
4	Of the \$7.8 million appropriated from Reed Act funds, \$1.7 million may be used solely	
5	for the Rapid Job Entry Program to engage welfare recipients in employment preparation and	
6	placement through employment assessment workshop and job club/job search workshop	
7	activities; \$150,000 may be used solely for netWORKri office renovations; and \$6.0 million may	
8	be used solely for the administration of this state’s unemployment compensation law and public	
9	employment offices.	
10	Total - Workforce Development Services	35,432,877
11	<i>Workforce Regulation and Safety</i>	
12	General Revenue Total	3,110,366
13	Total - Workforce Regulation and Safety	3,110,366
14	<i>Income Support</i>	
15	General Revenue Total	2,908,229
16	Federal Funds Total	14,061,495
17	Restricted Receipts Total	1,378,091
18	Other Funds	
19	Temporary Disability Insurance Fund	168,309,848
20	Employment Security Fund	211,325,000
21	Other Funds Total	379,634,848
22	Total - Income Support	397,982,663
23	<i>Injured Workers Services</i>	
24	Restricted Receipts Total	11,232,483
25	Total - Injured Workers Services	11,232,483
26	<i>Labor Relations Board</i>	
27	General Revenue Total	342,154
28	Total - Labor Relations Board	342,154
29	Grand Total - General Revenue	6,633,002
30	Grand Total - Labor and Training	448,819,107
31	Legislature	
32	General Revenue Total	26,414,680
33	Restricted Receipts Total	949,365
34	Grand Total - Legislature	27,364,045

1	Lieutenant Governor	
2	General Revenue Total	865,343
3	Grand Total - Lieutenant Governor	865,343
4	Secretary of State	
5	<i>Administration</i>	
6	General Revenue Total	1,464,994
7	Total - Administration	1,464,994
8	<i>Corporations</i>	
9	General Revenues	
10	General Revenue	1,499,570
11	UCC Automated System	42,000
12	General Revenue Total	1,541,570
13	Total - Corporations	1,541,570
14	<i>State Archives</i>	
15	General Revenue Total	97,132
16	Restricted Receipts Total	523,433
17	Total - State Archives	620,565
18	<i>Elections</i>	
19	General Revenue Total	743,196
20	Federal Funds Total	2,635,250
21	Total - Elections	3,378,446
22	<i>State Library</i>	
23	General Revenue Total	520,591
24	Total - State Library	520,591
25	<i>Office of Civics and Public Information</i>	
26	General Revenue Total	427,331
27	Total - Office of Civics and Public Information	427,331
28	Grand Total - General Revenue	4,794,814
29	Grand Total - State	7,953,497
30	General Treasurer	
31	<i>Treasury</i>	
32	General Revenue Total	2,512,566
33	Federal Funds Total	260,709
34	Restricted Receipts Total	10,000

1	Other Funds	
2	Temporary Disability Insurance Fund	266,131
3	Other Funds Total	266,131
4	Total – Treasury	3,049,406
5	<i>State Retirement System</i>	
6	Other Funds	
7	Administrative Expenses - State Retirement System	6,758,560
8	Retirement - Treasury Investment Operations	686,228
9	Other Funds Total	7,444,788
10	Total - State Retirement System	7,444,788
11	<i>Unclaimed Property</i>	
12	Restricted Receipts Total	17,701,000
13	Total - Unclaimed Property	17,701,000
14	<i>RI Refunding Bond Authority</i>	
15	General Revenue Total	72,308
16	Total - RI Refunding Bond Authority	72,308
17	<i>Crime Victim Compensation Program</i>	
18	General Revenue Total	2,453,083
19	Federal Funds Total	5,176,957
20	Restricted Receipts Total	3,340,265
21	Total - Crime Victim Compensation Program	10,970,305
22	Grand Total - General Revenue	5,037,957
23	Grand Total - General Treasurer	39,237,807
24	Boards for Design Professionals	
25	General Revenue Total	413,929
26	Grand Total - Boards for Design Professionals	413,929
27	Board of Elections	
28	General Revenue Total	1,608,350
29	Federal Funds Total	1,001,828
30	Grand Total - Board of Elections	2,610,178
31	Rhode Island Ethics Commission	
32	General Revenue Total	950,328
33	Grand Total - Rhode Island Ethics Commission	950,328
34	Office of Governor	

1	General Revenue Total	4,345,275
2	Grand Total - Office of Governor	4,345,275
3	Public Utilities Commission	
4	General Revenue Total	670,154
5	Federal Funds Total	73,038
6	Restricted Receipts Total	5,338,350
7	Grand Total - Public Utilities Commission	6,081,542
8	Rhode Island Commission on Women	
9	General Revenue Total	83,639
10	Grand Total - Rhode Island Commission on Women	83,639
11	Children, Youth, and Families	
12	<i>Central Management</i>	
13	General Revenue Total	7,689,153
14	Federal Funds Total	3,779,826
15	Total - Central Management	11,468,979
16	<i>Children's Behavioral Health Services</i>	
17	General Revenue Total	21,866,852
18	Federal Funds Total	24,102,655
19	Other Funds	
20	RICAP – Groden Center – Mt. Hope	79,660
21	Other Funds Total	79,660
22	Total - Children's Behavioral Health Services	46,049,167
23	<i>Juvenile Correctional Services</i>	
24	General Revenue Total	28,553,943
25	Federal Funds Total	2,306,498
26	Restricted Receipts Total	6,500
27	Other Funds	
28	RICAP – NAFI Center	100,000
29	Other Funds Total	100,000
30	Total - Juvenile Correctional Services	30,966,941
31	<i>Child Welfare</i>	
32	General Revenue Total	85,570,700
33	Federal Funds Total	67,898,754
34	Restricted Receipts Total	1,512,441

1	Total - Child Welfare	154,981,895
2	<i>Higher Education Incentive Grants</i>	
3	General Revenue Total	200,000
4	Total - Higher Education Incentive Grants	200,000
5	Grand Total - General Revenue	143,880,648
6	Grand Total - Children, Youth, and Families	243,666,982
7	Elderly Affairs	
8	General Revenues	
9	General Revenue	14,382,863
10	RIPAE	14,771,146
11	Safety and Care of the Elderly	600
12	General Revenue Total	29,154,609
13	Federal Funds Total	12,395,964
14	Other Funds	
15	Intermodal Surface Transportation Fund	4,800,000
16	Other Funds Total	4,800,000
17	Grand Total - Elderly Affairs	46,350,573
18	Health	
19	<i>Central Management</i>	
20	General Revenue Total	2,376,158
21	Federal Funds Total	5,209,806
22	Restricted Receipts Total	2,924,896
23	Total - Central Management	10,510,860
24	<i>State Medical Examiner</i>	
25	General Revenue Total	1,826,750
26	Federal Funds Total	156,535
27	Total - State Medical Examiner	1,983,285
28	<i>Family Health</i>	
29	General Revenue Total	6,937,049
30	Federal Funds Total	38,893,911
31	Restricted Receipts Total	5,723,009
32	Total - Family Health	51,553,969
33	<i>Health Services Regulation</i>	
34	General Revenue Total	4,618,305

1	Federal Funds Total	5,003,371
2	Restricted Receipts Total	382,236
3	Total - Health Services Regulation	10,003,912
4	<i>Environmental Health</i>	
5	General Revenue Total	4,429,906
6	Federal Funds Total	4,070,386
7	Restricted Receipts Total	1,439,121
8	Total - Environmental Health	9,939,413
9	<i>Health Laboratories</i>	
10	General Revenue Total	6,008,168
11	Federal Funds Total	2,293,950
12	Total - Health Laboratories	8,302,118
13	<i>Disease Prevention and Control</i>	
14	General Revenues	
15	General Revenue	4,436,122
16	Smoking Cessation	635,002
17	General Revenue Total	5,071,124
18	Federal Funds Total	16,138,332
19	Restricted Receipts Total	1,048,821
20	Other Funds	
21	Child Safety Program	78,979
22	Walkable Communities Initiative	20,000
23	Other Funds Total	98,979
24	Total - Disease Prevention and Control	22,357,256
25	Grand Total - General Revenue	31,267,460
26	Grand Total - Health	114,650,813
27	Human Services	
28	<i>Central Management</i>	
29	General Revenue Total	5,765,863
30	Federal Funds Total	4,320,771
31	Restricted Receipts Total	2,450,000
32	Total - Central Management	12,536,634
33	<i>Individual and Family Support</i>	
34	General Revenue Total	21,297,116

1	Federal Funds Total	53,649,189
2	Restricted Receipts Total	78,661
3	Other Funds	
4	RICAP – Forand Building Exterior Repairs	385,000
5	Other Funds Total	385,000
6	Total - Individual and Family Support	75,409,966
7	<i>Veterans' Affairs</i>	
8	General Revenue Total	16,733,678
9	Federal Funds Total	6,088,109
10	Restricted Receipts Total	1,175,300
11	Total - Veterans' Affairs	23,997,087
12	<i>Health Care Quality, Financing and Purchasing</i>	
13	General Revenue Total	25,523,961
14	Federal Funds Total	39,270,473
15	Restricted Receipts Total	521,000
16	Total - Health Care Quality, Financing & Purchasing	65,315,434
17	<i>Medical Benefits</i>	
18	General Revenue	
19	Hospitals	104,555,859
20	Nursing Facilities	134,803,098
21	Managed Care	162,972,473
22	Special Education	19,561,520
23	Other	98,279,304
24	General Revenue Total	520,172,254
25	Federal Funds	
26	Hospitals	128,290,879
27	Nursing Facilities	168,196,682
28	Managed Care	204,941,608
29	Special Education	24,438,480
30	Other	122,999,792
31	Federal Funds Total	648,867,441
32	Restricted Receipts Total	15,000
33	Total - Medical Benefits	1,169,054,695
34	<i>Supplemental Security Income Program</i>	

1	General Revenue Total	28,301,982
2	Total - Supplemental Security Income Program	28,301,982
3	<i>Family Independence Program</i>	
4	General Revenues	
5	Child Care	53,355,151
6	TANF/Family Independence Program	10,714,535
7	General Revenue Total	64,069,686
8	Federal Funds Total	83,506,904
9	Total - Family Independence Program	147,576,590
10	<i>State Funded Programs</i>	
11	General Revenues	
12	General Public Assistance	3,167,983
13	Citizenship Participation Program	37,500
14	General Revenue Total	3,205,483
15	Federal Funds Total	73,485,000
16	Total - State Funded Programs	76,690,483
17	Grand Total - General Revenue	685,070,023
18	Grand Total - Human Services	1,598,882,871
19	Mental Health, Retardation, and Hospitals	
20	<i>Central Management</i>	
21	General Revenue Total	2,244,163
22	Total - Central Management	2,244,163
23	<i>Hospital and Community System Support</i>	
24	General Revenue Total	22,208,707
25	Other Funds	
26	RICAP - Utilities Upgrade	500,000
27	RICAP - Medical Center Rehabilitation	400,000
28	RICAP – Utility Systems - Water Tanks and Pipes	250,000
29	RICAP – MHRH Hospital Warehouse	100,000
30	RICAP – Central Power Plant Rehabilitation	100,000
31	RICAP – Community Facilities Fire Code	365,000
32	Other Funds Total	1,715,000
33	Total - Hospital and Community System Support	23,923,707
34	<i>Services for the Developmentally Disabled</i>	

1	General Revenue Total	102,063,777
2	Federal Funds Total	126,971,267
3	Other Funds	
4	RICAP – MR/DD Residential Development	1,500,000
5	RICAP - DD State Owned Group Homes	1,235,000
6	Other Funds Total	2,735,000
7	Total - Services for the Developmentally Disabled	231,770,044
8	<i>Integrated Mental Health Services</i>	
9	General Revenue Total	38,676,137
10	Federal Funds Total	35,393,734
11	Total - Integrated Mental Health Services	74,069,871
12	<i>Hospital and Community Rehabilitation Services</i>	
13	General Revenue Total	45,928,383
14	Federal Funds Total	55,883,068
15	Other Funds	
16	RICAP - Zambarano Buildings and Utilities	300,000
17	Other Funds Total	300,000
18	Total - Hospital and Community Rehabilitation Services	102,111,451
19	<i>Substance Abuse</i>	
20	General Revenue Funds	14,019,988
21	Federal Funds Total	14,233,226
22	Restricted Receipts Total	75,000
23	Other Funds	
24	RICAP - Asset Protection	100,000
25	Other Funds Total	100,000
26	Total - Substance Abuse	28,428,214
27	Grand Total - General Revenue	225,141,155
28	Grand Total - Mental Health, Retardation, and Hospitals	462,547,450
29	Office of the Child Advocate	
30	General Revenue Total	501,168
31	Federal Funds	54,172
32	Grand Total - Child Advocate	555,340
33	Commission on the Deaf and Hard of Hearing	
34	General Revenue Total	272,198

1	Grand Total - Commission on the Deaf and Hard of Hearing	272,198
2	RI Developmental Disabilities Council	
3	Federal Funds Total	570,511
4	Grand Total - RI Developmental Disabilities Council	570,511
5	Governor's Commission on Disabilities	
6	General Revenue Total	533,865
7	Federal Funds Total	180,208
8	Restricted Receipts Total	35,166
9	Other Funds	
10	RICAP – Facility Renovation – Handicapped Accessibility	500,000
11	Other Funds Total	500,000
12	Grand Total - Governor's Commission on Disabilities	1,249,239
13	Commission for Human Rights	
14	General Revenue Total	984,444
15	Federal Funds Total	239,300
16	Grand Total - Commission for Human Rights	1,223,744
17	Mental Health Advocate	
18	General Revenue Total	331,668
19	Grand Total - Mental Health Advocate	331,668
20	Elementary and Secondary Education	
21	<i>Administration of the Comprehensive Education Strategy</i>	
22	General Revenue Total	14,972,435
23	Federal Funds total	184,670,149
24	Restricted Receipts Total	892,339
25	Total – Administration of the Comprehensive	
26	Education Strategy	200,534,923
27	<i>Davies Career and Technical School</i>	
28	General Revenue Total	11,552,365
29	Federal Funds Total	1,149,839
30	Restricted Receipts Total	25,000
31	Total - Davies Career and Technical School	12,727,204
32	<i>RI School for the Deaf</i>	
33	General Revenue Total	5,539,792
34	Federal Funds Total	789,972

1	Other Funds	
2	RICAP - School for the Deaf – Facility Renovations	110,408
3	Other Funds Total	110,408
4	Total - RI School for the Deaf	6,440,172
5	<i>Metropolitan Career and Technical School</i>	
6	General Revenue Total	7,839,970
7	Total - Metropolitan Career and Technical School	7,839,970
8	<i>Education Aid</i>	
9	General Revenue Total	615,485,936
10	Federal Funds Total	578,744
11	Restricted Receipt Total	1,968,000
12	Total – Education Aid	618,032,680
13	<i>Central Falls School District</i>	
14	General Revenue Total	35,991,685
15	Total - Central Falls School District	35,991,685
16	<i>Housing Aid</i>	
17	General Revenue Total	44,737,193
18	Total – Housing Aid	44,737,193
19	<i>Teachers’ Retirement</i>	
20	General Revenue Total	52,583,171
21	Total – Teachers’ Retirement	52,583,171
22	Grand Total - General Revenue	788,702,547
23	Grand Total - Elementary and Secondary Education	978,886,998
24	Board of Governors	
25	General Revenue Total	174,530,556
26	Federal Fund Total	2,807,354
27	Restricted Receipt Total	44,685
28	Other Funds	
29	University and College Funds	436,790,135
30	RICAP - Asset Protection/Roofs	6,500,000
31	RICAP – Biological Science Center	200,000
32	RICAP – Alger Hall	1,164,558
33	RICAP – CCRI Newport Campus	1,544,000
34	Other Funds Total	446,198,693

1	Grand Total - Board of Governors	623,581,288
2	RI State Council on the Arts	
3	General Revenues	
4	Operating Support	455,538
5	Grants	1,516,526
6	General Revenue Total	1,972,064
7	Federal Funds Total	680,500
8	Restricted Receipts Total	200,000
9	Grand Total - RI State Council on the Arts	2,852,564
10	RI Atomic Energy Commission	
11	General Revenue Total	727,045
12	Federal Funds Total	325,000
13	Other Funds	
14	RICAP – Paint Interior Reactor Building Walls	55,000
15	URI Sponsored Research	157,168
16	Other Funds Total	212,168
17	Grand Total - RI Atomic Energy Commission	1,264,213
18	RI Higher Education Assistance Authority	
19	General Revenues	
20	Needs Based Grants and Work Opportunities	8,922,769
21	Authority Operations and Other Grants	1,032,820
22	General Revenue Total	9,955,589
23	Federal Fund Total	8,048,830
24	Other Funds	
25	Tuition Savings Program - Administration	5,413,273
26	Other Funds Total	5,413,273
27	Grand Total - Higher Education Assistance Authority	23,417,692
28	RI Historical Preservation and Heritage Commission	
29	General Revenue Total	1,068,027
30	Federal Funds Total	592,746
31	Restricted Receipts Total	206,800
32	Grand Total - RI Historical Pres. and Heritage Comm.	1,867,573
33	RI Public Telecommunications Authority	
34	General Revenue Total	1,238,482

1	Other Funds	
2	Corporation for Public Broadcasting	749,428
3	RICAP - Digital TV Conversion	1,360,000
4	Other Funds Total	2,109,428
5	Grand Total - Public Telecommunications Authority	3,347,910
6	Attorney General	
7	<i>Criminal</i>	
8	General Revenue Total	10,795,247
9	Federal Funds Total	1,679,781
10	Restricted Receipts Total	260,636
11	Total - Criminal	12,735,664
12	<i>Civil</i>	
13	General Revenue Total	3,275,162
14	Federal Funds Total	76,437
15	Restricted Receipts Total	456,389
16	Total - Civil	3,807,988
17	<i>Bureau of Criminal Identification</i>	
18	General Revenue Total	715,196
19	Federal Funds Total	350,100
20	Total - Bureau of Criminal Identification	1,065,296
21	<i>General</i>	
22	General Revenue Total	1,666,836
23	Total - General	1,666,836
24	Grand Total - General Revenue	16,452,441
25	Grand Total - Attorney General	19,275,784
26	Corrections	
27	<i>Central Management</i>	
28	General Revenue Total	10,375,260
29	Total - Central Management	10,375,260
30	<i>Parole Board</i>	
31	General Revenue Total	1,062,505
32	Total - Parole Board	1,062,505
33	<i>Institutional Custody</i>	
34	General Revenue Total	101,300,587

1	Federal Funds Total	7,236,712
2	Restricted Receipts Total	1,916,250
3	Other Funds	
4	RICAP – Perimeter/Security Upgrades	100,000
5	RICAP – Fire Code Safety Improvements	400,000
6	RICAP - Security Camera Installation	576,728
7	RICAP – Reintegration Center State Match	253,247
8	RICAP - General Renovations – Women’s	800,000
9	RICAP - Women’s Bathroom Renovations	446,700
10	RICAP – Work Release Roof	415,000
11	RICAP – Heating and Temperature Control	756,000
12	RICAP – Medium HVAC Renovations	31,000
13	Other Funds Total	3,778,675
14	Total - Institutional Custody	114,232,224
15	<i>Rehabilitative Services</i>	
16	General Revenue Total	34,121,798
17	Federal Funds Total	2,391,199
18	Total – Rehabilitative Services	36,512,997
19	Grand Total - General Revenue	146,860,150
20	Grand Total - Corrections	162,182,986
21	Judiciary	
22	<i>Supreme Court</i>	
23	General Revenue	
24	General Revenue	20,997,842
25	Defense of Indigents	2,250,000
26	General Revenue Total	23,247,842
27	Federal Funds Total	384,025
28	Restricted Receipts Total	900,949
29	Other Funds	
30	RICAP - Garrahy Judicial – Lighting/Ceiling	750,000
31	RICAP - Licht Judicial Complex – Roof	25,000
32	RICAP – McGrath Judicial Complex - Exterior	225,000
33	RICAP – Judicial Complexes – Restroom Restoration	50,000
34	Other Funds Total	1,050,000

1	Total - Supreme Court	25,582,816
2	<i>Superior Court</i>	
3	General Revenue Total	17,376,894
4	Federal Funds Total	88,000
5	Total - Superior Court	17,464,894
6	<i>Family Court</i>	
7	General Revenue Total	12,857,244
8	Federal Funds Total	3,106,947
9	Restricted Receipts Total	148,100
10	Total - Family Court	16,112,291
11	<i>District Court</i>	
12	General Revenue Total	8,282,694
13	Total - District Court	8,282,694
14	<i>Traffic Tribunal</i>	
15	General Revenue Total	6,421,967
16	Total - Traffic Tribunal	6,421,967
17	<i>Workers' Compensation Court</i>	
18	Restricted Receipts Total	6,124,172
19	Total - Workers' Compensation Court	6,124,172
20	Grand Total - General Revenue	68,186,641
21	Grand Total - Judiciary	79,988,834
22	Military Staff	
23	<i>National Guard</i>	
24	General Revenue Total	1,591,741
25	Federal Funds Total	8,593,712
26	Restricted Receipts Total	40,000
27	Other Funds	
28	RICAP – Benefit Street Arsenal Rehabilitation	200,000
29	RICAP - Schofield Armory Rehabilitation	100,000
30	RICAP – US Property and Finance Office – HVAC	65,000
31	RICAP – Warwick Armory Boiler	25,000
32	RICAP – North Smithfield Armory	41,250
33	RICAP – AMC Roof Replacement	250,000
34	RICAP – Camp Fogarty Training Site	50,000

1	RICAP – State Armories Fire Code Comp.	12,500
2	RICAP – Federal Armories Fire Code Comp.	6,250
3	RICAP – Logistics/Maintenance Facilities Fire	6,250
4	Other Funds Total	756,250
5	Total - National Guard	10,981,703
6	<i>Emergency Management</i>	
7	General Revenue Total	544,157
8	Federal Funds Total	7,235,199
9	Restricted Receipts Total	188,157
10	Total - Emergency Management	7,967,513
11	Grand Total - General Revenue	2,135,898
12	Grand Total - Military Staff	18,949,216
13	E-911 Emergency Telephone System	
14	General Revenue Total	3,821,407
15	Restricted Receipts Total	1,650,016
16	Grand Total - E-911 Emergency Telephone System	5,471,423
17	Fire Safety Code Board of Appeal and Review	
18	General Revenue Total	241,338
19	Grand Total - Fire Safety Code Board of Appeal and Review	241,338
20	State Fire Marshal	
21	General Revenue Total	1,977,834
22	Federal Funds Total	317,480
23	Other Funds	
24	DEA Forfeiture Funds	20,000
25	Other Funds Total	20,000
26	Grand Total - State Fire Marshal	2,315,314
27	Commission on Judicial Tenure and Discipline	
28	General Revenue Total	102,842
29	Grand Total - Commission on Judicial Tenure and Discipline	102,842
30	Rhode Island Justice Commission	
31	General Revenue Total	248,367
32	Federal Funds Total	5,687,720
33	Restricted Receipts Total	90,000
34	Grand Total - Rhode Island Justice Commission	6,026,087

1	Municipal Police Training Academy	
2	General Revenue Total	361,327
3	Federal Funds Total	40,000
4	Grand Total - Municipal Police Training Academy	401,327
5	State Police	
6	General Revenue Total	43,012,525
7	Federal Funds Total	1,270,334
8	Restricted Receipts Total	298,089
9	Other Funds	
10	RICAP – Barracks and Training Headquarters	200,000
11	RICAP – Headquarters Repair/Renovation	75,000
12	Traffic Enforcement - Municipal Training	119,425
13	Lottery Commission Assistance	119,079
14	Road Construction Reimbursement	1,587,311
15	Other Funds Total	2,100,815
16	Grand Total - State Police	46,681,763
17	Office of Public Defender	
18	General Revenue Total	6,722,438
19	Federal Funds Total	419,167
20	Grand Total - Office of Public Defender	7,141,605
21	Environmental Management	
22	<i>Policy and Administration</i>	
23	General Revenue Total	8,264,846
24	Federal Funds Total	2,791,206
25	Restricted Receipts Total	2,767,879
26	Other Funds	
27	DOT Recreational Projects	48,582
28	Blackstone Bikepath Design	1,248,582
29	RICAP - Dam Repair	1,150,000
30	Other Funds Total	2,447,164
31	Total - Policy and Administration	16,271,095
32	<i>Natural Resources</i>	
33	General Revenue Total	15,417,355
34	Federal Funds Total	11,793,867

1	Restricted Receipts Total	3,655,748
2	Other Funds	
3	RICAP – Recreational Facilities Improvement	925,000
4	RICAP – Fort Adams Rehabilitation	150,000
5	RICAP – Great Swamp Management Area	75,000
6	RICAP - Wickford Marine Facility	200,000
7	RICAP - Galilee Piers	550,000
8	RICAP - Newport Piers	200,000
9	RICAP – Boyd’s Marsh	100,000
10	Other Funds Total	2,200,000
11	Total - Natural Resources	33,066,970
12	<i>Environmental Protection</i>	
13	General Revenue Total	9,012,828
14	Federal Funds Total	9,914,944
15	Restricted Receipts Total	4,505,251
16	Total - Environmental Protection	23,433,023
17	Grand Total - General Revenue	32,695,029
18	Grand Total - Environmental Management	72,771,088
19	Coastal Resources Management Council	
20	General Revenue Total	1,460,351
21	Federal Funds Total	2,145,000
22	Restricted Receipts Total	932,267
23	Grand Total - Coastal Resources Management Council	4,537,618
24	State Water Resources Board	
25	General Revenue Total	1,229,023
26	Federal Funds Total	500,000
27	Restricted Receipts Total	895,000
28	Other Funds	
29	RICAP - Big River Management Area	92,075
30	RICAP – Supplemental Water Supplies Development	400,000
31	Other Funds Total	492,075
32	Grand Total - State Water Resources Board	3,116,098
33	Transportation	
34	<i>Central Management</i>	

1	Federal Funds Total	8,962,162
2	Other Funds	
3	Gasoline Tax	3,545,484
4	Other Funds Total	3,545,484
5	Total - Central Management	12,507,646
6	<i>Management and Budget</i>	
7	Other Funds	
8	Gasoline Tax	1,945,792
9	Other Funds Total	1,945,792
10	Total - Management and Budget	1,945,792
11	<i>Infrastructure – Engineering – Garvee/Motor Fuel Tax Bonds</i>	
12	Federal Funds Total	198,459,292
13	Restricted Receipts Total	12,181,209
14	Other Funds	
15	Gasoline Tax	50,161,064
16	Land Sale Revenue	4,000,000
17	State Infrastructure Bank	1,000,000
18	Other Funds Total	55,161,292
19	Total - Infrastructure – Engineering – Garvee/Motor	
20	Fuel Tax Bonds	265,801,565
21	<i>Infrastructure Maintenance</i>	
22	Other Funds	
23	Gasoline Tax	39,429,779
24	Outdoor Advertising	60,565
25	Other Funds Total	39,490,344
26	Total - Infrastructure Maintenance	39,490,344
27	Grand Total - Transportation	319,745,347
28	Statewide Totals	
29	General Revenue Total	2,898,964,410
30	Federal Funds Total	1,876,366,902
31	Restricted Receipts Total	123,411,391
32	Other Funds Total	1,047,414,599
33	Statewide Grand Total	5,946,157,302

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

1 appropriation.

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

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

15 SECTION 5. The reimbursement of any state department or agency for the cost of work
16 or services performed for any other department or agency is hereby authorized, subject to
17 regulations promulgated by the Director of Administration.

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

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

28 SECTION 7. Appropriation of Temporary Disability Insurance Funds -- There is hereby
29 appropriated pursuant to sections 28-39-5 and 28-39-8 of the Rhode Island General Laws all
30 funds required to be disbursed for the benefit payments from the Temporary Disability Insurance
31 Fund and Temporary Disability Insurance Reserve Fund for the fiscal year ending June 30, 2005.

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

1 June 30, 2005.

2 SECTION 9. Appropriation of University and College Funds -- There is hereby
3 appropriated pursuant to section 16-59-9 of the Rhode Island General Laws relating to the
4 appropriation of funds by the General Assembly for Higher Education, and section 16-59-18 of
5 the General Laws relating to receipts from sources other than appropriations, any funds received
6 by the Board of Governors for Higher Education for the fiscal year ending June 30, 2005 payable
7 out of the University and College Funds.

8 SECTION 10. Departments and agencies listed below may not exceed the number of full-
9 time equivalent (FTE) positions shown below in any pay period. Full-time equivalent positions
10 do not include seasonal or intermittent positions whose scheduled period of employment does not
11 exceed twenty-six consecutive weeks or whose scheduled hours do not exceed nine hundred and
12 twenty-five (925) hours, excluding overtime, in a one-year period. Nor do they include
13 individuals engaged in training, the completion of which is a prerequisite of employment. Nor do
14 they include positions established under the Board of Governors for Higher Education which are
15 funded by non-general revenue third party funding through the following accounts: University of
16 Rhode Island Sponsored Contract Research; Rhode Island College Sponsored Research-Federal;
17 Community College of Rhode Island Sponsored Research-Federal; Community College of Rhode
18 Island Sponsored Research-Private; and Office of Higher Education Sponsored Research-Federal.

19 Provided, however, that the Governor or designee, Speaker of the House of
20 Representatives or designee, and the President of the Senate or designee may authorize an
21 adjustment to any limitation. Prior to the authorization, the State Budget Officer shall make a
22 detailed written recommendation to the Governor, the Speaker of the House, and the President of
23 the Senate. A copy of the recommendation and authorization to adjust shall be transmitted to the
24 chairman of the House Finance Committee, Senate Finance Committee, the House Fiscal Advisor
25 and the Senate Fiscal Advisor.

26 FTE POSITION AUTHORIZATION

27 <u>Departments and Agencies</u>	<u>Full-Time Equivalent</u>
28 Administration	1,269.2
29 Business Regulation	109.0
30 Labor and Training	536.7
31 Legislature	280.0
32 Lieutenant Governor	10.0
33 State	59.0
34 General Treasurer	87.5

1	Boards for Design Professionals	4.0
2	Board of Elections	15.0
3	Rhode Island Ethics Commission	9.0
4	Office of Governor	47.5
5	Public Utilities Commission	45.0
6	Rhode Island Commission on Women	1.0
7	Children, Youth, and Families	851.8
8	Elderly Affairs	52.0
9	Health	502.9
10	Human Services	1,064.6
11	Mental Health, Retardation, and Hospitals	1,999.7
12	Office of the Child Advocate	5.8
13	Commission on the Deaf and Hard of Hearing	3.0
14	RI Developmental Disabilities Council	2.0
15	Governor's Commission on Disabilities	6.6
16	Commission for Human Rights	15.0
17	Mental Health Advocate	3.7
18	Elementary and Secondary Education	321.1
19	Higher Education - Board of Governors	3,542.7
20	Rhode Island State Council on the Arts	7.0
21	RI Atomic Energy Commission	8.6
22	Higher Education Assistance Authority	46.0
23	Historical Preservation and Heritage Commission	17.6
24	Public Telecommunications Authority	22.0
25	Attorney General	228.5
26	Corrections	1,539.0
27	Judiciary	734.5
28	Military Staff	97.0
29	E-911 Emergency Telephone System	50.6
30	Fire Safety Code Bd. of Appeal and Review	3.0
31	RI State Fire Marshal	32.0
32	Commission on Judicial Tenure and Discipline	1.0
33	Rhode Island Justice Commission	9.0
34	Municipal Police Training Academy	4.0

1	State Police	281.0
2	Office of Public Defender	86.2
3	Environmental Management	538.7
4	Coastal Resources Management Council	29.0
5	State Water Resources Board	9.0
6	Transportation	812.7
7	Total	<u>15,397.2</u>

8 SECTION 11. The amounts reflected in this Article include the appropriation of Rhode
9 Island Capital Plan funds for fiscal year 2005 and supersede appropriations provided for FY 2005
10 within Section 11 of Article 1 of Chapter 376 of the P.L. of 2003.

11 The following amounts are hereby appropriated out of any money in the State's Rhode
12 Island Capital Plan Fund not otherwise appropriated to be expended during the fiscal years ending
13 June 30, 2006, June 30, 2007, June 30, 2008, and June 30, 2009. These amounts supersede
14 appropriations provided within Section 11 of Article 1 of Chapter 376 of the P.L. of 2003. For
15 the purposes and functions hereinafter mentioned, the State Controller is hereby authorized and
16 directed to draw his or her orders upon the General Treasurer for the payment of such sums and
17 such portions thereof as may be required by him or her upon receipt of properly authenticated
18 vouchers.

19		FiscalYearEnding	Fiscal Year Ending	Fiscal Year Ending	FiscalYearEnding
20	<u>Project</u>	<u>June 30, 2006</u>	<u>June 30, 2007</u>	<u>June 30, 2008</u>	<u>June30, 2009</u>
21	RICAP – AMC				
22	Roof Replacement	700,000	600,000	900,000-	
23					
24	RICAP – Schofield Armory				
25	Rehabilitation	120,000 -	-	-	
26					
27	RICAP – Benefit St.				
28	Arsenal Rehabilitation	175,396-	-	-	
29					
30	RICAP – Reintegration				
31	Center State Match	350,000-	-	-	
32					
33	RICAP – Genera				
34	Renovations – Women's	800,000	500,000	-	-

1					
2	RICAP - Work Release – Roof/				
3	Plumbing/HVAC Repairs	623,000	347,000	-	-
4					
5	RICAP – Heating and				
6	Temperature Control	620,000	-	-	-
7					
8	RICAP – Medium HVAC				
9	Renovations	654,000	-	-	-
10					
11	RICAP – Garrahy Judicial				
12	Lighting/Ceiling	735,000	-	-	-
13					
14	RICAP – Dam Repair	2,700,000	850,000	750,000	750,000
15					
16	RICAP – Boyd’s Marsh	330,000	-	-	-
17					
18	RICAP - Ten Mile Habitat				
19	Restoration	100,000	100,000-	-	
20					
21	RICAP – Great Swamp	500,000	-	-	-
22					
23	RICAP – State House				
24	Terrace – South Stairs	700,000 -	-	-	
25					
26	RICAP – State House				
27	Renovations –				
28	Phase II	1,000,000	1,000,000	645,000	

29 SECTION 12. [Reappropriation of Funding for Rhode Island Capital Plan Fund Projects.](#)

30 - Any unexpended funds from Rhode Island Capital Plan Fund project appropriations shall be
31 reappropriated in the ensuing fiscal year and made available for the same purpose.

32 SECTION 13. Notwithstanding any provisions of Chapter 19 in Title 23 of the Rhode
33 Island General Laws, the Resource Recovery corporation shall transfer to the State Controller the
34 sum of four million three hundred thousand dollars (\$4,300,000) on June 30, 2005.

1 SECTION 14. This article shall take effect as of July 1, 2004.

2 ARTICLE 2

3 RELATING TO PREPAYMENT OF CIGARETTE SALES TAX

4 SECTION 1. Chapter 44-19 of the General Laws entitled "Sales and Use Tax-
5 Enforcement and Collection" is hereby amended by adding thereto the following sections:

6 **44-19-10.1. Prepayment of Sales Tax on Cigarettes.--** (a) Every distributor and dealer
7 licensed pursuant to chapter 44-20 shall pay, as a prepayment for the taxes imposed by chapter
8 44-18, a tax on cigarettes possessed for sale or use in this state and upon which the distributor or
9 dealer is required to affix cigarette stamps pursuant to chapter 44-20. The tax shall be computed
10 annually by multiplying the minimum price of standard brands of cigarettes in effect as of April
11 1, 2004 and each April 1 thereafter, by the tax rate imposed by sections 44-18-18 and 44-18-20.
12 The minimum price of standard brands of cigarettes shall be determined in accordance with
13 Chapter 13-6 of the General Laws and the regulations promulgated by the tax administrator. The
14 tax shall be prepaid at the time the distributor or dealer purchases such stamps from the tax
15 administrator. However, the tax administrator may, in his or her discretion, permit a licensed
16 distributor or licensed dealer to pay for the prepayment within thirty (30) days after the date of
17 purchase, provided that a bond satisfactory to the tax administrator in an amount not less than the
18 prepayment due shall have been filed with the tax administrator conditioned upon payment for the
19 prepayment of sales tax. The tax administrator shall keep accurate records of all stamps sold to
20 each distributor and dealer.

21 (b) The provisions of section 44-20-12 relating to the use of stamps to evidence payment
22 of the tax imposed by chapter 44-20 shall be applicable to the prepayment requirement of the
23 sales/use tax imposed by this section. Provided, however, no sales/use tax is required to be
24 prepaid on sales of cigarettes sold to the United States, its agencies and instrumentalities or the
25 armed forces of the United States, this state (including any city, town, district or other political
26 subdivision) and any other organization qualifying as exempt under section 44-18-30(5).

27 (c) Except as otherwise provided in this section, all other provisions of chapters 18 and
28 19 of title 44 applicable to administration and collection of sales/use tax shall apply to the
29 prepayment requirement pursuant to this section.

30 (d) All taxes paid pursuant to this section are conclusively presumed to be a direct tax on
31 the retail consumer, precollected for the purpose of convenience and facility only.

32 **44-19-10.2. Floor Stock Tax on Inventory. --** (a) A floor tax is imposed on the
33 inventory of stamped packages of cigarettes held for sale in this state at 12:01 AM on July 1,
34 2004, other than the inventory of cigarettes offered for sale to a consumer at retail. The floor tax

1 will apply to the stamped cigarette inventory of distributors and dealers, but not to the inventory
2 of retail sellers to the extent the inventory is held for retail sale. If a distributor or dealer also
3 sells at the retail level, the stamped inventory held for sale at a retail location shall not be
4 included in the inventory subject to the floor tax. In addition, the floor tax will apply to any
5 unaffixed tax stamps in the possession of a distributor or dealer at 12:01 AM on July 1, 2004 that
6 had been issued prior to that date. The inventory necessary to account for the floor tax must be
7 taken as of the close of business as of June 30, 2004.

8 (b) The floor tax shall be computed in the same manner as the prepayment of sales tax on
9 cigarettes as set forth in section 44-19-10.1(a).

10 SECTION 2. This article shall take effect as of July 1, 2004.

11 ARTICLE 3

12 RELATING TO CIGARETTE TAX

13 SECTION 1. Sections 44-20-12, 44-20-12.1, 44-20-13, 44-20-19, and 44-20-22
14 of the General Laws in Chapter 44-20 entitled "Cigarette Tax" are hereby amended to read as
15 follows:

16 **44-20-12. Tax imposed on cigarettes sold.** – A tax is imposed on all cigarettes sold or
17 held for sale in the state by any person, the payment of the tax to be evidenced by stamps affixed
18 to the packages containing the cigarettes and as required by the administrator. Any cigarettes on
19 which the proper amount of tax provided for in this chapter has been paid, payment being
20 evidenced by the stamp, is not subject to a further tax under this chapter. The tax is at the rate of
21 ~~eighty five and one half (85.5)~~ one hundred twenty-three (123) mills for each cigarette.

22 **44-20-12.1. Floor stock tax on cigarettes and stamps.** – (a) Whenever used in this
23 section, unless the context requires:

24 (1) "Cigarette" means and includes any cigarette as defined in § 44-20-1(2);

25 (2) "Person" means and includes each individual, firm, fiduciary, partnership,
26 corporation, trust, or association however formed.

27 (b) Each person engaging in the business of selling cigarettes at retail in this state pays a
28 tax or excise to the state for the privilege of engaging in that business during any part of the
29 calendar year 200~~3~~4. In calendar year 200~~3~~4, the tax shall be measured by the number of
30 cigarettes held by the person in this state at 12:01 a.m. on July 1, 2004 and is computed at the rate
31 of ~~nineteen thirty-seven~~ and one-half (19.5 37.5) mills for each cigarette on July 1, 200~~3~~4.

32 (c) Each distributor licensed to do business in this state pursuant to this chapter shall pay
33 a tax or excise to the state for the privilege of engaging in business during any part of the calendar
34 year 200~~3~~4. The tax is measured by the number of stamps, whether affixed or to be affixed to

1 packages of cigarettes, as required by § 44-20-28. In calendar year 2003~~4~~, the tax is measured by
2 the number of stamps, as defined in subsection 44-20-1(10), whether affixed or to be affixed, held
3 by the distributor at 12:01 a.m. on July 1, 2003~~4~~ and is computed at the rate of ~~nineteen~~ thirty-
4 seven and one-half (~~19.5~~ 37.5) mills per cigarette in the package to which the stamps are affixed
5 or to be affixed.

6 (d) Each person subject to the payment of the tax imposed by this section shall, on or
7 before July 16, 2003~~4~~, file a return, under oath or certified under the penalties of perjury, with the
8 tax administrator on forms furnished by him or her, showing the amount of cigarettes or stamps in
9 that person's possession in this state at 12:01 a.m. on July 1, 2003~~4~~, and the amount of tax due,
10 and shall at the time of filing the return pay the tax to the tax administrator. Failure to obtain
11 forms shall not be an excuse for the failure to make a return containing the information required
12 by the tax administrator.

13 (e) The tax administrator may prescribe rules and regulations, not inconsistent with law,
14 with regard to the assessment and collection of the tax imposed by this section.

15 **44-20-13. Tax imposed on unstamped cigarettes.** -- A tax is imposed at the rate of
16 ~~eighty five and one half (85.5)~~ one hundred twenty-three (123) mills for each cigarette upon the
17 storage or use within this state of any cigarettes not stamped in accordance with the provisions of
18 this chapter in the possession of any person other than a licensed distributor or dealer, or a carrier
19 for transit from

20 **44-20-19. Sale of stamps to distributors and dealers.** -- The administrator sells stamps
21 to licensed distributors at a discount and to licensed dealers at their face value. The distributor
22 remits to the division of taxation ~~ninety eight and three fourths percent (98.75%)~~ ninety-nine and
23 thirteen hundredths percent (99.13%) of the face value of the stamps thereby receiving a discount
24 of ~~one and one quarter percent (1.25%)~~ eighty-seven hundredths of one percent (0.87%) of the
25 face value of the stamps. The ~~ninety eight and three fourths percent (98.75%)~~ ninety-nine and
26 thirteen hundredths percent (99.13%) remitted to the tax administrator is paid over to the general
27 revenue. The administrator may, in his or her discretion, permit a licensed distributor or licensed
28 dealer to pay for the stamps within thirty (30) days after the date of purchase; provided, that a
29 bond satisfactory to the administrator in an amount not less than the sale price of the stamps has
30 been filed with the administrator conditioned upon payment for the stamps. The administrator
31 shall keep accurate records of all stamps sold to each distributor and dealer.

32 **44-20-22. Reimbursement for mutilated and other stamps—Claims.** -- The distributor
33 ~~is~~ shall be reimbursed at a price equal to ~~ninety eight and three fourths percent (98.75%)~~
34 ninety-nine and thirteen hundredths percent (99.13%) of their face value, for stamps purchased by

1 the distributor which, in the process of affixing to packages, have become torn, mutilated, or unfit
2 for use, or which, after affixing, have become detached, or in cases of the withdrawal from the
3 market in this state by a manufacturer, of cigarettes upon which stamps have been impressed, or
4 in such cases as the tax administrator, with the approval of the attorney general, after proof
5 satisfactory to the tax administrator, determines that the distributor ought equitably to be
6 reimbursed. All claims for reimbursement ~~are~~ shall be made under oath to the tax administrator
7 upon forms to be obtained by the administrator, and shall contain ~~the~~ such information and proof
8 as the tax administrator may require. Claims for reimbursement ~~are~~ shall be paid by the general
9 treasurer from the general fund, upon certification by the tax administrator and with approval of
10 the controller.

11 SECTION 2. This article shall take effect as of July 1, 2004.

12 ARTICLE 4

13 RELATING TO MEALS AND BEVERAGE TAX

14 SECTION 1. Section 44-18-18.1 of the General Laws in Chapter 44-18 entitled "Sales
15 and Use Taxes – Liability and Computation is hereby repealed.

16 ~~44-18-18.1 Local meals and beverage tax. — (a) There is hereby levied and imposed,
17 upon every purchaser of a meal and/or beverage, in addition to all other taxes and fees now
18 imposed by law, a local sales or use tax upon each and every meal and/or beverage sold within
19 the state of Rhode Island in or from an eating and/or drinking establishment, whether prepared in
20 the eating and/or drinking establishment or not and whether consumed at the premises or not, at a
21 rate of one percent of the gross receipts. The tax shall be paid to the tax administrator by the
22 retailer at the time and in the manner provided.~~

23 ~~(b) All sums received by the division of taxation under this section as taxes, penalties or
24 forfeitures, interest, costs of suit and fines shall be distributed at least quarterly, credited and paid
25 by the state treasurer to the city or town where the meals and beverages are delivered.~~

26 ~~(c) When used in this section, the following words have the following meanings:~~

27 ~~(1) "Beverage" means all nonalcoholic beverages, as well as alcoholic beverages, beer,
28 lager beer, ale, porter, wine, similar fermented malt or vinous liquor.~~

29 ~~(2) "Meal" means any prepared food or beverage offered or held out for sale by an eating
30 and/or drinking establishment for the purpose of being consumed by any person to satisfy the
31 appetite and which is ready for immediate consumption. All such food and beverage, unless
32 otherwise specifically exempted or excluded herein shall be included, whether intended to be
33 consumed on the seller's premises or elsewhere, whether designated as breakfast, lunch, snack,
34 dinner, supper or by some other name, and without regard to the manner, time or place of service.~~

1 ~~(3) "Eating and/or drinking establishments" mean and include restaurants, bars, taverns,~~
2 ~~lounges, cafeterias, lunch counters, drive-ins, roadside ice cream and refreshment stands, fish and~~
3 ~~chip places, fried chicken places, pizzerias, food and drink concessions, vending machines, or~~
4 ~~similar facilities in amusement parks, bowling alleys, clubs, caterers, drive-in theatres, industrial~~
5 ~~plants, race tracks, shore resorts or other locations, lunch carts, mobile canteens and other similar~~
6 ~~vehicles, and other like places of business which furnish or provide facilities for immediate~~
7 ~~consumption of food at tables, chairs or counters or from trays, plates, cups or other tableware or~~
8 ~~in parking facilities provided primarily for the use of patrons in consuming products purchased at~~
9 ~~the location.~~

10 ~~Ordinarily, eating establishments do not mean and include food stores and supermarkets.~~

11 ~~Retailers selling prepared foods in bulk either in customer furnished containers or in the~~
12 ~~seller's containers, for example "Soup and Sauce" establishments, are deemed to be selling~~
13 ~~prepared foods ordinarily for immediate consumption and as such are considered eating~~
14 ~~establishments.~~

15 ~~This local sales or use tax shall be administered and collected by the division of taxation~~
16 ~~and unless provided to the contrary in this chapter, all of the administration, collection, and other~~
17 ~~provisions of chapters 18 and 19 of this article apply.~~

18 SECTION 2. This article shall take effect as of July 1, 2005.

19 ARTICLE 5

20 RELATING TO CAPITAL DEVELOPMENT PROGRAM

21 SECTION 1. Proposition to be submitted to the people. -- At the general election to be
22 held on the Tuesday next after the first Monday in November, 2004, there shall be submitted to
23 the people for their approval or rejection the following proposition:

24 "Shall the action of the general assembly, by an act passed at the January 2004 session,
25 authorizing the issuance of bonds, refunding bonds, and temporary notes of the state for the
26 capital projects and in the amount with respect to each such project listed below be approved, and
27 the issuance of bonds, refunding bonds, and temporary notes authorized in accordance with the
28 provisions of said act?"

29 Project

30 University of Rhode Island Center for Biotechnology and

31 Life Sciences

\$50,000,000

32 Approval of this question will authorize the State of Rhode Island to issue general
33 obligation bonds, refunding bonds, and temporary notes in an amount not to exceed \$50,000,000
34 for the construction of the University of Rhode Island Center for Biotechnology and Life

1 Sciences.

2 (2) Quonset Point/Davisville \$48,000,000

3 Approval of this question will authorize the State of Rhode Island to issue general
4 obligation bonds, refunding bonds, and temporary notes in an amount not to exceed \$48,000,000
5 for road and utility infrastructure, building demolition, site preparation, and pier rehabilitation at
6 the Quonset Point/Davisville Industrial Park.

7 (3) Transportation \$66,520,000

8 Approval of this question will authorize the State of Rhode Island to issue general
9 obligation bonds, refunding bonds, and temporary notes in an amount not to exceed \$66,520,000
10 to match federal funds; provide direct funding for improvements to the state's highways, roads
11 and bridges; replace or repair transportation maintenance facilities; and purchase buses for the
12 Rhode Island Public Transit Authority's bus fleet.

13 (4) Environment and Groundwater Protection \$60,000,000

14 Approval of this question will authorize the State of Rhode Island to issue general
15 obligation bonds, refunding bonds, and temporary notes in an amount not to exceed \$60,000,000
16 to provide \$15,000,000 for anti-pollution projects and restoration activities benefiting
17 Narragansett Bay and state watersheds, \$35,000,000 for open space, farmland preservation, and
18 recreational development, and \$10,000,000 for acquisition of land for ground water protection
19 and supply.

20 (5) Emergency Water Interconnect \$10,000,000

21 Approval of this question will authorize the State of Rhode Island to issue general
22 obligation bonds, refunding bonds, and temporary notes in an amount not to exceed \$10,000,000
23 to provide matching grants to local water suppliers to develop interconnections between and
24 among water systems to be used in the event of an emergency.

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

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

1 section 1 hereof which has been approved by the people.

2 SECTION 4. Bonds for capital development program. -- The general treasurer is
3 hereby authorized and empowered with the approval of the governor and in accordance with the
4 provisions of this act, to issue from time to time capital development bonds in serial form in the
5 name and on behalf of the state in amounts as may be specified from time to time by the governor
6 in an aggregate principal amount not to exceed the total amount for all projects approved by the
7 people and designated as "capital development loan of 2004 bonds" provided, however, that the
8 aggregate principal amount of such capital development bonds and of any temporary notes
9 outstanding at any one time issued in anticipation thereof pursuant to section 7 hereof shall not
10 exceed the total amount for all such projects as have been approved by the people. All provisions
11 in this act relating to "bonds" shall also be deemed to apply to "refunding bonds".

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

28 SECTION 5. Refunding bonds for 2004 capital development program. -- The general
29 treasurer is hereby authorized and empowered, with the approval of the governor and in
30 accordance with the provisions of this act, to issue from time to time bonds to refund the 2004
31 capital development program bonds in the name and on behalf of the state, in amounts as may be
32 specified from time to time by the governor in an aggregate principal amount not to exceed the
33 total amount approved by the people, to be designated as "capital development program loan of
34 2004 refunding bonds" (hereinafter "refunding bonds").

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

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

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

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

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

27 All monies in the capital development bond fund shall be expended for the purposes
28 specified in the proposition provided for in section 1 hereof under the direction and supervision of
29 the director of administration (hereinafter referred to as "director"). The director or his or her
30 designee shall be vested with all power and authority necessary or incidental to the purposes of
31 this act, including but not limited to, the following authority: (a) to acquire land or other real
32 property or any interest, estate or right therein as may be necessary or advantageous to
33 accomplish the purposes of this act; (b) to direct payment for the preparation of any reports, plans
34 and specifications, and relocation expenses and other costs such as for furnishings, equipment

1 designing, inspecting and engineering, required in connection with the implementation of any
2 projects set forth in section 1 hereof; (c) to direct payment for the costs of construction,
3 rehabilitation, enlargement, provision of service utilities, and razing of facilities, and other
4 improvements to land in connection with the implementation of any projects set forth in section 1
5 hereof; and (d) to direct payment for the cost of equipment, supplies, devices, materials and labor
6 for repair, renovation or conversion of systems and structures as necessary for 2004 capital
7 development program bonds or notes hereunder from the proceeds thereof. No funds shall be
8 expended in excess of the amount of the capital development bond fund designated for each
9 project authorized in section 1 hereof. With respect to the bonds and temporary notes described in
10 section 1, the proceeds shall be utilized for the following purposes:

11 Question 1 relating to bonds and notes totaling \$50,000,000 shall be allocated to the
12 construction of the University of Rhode Island Center for Biotechnology and Life Sciences.

13 Question 2 relating to bonds and notes totaling \$48,000,000 shall be allocated to road and
14 utility infrastructure, building demolition, site preparation, and pier rehabilitation at the Quonset
15 Point/Davisville Industrial Park.

16 Question 3 relating to bonds in the amount of \$60,000,000 shall be allocated as follows:

17 (a) Narragansett Bay and Watershed Restoration \$15,000,000

18 Provide funds for activities to restore and protect the water quality, and enhance the
19 economic viability and environmental sustainability of Narragansett Bay and its watershed.
20 Eligible activities shall include, but not be limited to: point and non-point pollution source
21 abatement, including stormwater management; nutrient loading abatement; commercial, industrial
22 and agricultural pollution abatement; and, riparian buffer and watershed ecosystem restoration.

23 (b) Open Space and Recreational Development \$35,000,000

24 Provide funds for open space land acquisition, farmland preservation, and recreational
25 development to be allocated as follows: \$25,000,000 would be used by the Department of
26 Environmental Management to purchase or otherwise permanently protect through the purchase
27 of fee title, development rights, conservation easements and public recreation easements,
28 greenways and other open space, recreation lands, agriculture lands, forested lands and state
29 parks. An amount not to exceed \$5,000,000 of these funds shall be available to municipalities to
30 provide grants on a matching basis for open space preservation. \$10,000,000 would be used for
31 the design, development, expansion and renovation of new or existing public recreational
32 facilities and parks. Up to \$5,000,000 of these funds shall be available for the development and/or
33 renovation of State public recreational facilities. An amount not to exceed \$5,000,000 shall be
34 available to municipalities to provide grants on a matching basis, with \$1,000,000 allocated for

1 Distressed Communities and \$4,000,000 allocated for Recreation Development Grants.

2 (c) Groundwater Protection/Land Acquisition \$10,000,000

3 Provide funds for use by the Rhode Island Water Resources Board for acquisition of land
4 through the purchase of fee title, development rights, and conservation easements for
5 groundwater protection and protection of public drinking water supplies.

6 Question 4 relating to bonds in the amount of \$10,000,000 to fund matching grants to
7 local water suppliers to develop interconnections between and among water systems to be used in
8 the event of an emergency.

9 Question 5 relating to bonds in the amount of \$66,520,000 for transportation purposes
10 shall be allocated as follows:

11 (a) Highway Improvement Program \$60,000,000

12 Provide funds for the Department of Transportation to match federal funds or to provide
13 direct funding for improvements to the state's highways, roads and bridges.

14 (b) Facilities/Equipment Replacement \$5,020,000

15 Provide funds for the Department of Transportation to repair or renovate existing
16 maintenance facilities or to construct new maintenance facilities.

17 (c) Bus Replacement \$1,500,000

18 Provide funds for the Rhode Island Public Transit Authority to purchase new buses or for
19 the rehabilitation of existing buses in the bus fleet.

20 SECTION 7. Temporary capital development notes. -- The general treasurer is hereby
21 authorized and empowered, with the approval of the governor and in accordance with the
22 provisions of this act, to borrow, upon temporary notes issued in anticipation of the issuance of
23 such capital development bonds, from time to time, in the name and on behalf of the state, sums
24 of money for the purposes set forth in the proposition provided for in section 1 hereof, subject to
25 the limitations as to the amount set forth in this act, and to be designated as "state capital
26 development loans of 2004 notes" (hereinafter referred to as "capital development notes").

27 Capital development notes under this act shall be signed by the general treasurer and
28 countersigned by the manual or facsimile signature of the secretary of state, and shall be issued at
29 such time or times in such amounts, at such rates of interests, with such provisions for
30 prepayment, with or without premium, acceleration and other terms as may be fixed by the
31 general treasurer, with the approval at the time of each issue of the governor.

32 Capital development notes under this act may be issued from time to time for periods not
33 to exceed two (2) years and may be refunded or renewed from time to time by the issue of other
34 capital development notes for periods not to exceed two (2) years, but such notes, including all

1 refunding or renewals thereof, shall mature not later than five (5) years from the date of each
2 original issue. The proceeds of the sale of capital development notes issued under this act,
3 exclusive of any premiums or accrued interest, shall be deposited by the general treasurer in the
4 appropriate special account described in section 6 hereof.

5 SECTION 8. Sale of bonds and notes. -- Any bonds or notes issued under the authority
6 of this act shall be sold from time to time at not less than the principal amount thereof, in such
7 mode and on such terms and conditions as the general treasurer, with the approval of the
8 governor, shall deem to be for the best interests of the state.

9 Any premiums and accrued interest that may be received on the sale of the capital
10 development bonds or notes shall become part of the general fund of the state and shall be applied
11 to the payment of debt service charges of the state.

12 In the event that the amount received from the sale of the capital development bonds or
13 notes exceeds the amount necessary for the purposes stated in section 6 hereof, the surplus may
14 be used to the extent possible to retire the bonds as the same may become due, to redeem them in
15 accordance with the terms thereof or otherwise to purchase them as the general treasurer, with the
16 approval of the governor, shall deem to be for the best interests of the state.

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

22 SECTION 9. Bonds and notes to be tax exempt and general obligations of the state. -
23 - All bonds and notes issued under the authority of this act shall be exempt from taxation in the
24 state and shall be general obligations of the state, and the full faith and credit of the state is hereby
25 pledged for the due payment of the principal and interest on each of such bonds and notes as the
26 same shall become due.

27 SECTION 10. Investment of moneys in fund. -- All moneys in the capital development
28 fund not immediately required for payment pursuant to the provisions of this act may be invested
29 by the investment commission, as established by Chapter 35-10, pursuant to the provisions of
30 such chapter; provided, however, that the securities in which the capital development fund is
31 invested shall remain a part of the capital development fund until exchanged for other securities;
32 and provided further, that the income from investments of the capital development fund shall
33 become a part of the general fund of the state and shall be applied to the payment of debt service
34 charges of the state, or to the extent necessary, to rebate to the United States treasury any income

1 from investments (including gains from the disposition of investments) of proceeds of bonds or
2 notes to the extent deemed necessary to exempt (in whole or in part) the interest paid on such
3 bonds or notes from federal income taxation.

4 SECTION 11. Appropriation. -- To the extent the debt service on these bonds is not
5 otherwise provided, a sum sufficient to pay the interest and principal due each year on bonds and
6 notes hereunder is hereby annually appropriated out of any money in the treasury not otherwise
7 appropriated.

8 SECTION 12. Advances from general fund. -- The general treasurer is authorized from
9 time to time with the approval of the director and the governor, in anticipation of the issue of
10 notes or bonds under the authority of this act, to advance to the capital development bond fund for
11 the purposes specified in section 6 hereof, any funds of the state not specifically held for any
12 particular purpose; provided, however, that all advances made to the capital development bond
13 fund shall be returned to the general fund from the capital development bond fund forthwith upon
14 the receipt by the capital development fund of proceeds resulting from the issue of notes or bonds
15 to the extent of such advances.

16 SECTION 13. Federal assistance and private funds. -- In carrying out this act, the
17 director, or his or her designee, is authorized on behalf of the state, with the approval of the
18 governor, to apply for and accept any federal assistance which may become available for the
19 purpose of this act, whether in the form of loan or grant or otherwise, to accept the provision of
20 any federal legislation therefor, to enter into, act and carry out contracts in connection therewith,
21 to act as agent for the federal government in connection therewith, or to designate a subordinate
22 so to act. Where federal assistance is made available, the project shall be carried out in
23 accordance with applicable federal law, the rules and regulations thereunder and the contract or
24 contracts providing for federal assistance, notwithstanding any contrary provisions of state law.
25 Subject to the foregoing, any federal funds received for the purposes of this act shall be deposited
26 in the capital development bond fund and expended as a part thereof. The director or his or her
27 designee may also utilize any private funds that may be made available for the purposes of this
28 act.

29 SECTION 14. Extension of previous authorizations. -- The general assembly, pursuant
30 to the provisions of section 35-8-25 of the general laws, hereby extends to the termination dates
31 contained herein, the authority to issue the following general obligation bond authorizations in the
32 amounts stated. The original authorizations enacted by public law and approved by the people,
33 that remain unissued as of February 1, 2004, are as follows:

34 Unissued

			Amount to be	
	<u>Purpose</u>	<u>Statutory Reference</u>	<u>Extended</u>	<u>Termination Date</u>
3	Open Space	Ch. 425-P.L. of 1987	\$168,254	June 30, 2005
4	Pawtuxet River –			
5	NBC Reallocation	Ch. 434-P.L. of 1990	\$995,000	June 30, 2005
6	Elementary & Secondary			
7	Education	Ch. 136-P.L. of 1994	\$965,000	June 30, 2005

8 The general assembly hereby extends for an additional year the authorization granted to
9 the Rhode Island Industrial Recreational Building Authority provided by Chapter 91 of the Public
10 Laws of 1958, and Chapter 537, Section 3, of the Public Laws of 1987.

11 SECTION 15. Extinguishments of previous authorizations. -- The general assembly
12 hereby extinguishes as of June 30, 2004 the authority to issue the following general obligation
13 authorizations pursuant to the provisions of Section 35-8-25 of the general laws. The original
14 authorizations, enacted by public law and approved by the people, remain unissued as of February
15 1, 2004:

			Unissued Authority to	
			<u>be Extinguished</u>	
18	Higher Education Facilities	Ch. 100-P.L. of 1996	\$3,485	

19 SECTION 16. Effective Date. Sections 1, 2, 3, 14, and 15 of this article shall take effect
20 upon passage. The remaining sections of this article shall take effect when and if the state board
21 of elections shall certify to the secretary of state that a majority of the qualified electors voting on
22 the propositions contained in section 1 hereof have indicated their approval of all or any projects
23 thereunder.

24 ARTICLE 6
25 RELATING TO DEPOSITORS ECONOMIC
26 PROTECTION CORPORATION – SINKING FUND

27 SECTION 1. Section 35-8-11 of the General Laws in Chapter 35-8 entitled "Bonded
28 Indebtedness of State" is hereby amended to read as follows:

29 **35-8-11. Payments into sinking funds.** -- ~~In fiscal year 2000, and each subsequent fiscal~~
30 ~~year, there shall be appropriated a sum at least equal to the total of the following: the sinking fund~~
31 ~~commission's estimate of savings generated for that fiscal year from the commission's prior fiscal~~
32 ~~years' refinancing of debt; the sinking fund commission's estimate of the total debt service~~
33 ~~payments, principal and interest, of the debt retired by the commission in prior fiscal year; the~~
34 ~~sinking fund commission's estimate of the total debt service payments, principal and interest, of~~

1 ~~the general obligation debt not issued in accordance with section 35-8-6.2 in the prior fiscal year;~~
2 ~~and the total interest generated by the proceeds of general obligation bond, net of the arbitrage~~
3 ~~rebate for that year, as estimated by the Revenue Estimating Conference. Payments into the~~
4 ~~sinking fund shall also include those received pursuant to section 42-116-25, net of costs incurred~~
5 ~~by the department or agency assuming management of the assets of the Depositors' Economic~~
6 ~~Protection Corporation, which shall not be subject to annual appropriation.~~

7 ~~In fiscal years 2001, 2002, 2003, and 2004 there shall be appropriated a sum at least~~
8 ~~equal to the total of the following: the sinking fund commission's estimate of savings generated~~
9 ~~for that fiscal year from the commission's prior fiscal years' refinancing of debt; the sinking fund~~
10 ~~commission's estimate of the total debt service payments, principal and interest, of the debt~~
11 ~~retired by the commission in prior fiscal year; and the sinking fund commission's estimate of the~~
12 ~~total debt service payments, principal and interest, of the general obligation debt not issued in~~
13 ~~accordance with section 35-8-6.2 in the prior fiscal year. Beginning with fiscal year 2005, the~~
14 ~~sinking fund shall receive such sums as may be appropriated by the General Assembly.~~

15 SECTION 2. Section 42-116-25.1 of the General Laws in Chapter 42-116 entitled
16 "Rhode Island Depositors Economic Protection Corporation" is hereby amended to read as
17 follows:

18 **42-116-25.1. Defeasance of corporation bonds.** -- Upon ~~final defeasance~~ termination of
19 ~~all the~~ corporation bonds, ~~fifty million one hundred thousand dollars (\$50,100,000) of corporation~~
20 ~~proceeds from all sources when made available by the corporation~~ all funds from assets formerly
21 held by the corporation shall be paid to the general fund ~~on a quarterly basis~~ upon receipt. ~~All~~
22 ~~additional corporate proceeds shall be paid to the sinking fund on a quarterly basis.~~

23 SECTION 3. Article 5, Section 8, entitled "Sale of Bonds" and Section 10, entitled
24 "Investment of Moneys in Fund" of Chapter 55 of the Public Laws of 2000, as amended, are
25 hereby further amended to read as follows:

26 Section 8. ~~*Sale of Bonds.*~~ ~~For the fiscal years FY 2001, FY 2002, FY 2003 and FY 2004,~~
27 ~~any~~ Any premium and accrued interest which may be received on the sale of the capital
28 development bonds shall become part of the general fund of the state and shall be applied to the
29 payment of debt service charges of the state.

30 Section 10. *Investment of moneys in fund.* ~~For the fiscal years FY 2001, FY 2002, FY~~
31 ~~2003 and FY 2004, all~~ All moneys in the capital development funds not immediately required for
32 payment pursuant to the provisions of this article may be invested by the investment commission,
33 as established by Chapter 35-10, pursuant to the provisions of such chapter; provided, however,
34 that the securities in which the capital development fund is invested shall remain a part of the

1 capital development fund until exchanged for other securities; and provided further, that the
2 income from investments of the capital development fund shall become a part of the general fund
3 of the state and shall be applied to the payment of debt service charges of the state, or to the
4 extent necessary, to rebate to the United States treasury any income from investments (including
5 gains from the disposition of investments) of proceeds of bonds to the extent deemed necessary to
6 exempt (in whole or in part) the interest paid on such bonds from federal income taxation.

7 SECTION 4. This article shall take effect as of July 1, 2004

8 ARTICLE 7

9 RELATING TO TOBACCO DEALERS' LICENSES

10 SECTION 1. Section 44-20-5 of the General Laws in Chapter 44-20 entitled "Cigarette
11 Tax" is hereby amended to read as follows:

12 **44-20-5. Duration of dealers' licenses- Renewal.** – (a) Any license issued by the tax
13 administrator authorizing a dealer to sell cigarettes in this state shall ~~from the date of the issuance~~
14 ~~of the license be and remain in full force and effect until or~~ expire at midnight on June 30 next
15 succeeding the date of issuance unless (1) suspended or revoked by the tax administrator, (2) the
16 business with respect to which the license was issued changes ownership, or (3) the dealer ceases
17 to transact the business for which the license was issued, in any of which cases the license shall
18 expire and terminate and the holder shall immediately return the license to the tax administrator.

19 (b) Every holder of a dealer's license shall annually, on or before February 1 of each
20 year, renew its license by filing an application for renewal along with a twenty-five dollar
21 (\$25.00) renewal fee. The renewal license is valid for the period July 1 of that calendar year
22 through June 30 of the subsequent calendar year.

23 SECTION 2. This article shall take effect as of July 1, 2004.

24 ARTICLE 8

25 RELATING TO GENERAL PUBLIC ASSISTANCE-

26 HARDSHIP CONTINGENCY FUND

27 SECTION 1. Hardship Contingency Fund - FY 2005 - Out of the general revenue sum
28 appropriated to the department of human services in Article 1 for general public assistance, the
29 sum of six hundred nineteen thousand six hundred fifteen dollars (\$619,615) may be used as a
30 hardship contingency fund for the purposes and subject to the limitations hereinafter provided.
31 The state controller is hereby authorized and directed to draw his or her order upon the general
32 treasurer for the payment of such sums or such portions thereof as may be required from time to
33 time upon receipt by him or her of duly authenticated vouchers. From the aforesaid appropriation
34 for hardship contingency, the director of the department of human services, in his or her sole

1 discretion, may authorize payments of cash assistance benefits up to two hundred dollars (\$200)
2 per month upon a showing of hardship by an individual who is eligible for general public
3 assistance medical benefits under section 40-6-3.1; provided, however, that individuals who are
4 determined eligible for medical assistance (“Medicaid”) under Title XIX of the Social Security
5 Act, 42 U.S.C. Section 1396 et seq., or who are determined eligible to receive an interim cash
6 assistance payment for the disabled pursuant to section 40-6-28, shall not be eligible for
7 assistance under his section. The director shall not be required to promulgate any new,
8 additional or separate rules or regulations in connection with his or her disbursement of the
9 contingency fund created hereby.

10 Hardship contingency fund caseloads shall be determined by the caseload estimating
11 conference in accordance with the provisions of chapter 35-17 for determining official estimates
12 of public assistance caseloads.

13 SECTION 2. This article shall take effect as of July 1, 2004.

14 ARTICLE 9

15 RELATING TO HOSPITAL UNCOMPENSATED CARE

16 SECTION 1. Sections 40-8.3-2 and 40-8.3-3 of the General Laws in Chapter 40-8.3
17 entitled “Uncompensated Care” are hereby amended to read as follows:

18 **40-8.3-2. Definitions.** – As used in this chapter:

19 (1) "Base year" means for the purpose of calculating a disproportionate share payment for
20 any fiscal year ending after September 30, ~~2003~~ 2004, the period from October 1, ~~2000~~-2001
21 through September 30, ~~2001~~ 2002.

22 (2) "Medical assistance inpatient utilization rate for a hospital" means a fraction
23 (expressed as a percentage) the numerator of which is the hospital's number of inpatient days
24 during the base year attributable to patients who were eligible for medical assistance during the
25 base year and the denominator of which is the total number of the hospital's inpatient days in the
26 base year.

27 (3) "Participating hospital" means any nongovernment and nonpsychiatric hospital that:
28 (i) was licensed as a hospital in accordance with chapter 17 of title 23 during the base year, (ii)
29 achieved a medical assistance inpatient utilization rate of at least one percent (1%) during the
30 base year, and (iii) continues to be licensed as a hospital in accordance with chapter 17 of title 23
31 during the payment year.

32 (4) "Uncompensated care costs" means, as to any hospital, the sum of: (i) the cost
33 incurred by such hospital during the base year for inpatient or outpatient services attributable to
34 charity care (free care and bad debts) for which the patient has no health insurance or other third-

1 party coverage less payments, if any, received directly from such patients and (ii) the cost
2 incurred by such hospital during the base year for inpatient or out-patient services attributable to
3 medicaid beneficiaries less any medicaid reimbursement received therefor; multiplied by the
4 uncompensated care index.

5 (5) "Uncompensated care index" means the annual percentage increase for hospitals
6 established pursuant to § 27-19-14 for each year after the base year, up to and including the
7 payment year, provided, however, ~~that the uncompensated care index for the payment year ending~~
8 ~~September 30, 2002 shall be deemed to be five and one-tenth percent (5.1%), and~~ that the
9 uncompensated care index for the payment year ending September 30, 2003 shall be deemed to
10 be five and ninety hundredths percent (5.90%), and that the uncompensated care index for the
11 payment year ending September 30, 2004 shall be deemed to be five and twenty-five hundredths
12 percent (5.25%), and that the uncompensated care index for the payment year ending September
13 30, 2005 shall be deemed to be five and twenty-five hundredths percent (5.25%).

14 **40-8.3-3. Implementation.** ~~(a) For the fiscal year commencing on October 1, 2003~~
15 ~~and ending September 30, 2004, each participating hospital shall be paid by the department of~~
16 ~~human services on or before October 30, 2003, a disproportionate share payment equal to the~~
17 ~~lesser of: (1) the hospital's uncompensated care costs adjusted by the uncompensated care index;~~
18 ~~or (2) a percentage equal to six percent (6.00%) of the dollar amount of the difference between:~~
19 ~~(i) all chargeable services in the hospital's base year and (ii) the sum of charity care charges, bad~~
20 ~~debt expenses, and contractual allowances in the hospital's base year; provided, however, that the~~
21 ~~disproportionate share payments are expressly conditioned upon approval on or before October~~
22 ~~30, 2003 by the Secretary of the U.S. Department of Health and Human Services, or his or her~~
23 ~~authorized representative, of all Medicaid state plan amendments necessary to secure for the state~~
24 ~~the benefit of federal financial participation in federal fiscal year 2004 for the disproportionate~~
25 ~~share payments. For the fiscal year commencing on October 1, 2004 and ending September 30,~~
26 2005, the department of human services shall submit to the Secretary of the U.S. Department of
27 Health and Human Services a Medicaid state plan amendment to provide for disproportionate
28 share hospital payments to all participating hospitals not to exceed an aggregate limit of \$83.4
29 million, and provided that the payment to a participating hospital shall not exceed the hospital's
30 uncompensated care costs adjusted by the uncompensated care index. The disproportionate share
31 payments shall be made on or before December 14, 2004 and are expressly conditioned upon
32 approval on or before December 8, 2004 by the Secretary of the U.S. Department of Health and
33 Human Services, or his or her authorized representative, of all Medicaid state plan amendments
34 necessary to secure for the state the benefit of federal financial participation in federal fiscal year

1 [2005 for the disproportionate share payments.](#)

2 ~~(b) No provision is made pursuant to this chapter for disproportionate share hospital~~
3 ~~payments to participating hospitals for uncompensated care costs that are related to graduate~~
4 ~~medical education programs.~~

5 SECTION 2. This article shall take effect upon passage.

6 ARTICLE 10

7 RELATING TO FUEL USE REPORTING LAW

8 SECTION 1. Section 31-36.1-18 of the General Laws in Chapter 31-36.1
9 entitled "Fuel Use Reporting Law" is hereby amended to read as follows:

10 **31-36.1-18. Disposition of Proceeds.** -- All money collected under the provisions of this
11 chapter shall be ~~used in accordance with the provisions of § 31-36-20~~ [deposited as general](#)
12 [revenue and made available for the general purposes of the state.](#)

13 SECTION 2. This article shall take effect upon passage.

14 ARTICLE 11

15 RELATING TO THE MOTOR VEHICLE EXCISE TAX

16 SECTION 1. Section 44-34.1-2 of the General Laws in Chapter 44-34.1 entitled "Motor
17 Vehicle and Trailer Excise Tax Elimination Act of 1998" is hereby amended to read as follows:

18 **44-34.1-2. City and town and fire district reimbursement.** – (a) In fiscal years 2000
19 through 2008, cities and towns and fire districts shall receive reimbursements, as set forth within,
20 from state general revenues equal to the amount of lost tax revenue due to the phase out or
21 reduction of the excise tax. Cities and towns and fire districts shall receive advance
22 reimbursements through state fiscal year 2002. [Provided further, however, that beginning in state](#)
23 [fiscal year 2005, cities and towns shall receive reimbursements equal to the amount of lost tax](#)
24 [revenue due to the phase out or reduction of the excise tax in the prior local fiscal year.](#) In the

25 event the tax is phased out in fiscal year 2008, in fiscal year 2009, cities and towns and fire
26 districts shall receive a permanent distribution of sales tax revenue pursuant to § 44-18-18 in an
27 amount equal to any lost revenue resulting from the excise tax elimination. Lost revenues must be
28 determined using a base tax rate fixed at fiscal year 1998 levels for each city, town, and fire
29 district except that the Town of Johnston's base tax rate must be fixed at a fiscal year 1999 level.

30 (b)(1) The director of administration shall determine the amount of general revenues to
31 be distributed to each city and town and fire district for the fiscal years 1999 through 2008 so that
32 every city and town and fire district is held harmless from tax loss resulting from this chapter,
33 assuming that tax rates are indexed to inflation through fiscal [year](#) 2003.

34 (2) The director of administration shall index the tax rates for inflation by applying the

1 annual change in the December consumer price index all urban consumers (CPI-U), published by
2 the bureau of labor statistics of the United States department of labor, to the indexed tax rate used
3 for the prior fiscal year calculation; provided that for state reimbursements in fiscal years 2004
4 and thereafter, the indexed tax rate shall not be subject to further CPI-U adjustments. The director
5 shall apply the following principles in determining reimbursements:

6 (i) Exemptions granted by cities and towns and fire districts in the fiscal year 1998 must
7 be applied to assessed values prior to applying the exemptions in § 44-34.1-1(c)(1). Cities and
8 towns and fire districts will not be reimbursed for these exemptions.

9 (ii) City, town, and fire districts shall be reimbursed by the state for revenue losses
10 attributable to the exemptions provided for in § 44-34.1-1 and the inflation indexing of tax rates
11 through fiscal 2003; provided, however, that reimbursement for revenue losses shall be calculated
12 based upon the difference between the maximum taxable value less personal exemptions and the
13 net assessed value.

14 (iii) Inflation reimbursements shall be the difference between:

15 (A) The levy calculated at the tax rate used by each city and town and fire district for
16 fiscal year 1998 after adjustments for personal exemptions but prior to adjustments for
17 exemptions contained in § 44-34.1-1(c)(1); provided, however, that for the Town of Johnston the
18 tax rate used for fiscal year 1999 must be used for the calculation; and

19 (B) The levy calculated by applying the appropriate cumulative inflation adjustment
20 through state fiscal 2003 to the tax rate used by each city and town and fire district for fiscal year
21 1998; provided, however, that for the Town of Johnston the tax rate used for fiscal year 1999
22 shall be used for the calculation after adjustments for personal exemptions but prior to
23 adjustments for exemptions contained in § 44-34.1-1.

24 (c)(1) Funds shall be distributed to the cities and towns and fire districts as follows:

25 (i) On October 20, 1998, and each October 20 thereafter through October 20, 2001,
26 twenty-five percent (25%) of the amount calculated by the director of administration to be the
27 difference for the upcoming fiscal year.

28 (ii) On February 20, 1999, and each February 20 thereafter through February 20, 2002,
29 twenty-five percent (25%) of the amount calculated by the director of administration to be the
30 difference for the upcoming fiscal year.

31 (iii) On June 20, 1999, and each June 20 thereafter through June 20, 2002, fifty percent
32 (50%) of the amount calculated by the director of administration to be the difference for the
33 upcoming fiscal year.

34 (iv) On August 1, 2002 and each August 1 thereafter through August 1, 2007, twenty-five

1 percent (25%) of the amount calculated by the director of administration to be the difference for
2 the current fiscal year.

3 (v) On November 1, 2002 and each November 1 thereafter through November 1, 2007,
4 twenty-five percent (25%) of the amount calculated by the director of administration to be the
5 difference for the current fiscal year.

6 (vi) On February 1, 2003 and each February 1 thereafter through February 1, 2008,
7 twenty-five percent (25%) of the amount calculated by the director of administration to be the
8 difference for the current fiscal year.

9 (vii) On May 1, 2003 and each May 1 thereafter through May 1, 2008, twenty-five
10 percent (25%) of the amount calculated by the director of administration to be the difference for
11 the current fiscal year.

12 Provided, however, the February and May payments shall be subject to submission of
13 final certified and reconciled motor vehicle levy information.

14 (2) Each city, town, or fire district shall submit final certified and reconciled motor
15 vehicle levy information by August 30 of each year. Any adjustment to the estimated amounts
16 paid in the previous fiscal year shall be included or deducted from the payment due November 1.

17 (3) On any of the payment dates specified in paragraphs (c)(1)(i) through (vii), the
18 director is authorized to deduct previously made over-payments or add supplemental payments as
19 may be required to bring the reimbursements into full compliance with the requirements of this
20 chapter.

21 (4) For the city of East Providence, the payment schedule is twenty-five percent (25%) on
22 February 20, 1999 and each February 20 thereafter through February 20, 2002, twenty-five
23 percent (25%) on June 20, 1999 and each June 20 thereafter through June 20, 2002, which
24 includes final reconciliation of the previous year's payment, and fifty percent (50%) on October
25 20, 1999 and each October 20 thereafter through October 20, 2002. For local fiscal years 2003
26 through 2008, the payment schedule is twenty-five percent (25%) on each November 1, twenty-
27 five percent (25%) on each February 1, twenty-five percent (25%) on each May 1, which includes
28 final reconciliation of the previous year's payment, and twenty-five percent (25%) on each
29 August 1; provided, however, the May and August payments shall be subject to submission of
30 final certified and reconciled motor vehicle levy information.

31 (5) In the event the tax is phased out in fiscal year 2008, funds distributed to the cities,
32 towns, and fire districts for fiscal year 2009 shall be calculated as the funds distributed in fiscal
33 year 2008. Twenty-five percent (25%) of the amounts calculated shall be distributed to the cities
34 and towns and fire districts on August 1, 2008, twenty-five percent (25%) on November 1, 2008,

1 twenty-five percent (25%) on February 1, 2009, and twenty-five percent (25%) on May 1, 2009.
2 The funds shall be distributed to each city and town and fire district in the same proportion as
3 distributed in fiscal year 2008.

4 (6) In the event the tax is phased out in fiscal year 2008, to August 1, 2009 , the director
5 of administration shall calculate to the nearest tenth of one cent (0.1¢) the number of cents of
6 sales tax received for the fiscal year ending June 30, 2009, equal to the amount of funds
7 distributed to the cities, towns, and fire districts under this chapter during fiscal year 2009, and
8 the percent of the total funds distributed in fiscal year 2009, received by each city, town, and fire
9 district, calculated to the nearest one-hundredth of one percent (0.01%). The director of
10 administration shall transmit those calculations to the governor, the speaker of the house, the
11 president of the senate, the chairperson of the house finance committee, the chairperson of the
12 senate finance committee, the house fiscal advisor, and the senate fiscal advisor. The number of
13 cents, applied to the sales taxes received for the prior fiscal year, shall be the basis for
14 determining the amount of sales tax to be distributed to the cities and towns and fire districts
15 under this chapter for fiscal year 2010, and each year thereafter. The cities and towns and fire
16 districts shall receive that amount of sales tax in the proportions calculated by the director of
17 administration as that received in fiscal year 2009.

18 (7) In the event the tax is phased out in fiscal year 2008, twenty-five percent (25%) of the
19 funds shall be distributed to the cities, towns, and fire districts on August 1, 2009, and every
20 August 1 thereafter; twenty-five percent (25%) shall be distributed on November 1, 2009, and
21 every November 1 thereafter; twenty-five percent (25%) shall be distributed on February 1, 2010,
22 and every February 1 thereafter; and twenty-five percent (25%) shall be distributed on May 1,
23 2010, and every May 1 thereafter.

24 (8) For the city of East Providence, in the event the tax is phased out in fiscal year 2008,
25 twenty-five percent (25%) shall be distributed on November 1, 2009 and every November 1
26 thereafter, twenty-five percent (25%) shall be distributed on February 1, 2010 and every February
27 1 thereafter; twenty-five percent (25%) shall be distributed on May 1, 2010, and every May 1
28 thereafter; and twenty-five percent (25%) of the funds shall be distributed on August 1, 2010 and
29 every August 1 thereafter.

30 (9) As provided for in § 44-34-6, the authority of fire districts to tax motor vehicles is
31 eliminated effective with the year 2000 tax roll and the state reimbursement for fire districts shall
32 be based on the provisions of § 44-34-6. All references to fire districts in this chapter do not apply
33 to the year 2001 tax roll and thereafter.

34 SECTION 2. This article shall take effect as of July 1, 2004.

1 ARTICLE 12

2 RELATING TO HUMAN RESOURCE INVESTMENT COUNCIL

3 SECTION 1. Section 42-102-6 of the General Laws in Chapter 42-102 entitled "Rhode
4 Island Human Resource Investment Council" is hereby amended to read as follows:

5 **42-102-6. Duties.** -- (a) The council shall meet with other entities involved with
6 vocational education, labor, and training and shall be responsible for the planning of labor and
7 training activities to ensure that a comprehensive and cohesive plan is developed. The council
8 shall take into consideration the needs of all segments of the state's citizenry in establishing goals
9 and training objectives.

10 (b) The council shall establish policy to ensure the effectiveness and efficiency of
11 programs and activities as they pertain to labor and training.

12 (c) The council shall provide funding for special projects that will increase and improve
13 the skill base of Rhode Island's workforce. The council shall take into account labor market
14 information from the Rhode Island ~~department of~~ economic development [corporation](#) to help
15 establish training needs. In addition, the council shall have the following responsibilities:

16 (1) Prepare and submit by September 1, 1992 and thereafter annually, a proposed budget
17 for the ensuing year for the governor's approval;

18 (2) Prepare and submit to the governor, the general assembly, and the auditor general by
19 April 1 of each year an annual report on the council's goals, policies, and activities. The auditor
20 general shall conduct annual audits of all financial accounts and any other audits that he or she
21 shall deem necessary;

22 (3) Ensure that, for those contracts or grants characterized as training or upgrading, the
23 administrative expenses of the private or public entity awarded the contract or grant shall not
24 exceed fifteen percent (15%) of the total contract or grant;

25 (4) Receive any gifts, grants, or donations made and to disburse and administer them in
26 accordance with the terms thereof; and

27 (5) Allocate moneys from the job development fund for projects to implement the
28 recommendations of the council, including, but not limited to, technology transfers or technical
29 assistance to manufacturers to improve their operations through the use of appropriate
30 technologies; provided that for fiscal year 2005, a minimum of three million four hundred
31 thousand dollars (\$3,400,000) from the job development fund shall be allocated for adult literacy
32 programs.

33 SECTION 2. This article shall take effect as of July 1, 2004.

34 ARTICLE 13

1 RELATING TO LABOR AND TRAINING FEES

2 SECTION 1. Section 5-6-17 of the General Laws in Chapter 5-6 entitled "Electricians"
3 is hereby amended to read as follows:

4 **5-6-17. Application for examination – Fee. --** Persons desiring an examination shall
5 make written application on the state approved form for the examination accompanied by the
6 proper fee, which is ~~thirty-six dollars (\$36.00)~~ seventy-five dollars (\$75.00).

7 SECTION 2. Sections 5-20-16, 5-20-17, and 5-20-17.1 of the General Laws in Chapter
8 5-20 entitled "Plumbers and Irrigators" are hereby amended to read as follows:

9 **5-20-16. Qualifications of master plumber or master irrigator – Application fee. --**

10 (a) No application for a license of a master plumber or master irrigator shall be filed by the
11 department of labor and training nor is any applicant permitted to take the examination for a
12 license as a master plumber, or master irrigator unless:

13 (1) The application is accompanied by a nonrefundable application fee of ~~thirty dollars~~
14 ~~(\$30.00)~~ seventy-five dollars (\$75.00) payable to the department;

15 (2) The applicant is a citizen or legal resident of the United States; and

16 (3) The applicant possesses a certificate of license in full force and effect from the
17 department of labor and training of the state specifying that person as a journeyman plumber or
18 journeyman irrigator licensed as a journeyman plumber or journeyman irrigator for a
19 minimum of one year. An affidavit must accompany this application certifying that the applicant
20 was employed by a licensed master plumber or master irrigator during that period in which the
21 journeyman plumber or journeyman irrigator was so licensed. Completed applications must
22 be filed with the department at least thirty (30) days prior to the examination date.

23 (b) Notwithstanding anything set forth in this section to the contrary, the prerequisites set
24 forth in the preceding paragraph may be waived, and the requirements of this section met, if the
25 applicant submits evidence, in form and substance reasonably acceptable to the department of
26 labor and training, that the applicant possesses the requisite skill, expertise, education,
27 experience, training, and other qualities or qualifications to take the examination for a license as a
28 master plumber or master irrigator.

29 **5-20-17. Qualifications of journeyman – Application fee. --** No application for a
30 journeyman's license shall be filed at the department of labor and training nor shall any
31 applicant be permitted to take the examination for a license as a journeyman plumber, unless:

32 (1) The application is accompanied by a nonrefundable application fee of ~~thirty-six~~
33 ~~dollars (\$36.00)~~ seventy-five dollars (\$75.00);

34 (2) The applicant shall have possessed for at least four (4) years prior to the filing of the

1 application a certificate of registration in full force and effect from the department of labor and
2 training of the state specifying that person as a registered apprentice plumber and the application
3 of that applicant is accompanied with an affidavit or affidavits of his or her employer or former
4 employers or other reasonably satisfactory evidence showing that the applicant has been actually
5 engaged in plumbing work as an apprentice plumber in the state of Rhode Island for eight
6 thousand (8,000) hours of on the job training during a five (5) year period which shall include the
7 successful completion of five hundred seventy-six (576) hours of related instruction at a training
8 program recognized by the department of labor and training or the application is accompanied
9 with an affidavit or other reasonably satisfactory evidence showing that the applicant has been a
10 registered student in a recognized college, university, or trade school and has pursued a course of
11 plumbing or sanitary engineering for at least two (2) academic years, or is the recipient of an
12 associate degree in either plumbing or sanitary engineering, and has been registered by the
13 department of labor and training as an apprentice plumber for at least two (2) years and at all
14 times while being employed as a registered apprentice plumber by a duly licensed master plumber
15 in this state for a period of two (2) years or the application is accompanied by an affidavit or other
16 reasonably satisfactory evidence showing that the applicant possesses a certificate of license,
17 issued under the laws of another state, provided that the requirements are the same as the state
18 specifying that person as a journeyman plumber. The records of the hours of on the job training
19 and the hours of related instruction should be maintained in a mutually responsible manner,
20 through a joint effort on the part of the master plumber and the apprentice. The completed
21 application is to be filed with the department at least fifteen (15) days prior to the examination
22 date.

23 **5-20-17.1. Qualifications of journeyman irrigator – Application fee.** -- No
24 application for a journeyman's license shall be filed by the department of labor and training nor
25 shall any applicant be permitted to take the examination for a license as a journeyman irrigator
26 unless:

27 (1) The application is accompanied with the nonrefundable application fee of ~~thirty-six~~
28 ~~dollars (\$36.00)~~ seventy-five dollars (\$75.00);

29 (2) The applicant possess a current apprentice certificate for a period of one year before
30 application for journeyman irrigator is made.

31 SECTION 3. Section 28-26-10 of the General Laws in Chapter 28-26 entitled “Hoisting
32 Engineers” is hereby amended to read as follows:

33 **28-26-10. License fees.** -- Each applicant for an examination for a license as an engineer
34 shall pay to the division at the time of application a fee of ~~thirty-six dollars (\$36.00)~~ seventy-five

1 [dollars \(\\$75.00\)](#), and for each license or renewal of a license a fee at the annual rate of forty-eight
 2 dollars (\$48.00) for a full license, forty-two dollars (\$42.00) for a hoisting license, thirty-six
 3 dollars (\$36.00) for an excavating license, and thirty dollars (\$30.00) for a limited license, these
 4 fees to be deposited as general revenues.

5 SECTION 4. Section 28-27-17 of the General Laws in Chapter 28-27 entitled
 6 “Mechanical” is hereby amended to read as follows:

7 **28-27-17. Test fees – License fees – Expiration and renewal of licenses.** -- (a) All
 8 licenses issued to the pipefitters/refrigeration technicians and fire protection sprinkler
 9 contractor/sprinkler fitters and sheet metal contractor or journeyman sheet metal worker
 10 detailed in this section shall be paid for as follows:

	TEST	LICENSE	RENEWAL
11 Master Mechanical Contractor ----		240.00	240.00
12 Contractor Master	36.00 75.00	120.00	120.00
13 Pipefitter Master I	36.00 75.00	120.00	120.00
14 Pipefitter Master II	36.00 75.00	48.00	48.00
15 Refrigeration Master I	36.00 75.00	120.00	120.00
16 Refrigeration Master II	36.00 75.00	48.00	48.00
17 Pipefitter Journeyman I	36.00 75.00	36.00	36.00
18 Pipefitter Journeyman II	36.00 75.00	30.00	30.00
19 Refrigeration Journeyman I	36.00 75.00	36.00	36.00
20 Refrigeration Journeyman II	36.00 75.00	30.00	30.00
21 Apprentices ----		24.00	24.00
22 Fire Protection Sprinkler			
23 Fitters Master I	36.00 75.00	120.00	120.00
24 Fire Protection Sprinkler			
25 Fitters Journeyman I	36.00 75.00	36.00	36.00
26 Sheet Metal Contractor	36.00 75.00	120.00	120.00
27 Sheet Metal Worker			
28 Journeyman	36.00 75.00	36.00	36.00

29 (b) Every license issued by the division of professional regulation is renewable on the
 30 licensee's birthdate. If any credit is due in the initial changeover year the amount of credit is
 31 determined by the chief administrator of the division.
 32

33 SECTION 5. This article shall take effect as of July 1, 2004.

1 RELATING TO CHILD SUPPORT ENFORCEMENT

2 SECTION 1. Section 15-9-1 of the General Laws in Chapter 15-9 entitled "Support of
3 Children" is hereby amended to read as follows:

4 **15-9-1. Duty of parent to pay support and maintenance to the agency or person**
5 **having custody of the child.** – (a) Whenever the department of children, youth and families shall
6 pay for the support and maintenance of any child pursuant to §§ 42-72-13 and 42-72-14, or
7 whenever another department, agency, society, institution, or person having the charge, care, or
8 custody of a child shall pay for the support and maintenance of the child, ~~the parents of the child~~
9 ~~are severally liable for the support and maintenance of the child, and shall be severally liable for~~
10 ~~the reimbursement to the department of children, youth and families, or any other department,~~
11 ~~agency, society, institution, or person having the charge, care, or custody of the child, for the~~
12 ~~support and maintenance of the child.~~

13 ~~(b) In fixing the amount of support or reimbursement which the parents shall be ordered~~
14 ~~to pay, the court shall take into account the following factors:~~

15 ~~(1) All earnings, income, and resources of the parent, including real and personal~~
16 ~~property;~~

17 ~~(2) The earnings potential of the parent;~~

18 ~~(3) The reasonable necessities of the parent;~~

19 ~~(4) The needs of the child for whom support is sought;~~

20 ~~(5) The reasonable expenditures of the custodial agency for the support and maintenance~~
21 ~~of the child;~~

22 ~~(6) The existence and needs of other dependents of the parent;~~

23 ~~(7) Any other factors, which bear upon the needs of the child and the ability of the parent~~
24 ~~to provide financial support for those needs. the court shall order either or both parents owing a~~
25 ~~duty of support to a child to pay an amount based upon a formula and guidelines adopted by an~~
26 ~~administrative order of the family court. If, after calculating support based upon court established~~
27 ~~formula and guidelines, the court, in its discretion, finds the proposed order would be inequitable~~
28 ~~to the child or either parent, the court shall make findings of fact and shall order either or both~~
29 ~~parents owing a duty of support to pay an amount reasonable or necessary for the child's support~~
30 ~~after considering all relevant factors, including, but not limited to:~~

31 ~~(1) The financial resources of the child;~~

32 ~~(2) The financial resources of the custodial parent;~~

33 ~~(3) The standard of living the child would have enjoyed had the marriage not been~~
34 ~~dissolved;~~

1 (4) The physical and emotional condition of the child and his or her educational needs;
2 and

3 (5) The financial resources and needs of the non-custodial parent.

4 (b) If it deems necessary or advisable, the court may order child support and education
5 costs for children attending high school at the time of their eighteenth (18th) birthday and for
6 ninety (90) days after graduation, but in no case beyond their nineteenth (19th) birthday. In
7 addition, the court may order the support of a child with a severe physical or mental impairment
8 to continue until the twenty-first (21st) birthday of the child.

9 (c) After a decree for support has been entered and upon the petition of either party, the
10 court may review and alter its decree relative to the amount and payment of support. If the court
11 finds that a substantial change in circumstances has occurred, the decree may be made retroactive
12 to the date that notice of a petition to modify was given to the adverse party. In such a case the
13 court shall set forth in its decision the specific findings of fact which show a substantial change in
14 circumstances and why the decree should be made retroactive.

15 (d) Any order for child support issued by the family court shall contain a provision
16 requiring either or both parents owing a duty of support to a child to obtain health insurance
17 coverage for the child when such coverage is available to the parent or parents through their
18 employment without cost or at a reasonable cost. "Reasonable cost" shall be defined in
19 accordance with guidelines adopted by administrative order of the family court in conjunction
20 with the child support guidelines.

21 (e) Any existing child support orders may be modified in accordance with this section
22 unless the court makes specific written findings of fact that take into consideration the best
23 interests of the child and conclude that a child support order or medical order would be unjust or
24 inappropriate in a particular case.

25 (f) In addition, the national medical support notice shall be issued with respect to all
26 orders issued, enforced, or modified on or after October 1, 2002, in accordance with chapter 15-
27 29. The notice shall inform the employer of provisions in the child support order for health care
28 coverage for the child and of the method to implement this coverage. In lieu of the court ordering
29 the non-custodial parent to obtain or maintain health care coverage for the child, the court may
30 order the non-custodial parent to contribute a weekly cash amount towards the medical premium
31 for health care coverage paid by the state of Rhode Island and/or the custodial parent. The method
32 to determine a reasonable weekly amount shall be addressed in a family court administrative
33 order pertaining to the child support guidelines.

34 (g) All support orders established or modified in the state on or after October 1, 1998,

1 shall be recorded with the Rhode Island family court/department of administration, division of
2 taxation child support computer enforcement system. The system maintains the official registry
3 of support orders entered in accordance with applicable administrative orders issued by the Rhode
4 Island family court.

5 (h) In any subsequent child support enforcement action between the parties, upon
6 sufficient showing that a diligent effort has been made to ascertain the location of such a party,
7 the court may allow for notice and service of process to be made by first class mail or by service
8 of written notice to the most recent residential or employer address of record, as specified in the
9 Rhode Island rules of procedure for domestic relations for the Family Court of Rhode Island.

10 ~~(e)~~(i) The department of children, youth, and families shall not seek ~~reimbursement~~ child
11 support for services to the child which are special education services as defined under state and
12 federal law and pursuant to the regulations of the board of regents for elementary and secondary
13 education governing the special education of students with disabilities, section two, I., 1.0-4.11
14 and 34 C.F.R. Part 300.

15 SECTION 2. This article shall take effect upon passage.

16 ARTICLE 15

17 RELATING TO LICENSING OF CHILD CARE PROVIDERS

18 SECTION 1. Section 42-72.1-5 of the General laws in Chapter 42-72 entitled “Licensing
19 and Monitoring of Child Care Providers and Child-Placing Agencies” is hereby amended to read
20 as follows:

21 **42-72.1-5. General licensing provisions. --** The following general licensing provisions
22 shall apply:

23 (1) A license issued under this chapter is not transferable and applies only to the licensee
24 and the location stated in the application and remains the property of the department. A license
25 shall be publicly displayed. A license shall be valid for one year from the date of issue and upon
26 continuing compliance with the regulations, except that a certificate issued to a family day care
27 home, a license issued to a foster parent, and/or a license issued to a program for mental health
28 services for “seriously emotionally disturbed children” as defined in § 42-72-5(b)(24) shall be
29 valid for two (2) years from date of issue.

30 (2) Every license application issued pursuant to § 42-72.1-4 shall be accompanied by a
31 nonrefundable application fee paid to the State of Rhode Island as follows:

32 (a) child placing agency license– one thousand dollars (\$1000);

33 (b) child day care center license– five hundred dollars (\$500);

34 (c) group family day care home license – two hundred and fifty dollars (\$250);

1 (d) family day care home license- one hundred dollars (\$100);

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

4 ~~(2)~~(4) A licensee shall comply with applicable state fire and health safety standards.

5 ~~(3)~~(5) The department may grant a provisional license to an applicant, excluding any
6 foster parent applicants, who is not able to demonstrate compliance with all of the regulations
7 because the program or residence is not in full operation; however, the applicant must meet all
8 regulations that can be met in the opinion of the administrator before the program is fully
9 operational. The provisional license shall be granted for a limited period not to exceed six (6)
10 months and shall be subject to review every three (3) months.

11 ~~(4)~~(6) The department may grant a probationary license to a licensee who is temporarily
12 unable to comply with a rule or rules when the noncompliance does not present an immediate
13 threat to the health and well-being of the children, and when the licensee has obtained a plan
14 approved by the administrator to correct the areas of noncompliance within the probationary
15 period. A probationary license shall be issued for up to twelve (12) months; it may be extended
16 for an additional six (6) months at the discretion of the administrator. A probationary license that
17 states the conditions of probation may be issued by the administrator at any time for due cause.
18 Any prior existing license is invalidated when a probationary license is issued. When the
19 probationary license expires, the administrator may reinstate the original license to the end of its
20 term, issue a new license or revoke the license.

21 ~~(5)~~(7) The administrator will establish criteria and procedure for granting variances as
22 part of the regulations.

23 ~~(6)~~(8) The above exceptions (probationary and provisional licensing and variances) do
24 not apply to and shall not be deemed to constitute any variance from state fire and health safety
25 standards.

26 SECTION 2. This article shall take effect as of July 1, 2004.

27 ARTICLE 16

28 RELATING TO STATE AID

29 SECTION 1. Section 44-5-22 of the General Laws in Chapter 44-5 entitled "Levy and
30 Assessment of Local Taxes" is hereby amended to read as follows:

31 **44-5-22 Certification of tax roll.** -- The tax levy shall be applied to the assessment roll
32 and the resulting tax roll certified by the assessors to the town clerk, town treasurer, or tax
33 collector, as the case may be, not later than the next succeeding June 15. ~~Thereafter, but in any~~
34 ~~event prior to June 30 succeeding the certification, the assessor shall cause to be published in a~~

1 ~~newspaper of general circulation within the city or town the rate of tax and the percentage of fair~~
2 ~~market value employed in assessing the tax on manufacturer's machinery and equipment. Later~~
3 adjustments to the levy shall be permitted under any of the following conditions:

4 (a) Final state aid as approved by the RI General Assembly is materially greater or less
5 than was reasonably estimated by the city or town on or before June 15 when the tax role was
6 certified, or;

7 (b) State actions result in reduced or increased costs to the city or town and become
8 known only after final action on the budget by the city or town, or;

9 (c) The city or town receives an adverse or favorable ruling relative to school spending
10 pursuant to 16-2-21.4 of the General Laws.

11 Under any of these conditions, the assessor at the direction of the chief elected or
12 appointed official and as approved by the City or Town Council may reduce or increase the levy.
13 Such change in the levy shall be in an amount sufficient to reduce or increase estimated municipal
14 revenues in an amount generally equivalent to the net of increased savings and or costs
15 attributable to the events specified in (a), (b) and (c). Such reduced or supplemental levy shall be
16 applied as a credit or supplement to the fourth quarter tax bill.

17 SECTION 2. Section 44-25-1 of the General Laws in Chapter 44-25 entitled "Real Estate
18 Conveyance Tax" is hereby amended to read as follows:

19 **44-25-1. Tax imposed – Payment – Burden.** -- (a) There is imposed, on each deed,
20 instrument, or writing by which any lands, tenements, or other realty sold is granted, assigned,
21 transferred, or conveyed to, or vested in, the purchaser or purchasers, or any other person or
22 persons, by his or her or their direction, when the consideration paid exceeds one hundred dollars
23 (\$100), a tax at the rate of two dollars (\$2.00) for each five hundred dollars (\$500) or fractional
24 part of it which is paid for the purchase of the property (inclusive of the value of any lien or
25 encumbrance remaining at the time of sale), which tax is payable at the time of making,
26 execution, delivery, acceptance or presenting for recording of the instrument. In the absence of an
27 agreement to the contrary, the tax shall be paid by the grantor.

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

31 (c) From the proceeds of this tax ~~The the~~ tax administrator ~~contributes to the distressed~~
32 ~~community relief program~~ shall deposit as general revenues the sum of thirty ninety cents (\$0.90)
33 (\$0.90) per two dollars (\$2.00) of the face value of the stamps ~~to be distributed pursuant to § 45-~~
34 ~~13-12. The state shall retain sixty cents (\$0.60) for state use.~~ The balance of the tax is retained by

1 the municipality collecting the tax.

2 SECTION 3. Sections 45-13-1, 45-13-12 and 45-13-13 of the General Laws in Chapter
3 45-13 entitled "State Aid" are hereby amended to read as follows:

4 **45-13-1. Apportionment of annual appropriation for state aid. --** (a) As used in this
5 chapter, the following words and terms have the following meanings:

6 (1) "Population" means the most recent estimates of population for each city and town as
7 reported by the United States department of commerce, bureau of the census.

8 (2) "Income" means the most recent estimate of per-capita income for a city, town or
9 county as reported by the United States department of commerce, bureau of the census.

10 (3) "Tax effort" means the total taxes imposed by a city or town for public purposes or
11 the totals of those taxes for the cities or towns within a county (except employee and employer
12 assessments and contributions to finance retirement and social insurance systems and other
13 special assessments for capital outlay) determined by the United States secretary of commerce for
14 general statistical purposes and adjusted to exclude amounts properly allocated to education
15 expenses.

16 (4) "Reference year" means the second fiscal year preceding the beginning of the fiscal
17 year in which the distribution of state aid to cities and towns is made.

18 (b) Aid to cities and towns shall be apportioned as follows: For each county, city or town,
19 let R be the tax effort divided by the square of per capita income, i.e., $R = (\text{tax effort})/(\text{income} \times$
20 $\text{income})$.

21 The amount to be allocated to the counties shall be apportioned in the ratio of the value of
22 R for each county divided by the sum of the values of R for all five (5) counties.

23 The amount to be allocated for all cities and for all towns within a county shall be the
24 allocation for that county apportioned proportionally to the total tax effort of the towns and cities
25 in that county.

26 The amount to be allocated to any city or town is the amount allocated to all cities or all
27 towns within the county apportioned in the ratio of the value of R for that city (or town) divided
28 by the sum of the values of R for all cities (or all towns) in that county; provided, further, that no
29 city or town shall receive an entitlement in excess of one hundred forty-five percent (145%) of
30 that city or town's population multiplied by the average per capita statewide amount of the annual
31 appropriation for state aid to cities and towns. Any excess entitlement shall be allocated to the
32 remainder of the cities and towns in the respective county in accordance with the provisions of
33 this section.

34 For fiscal year 2004, notwithstanding the provisions of subsection (a), aid calculations

1 shall be based on a blended rate of ninety percent (90%) of the data from the 1990 census and ten
2 percent (10%) of the data from the 2000 census. In each of the succeeding nine (9) fiscal years,
3 the calculations shall be based on a blended rate that increases the percentage of data utilized
4 from the 2000 census by ten percent (10%) from the previous year and decreases the percentage
5 of the data utilized from the 1990 census by ten percent (10%) from the previous year.

6 (c) The total amount of aid to be apportioned pursuant to subsection (b) above shall be
7 specified in the annual appropriation act of the state and shall be equal to the following:

8 (i) For fiscal years ending June 30, 1994 through June 30, 1998, the total amount of aid
9 shall be based upon one percent (1%) of total state tax revenues in the reference year.

10 (ii) For the fiscal year ending June 30, 1999, the total amount of aid shall be based upon
11 one and three-tenths percent (1.3%) of total state tax revenues in the reference year.

12 (iii) For the fiscal year ending June 30, 2000, the total amount of aid shall be based upon
13 one and seven-tenths percent (1.7%) of total state tax revenues in the reference year.

14 (iv) For the fiscal year ending June 30, 2001, the total amount of aid shall be based upon
15 two percent (2.0%) of total state tax revenues in the reference year.

16 (v) For the fiscal year ending June 30, 2002, the total amount of aid shall be based upon
17 two and four-tenths percent (2.4%) of total state tax revenues in the reference year.

18 (vi) For the fiscal year ending June 30, 2003, the total amount of aid shall be based upon
19 two and four-tenths percent (2.4%) of total state tax revenues in the reference year.

20 (vii) For the fiscal year ending June 30, 2004, the total amount of aid shall be based upon
21 two and seven-tenths percent (2.7%) of total state tax revenues in the reference year.

22 (viii) For the fiscal year ending June 30, 2005, the total amount of aid shall be ~~based upon~~
23 ~~three percent (3.0%) of total state tax revenues in the reference year~~ fifty-one million four
24 hundred thirty-eight thousand five hundred thirty-two dollars (\$51,438,532).

25 (ix) For the fiscal year ending June 30, 2006, the total amount of aid shall be based upon
26 three ~~and four-tenths~~ percent (~~3.4~~ 3.0%) of total state tax revenues in the reference year.

27 (x) For the fiscal year ending June 30, 2007, the total amount of aid shall be based upon
28 three and ~~seven~~ four-tenths percent (~~3.7~~ 3.4%) of total state tax revenues in the reference year.

29 (xi) For the fiscal year ending June 30, 2008, the total amount of aid shall be based upon
30 ~~four and one~~ three and seven-tenths percent (~~4.1~~ 3.7 %) of total state tax revenues in the reference
31 year.

32 (xii) For the fiscal year ending June 30, 2009, the total amount of aid shall be based upon
33 four and ~~four~~ one-tenths percent (~~4.4~~ 4.1%) of total state tax revenues in the reference year.

34 (xiii) For the fiscal year ending June 30, 2010, the total amount of aid shall be based upon

1 four and ~~seven~~ four-tenths percent (~~4.7~~ 4.4%) of total state tax revenues in the reference year.

2 (xiv) For the fiscal year ending June 30, 2011, the total amount of aid shall be based upon
3 four and seven-tenths percent (4.7%) of total state tax revenues in the reference year.

4 (d) The assent of two-thirds (2/3) of the members elected to each house of the general
5 assembly shall be required to repeal or amend this section.

6 **45-13-12. Distressed communities relief fund.** -- (a) There is established a fund to
7 provide state assistance to those Rhode Island cities and towns which have the highest property
8 tax burdens relative to the wealth of taxpayers.

9 (b) *Establishment of indices.* Four (4) indices of distress shall be established to determine
10 eligibility for the program. Each community shall be ranked by each distress index and any
11 community which falls into the lowest fifteen percent (15%) of at least three (3) of the four (4)
12 indices shall be eligible to receive assistance. The four (4) indices are established as follows:

13 (1) *Percent of tax levy to full value of property.* This shall be computed by dividing the
14 tax levy of each municipality by the full value of property for each municipality. For the 1990-91
15 fiscal year, tax levy and full value shall be as of the assessment date December 31, 1986.

16 (2) *Per capita income.* This shall be the most recent estimate reported by the U.S.
17 department of commerce, bureau of the census.

18 (3) *Percent of personal income to full value of property.* This shall be computed by
19 multiplying the per capita income above by the most recent population estimate as reported by the
20 U.S. department of commerce, bureau of the census, and dividing the result by the full value of
21 property.

22 (4) *Per capita full value of property.* This shall be the full value of property divided by
23 the most recent estimate of population by the U.S. department of commerce, bureau of the census.

24 (c) *Distribution of funds.* Funds shall be distributed to each eligible community on the
25 basis of the community's tax levy relative to the total tax levy of all eligible communities. For the
26 fiscal year 1990-91, the reference year for the tax levy shall be the assessment date of December
27 31, 1988. For each fiscal year thereafter, the reference year and the fiscal year shall bear the same
28 relationship.

29 (d) *Appropriation of funds.* The state of Rhode Island shall ~~appropriate~~ distribute to
30 eligible communities the ~~collections from the real estate conveyance tax pursuant to § 44-25-1(e)~~
31 ~~which have been deposited as general revenues~~ funds appropriated to the distressed communities
32 relief program in the annual appropriations act, including collections from the video lottery
33 terminal revenue pursuant to 42-61.2-7(b).

34 (e) *Payments.* Payments shall be made to eligible communities ~~each March from amounts~~

1 ~~collected pursuant to § 44-25-1(c) during the period July 1 to December 31 and in August from~~
2 ~~collections during the period January 1 to June 30~~ as follows: fifty-percent (50.0%) in August of
3 each fiscal year and fifty-percent (50.0%) in the following March of each fiscal year.

4 **45-13-13. Adjustments to tax levy, assessed value, and full value when computing**
5 **state aid.** -- (a) Whenever the director of administration computes the relative wealth of
6 municipalities for the purpose of distributing state aid in accordance with title 16 and the
7 provisions of § 45-13-12, the following adjustments shall be made:

8 (1) The tax levy of each municipality and fire district shall be adjusted upward by the
9 amount of payment in lieu of tax revenue ~~estimated to be~~ received by a municipality and fire
10 district pursuant to ~~a~~ any property tax treaty agreement, ~~agreement authorized by a special public~~
11 ~~law or by reason of agreements between a municipality and the economic development~~
12 ~~corporation in accordance with § 42-64-20~~ payment in-lieu-of-taxes agreement, or agreements
13 reached through public laws and other similar mechanisms. Notwithstanding, payments in lieu of
14 taxes received pursuant to § 45-13-5.1 of the General Laws, and payments in lieu of taxes from
15 quasi-public entities, shall not be subject to any adjustment pursuant to this section;

16 (2) Simultaneously, the assessed value, full value, and equalized weighted assessed value
17 of the municipality shall also be adjusted upward to reflect the imputed value of the tax treaty
18 property as if the payment in lieu of tax revenues received pursuant to the agreements identified
19 above had resulted from a tax levy;

20 (3) Fire district tax levies, including any levies adjusted upward pursuant to Section (1)
21 above, within a city or town, shall be included as part of the total levy attributable to that city or
22 town.

23 (4) The Office of Municipal Affairs will review and analyze all tax treaties, payment in
24 lieu of tax agreements, and other property tax stabilization mechanisms employed by the various
25 cities and towns as to their procedures, methodologies, and reporting to ensure that property
26 valuations are treated consistently for the purposes of computing state aid entitlements.

27 (b) The changes as required by subdivision (a)(1) through ~~(a)(3)~~ (a)(4) shall be
28 incorporated into the computation of entitlements effective for distribution in fiscal year ~~2002-~~
29 ~~2003~~ 2005-2006 and thereafter.

30 SECTION 4. This article shall take effect as of July 1, 2004.

31 ARTICLE 17

32 RELATING TO TAX CREDIT RESTRUCTURING

33 SECTION 1. Sections 42-64.3-6, 42-64.3-7.1 and 42-64.3-8.1 of the General Laws in
34 Chapter 42-64.3 entitled “Distressed Areas Economic Revitalization Act” are hereby repealed.

1 ~~**42-64.3-6. Business tax credits.**—A qualified business in an enterprise zone is allowed a~~
2 ~~credit against the tax imposed pursuant to chapters 11, 13 (except the taxation of tangible~~
3 ~~personal property under § 44-13-13), 14, 17, and 30 of title 44:~~

4 ~~(1) A credit equal to fifty percent (50%) of the total amount of wages paid to those~~
5 ~~enterprise job employees comprising the five percent (5%) new jobs referenced in § 42-64.3-~~
6 ~~3(4)(i)(A). The wages subject to the credit shall be reduced by any direct state or federal wage~~
7 ~~assistance paid to employers for the employee(s) in the taxable year. The maximum credit~~
8 ~~allowed per taxable year under the provisions of this subsection shall be ten thousand dollars~~
9 ~~(\$10,000), per employee. A taxpayer who takes this business tax credit shall not be eligible for~~
10 ~~the resident business owner modification pursuant to § 42-64.3-7.~~

11 ~~(2) A credit equal to seventy five percent (75%) of the total amount of wages paid to~~
12 ~~those enterprise job employees who are domiciliaries of an enterprise zone comprising the five~~
13 ~~percent (5%) new jobs referenced in § 42-64.3-3(4)(i)(A). The wages subject to the credit shall be~~
14 ~~reduced by any direct state or federal wage assistance in the taxable year. The maximum credit~~
15 ~~allowed per taxable year under the provisions of this subsection shall be fifteen thousand dollars~~
16 ~~(\$15,000) per employee. A taxpayer who takes this business tax credit is not eligible for the~~
17 ~~resident business owner modification. The council shall promulgate appropriate rules to certify~~
18 ~~that the enterprise job employees are domiciliaries of an enterprise zone and shall advise the~~
19 ~~qualified business and the tax administrator. A taxpayer taking a credit for employees pursuant to~~
20 ~~this subsection (2) shall not be entitled to a credit pursuant to subsection (1) for the employees.~~

21 ~~(3) Any tax credit as provided in subsection (1) or (2) shall not reduce the tax below the~~
22 ~~minimum tax. Fiscal year taxpayers must claim the tax credit in the year into which the December~~
23 ~~31st of the certification year falls. The credit shall be used to offset tax liability pursuant to the~~
24 ~~provisions of either chapters 11, 13, 14, 17, or 30 of title 44, but not more than one chapter.~~

25 ~~(4) In the case of a corporation, the credit allowed under this section is only allowed~~
26 ~~against the tax of that corporation included in a consolidated return that qualifies for the credit~~
27 ~~and not against the tax of other corporations that may join in the filing of a consolidated tax~~
28 ~~return.~~

29 ~~(5) In the case of multiple business owners, the credit provided in subsection (1) or (2) is~~
30 ~~apportioned according to the ownership interests of the qualified business.~~

31 ~~(6) The tax credits established pursuant to this section may be carried forward for a~~
32 ~~period of three (3) years if in each of the three (3) calendar years a business which has qualified~~
33 ~~for tax credits under this section (a) does not reduce the number of its employees from the last~~
34 ~~Effective Date of Certification; (b) obtains certificates of good standing from the Rhode Island~~

1 ~~Division of Taxation, the corporations division of the Rhode Island Secretary of State and the~~
2 ~~appropriate municipal tax collector; (c) provides the Council an affidavit stating under oath that~~
3 ~~this business has not within the preceding twelve (12) months changed its legal status for the~~
4 ~~purpose of gaining favorable treatment under the provisions of chapter 64.3 of this title; and (d)~~
5 ~~meets any other requirements as may be established by the Council in its rules and regulations.~~

6 ~~**42-64.3-7.1. Tax credit for donations.**— Any taxpayer is allowed a credit of twenty~~
7 ~~percent (20%) against the tax imposed by chapter 11, 13, 14, 17 or 30 of title 44 for donations to~~
8 ~~public supported improvement projects in the zone, provided:~~

9 (1) ~~The taxpayer obtain certification from the city or town that the project is an endorsed~~
10 ~~zone capital improvement project as defined and endorsed by the council;~~

11 (2) ~~The taxpayer is allowed a maximum credit of ten thousand dollars (\$10,000) per~~
12 ~~taxable year;~~

13 (3) ~~Any tax credit shall not offset any tax liability in taxable years other than the year in~~
14 ~~which the taxpayer qualifies for the credit. The credit shall not reduce the tax below the~~
15 ~~minimum. The credit shall be used to offset tax liability pursuant to the provisions of only one of~~
16 ~~the aforementioned chapters of title 44; and~~

17 (4) ~~In the case of a corporation, the credit allowed under this section is only allowed~~
18 ~~against the tax of that corporation included in a consolidated return that qualifies for the credit~~
19 ~~and not against the tax of other corporations that may join in the filing of a consolidated tax~~
20 ~~return.~~

21 (5) ~~The donation(s) for a public supported improvement project in the zone are only those~~
22 ~~donations to the respective enterprise zone to the extent allowed and claimed as a charitable~~
23 ~~contribution on the donor's federal tax return for the tax year in which the donation is made.~~

24 ~~**42-64.3-8.1. Interest income credit.**— A taxpayer is allowed a ten percent (10%) credit~~
25 ~~against taxes due under the provisions of chapter 11, 13, 14, 17, or 30 of title 44 for interest~~
26 ~~earned and received on loans made to qualified businesses the proceeds of which are and solely~~
27 ~~and exclusively in the zone, after the effective date of designation of the zone, provided:~~

28 (1) ~~The taxpayer is allowed a maximum credit of ten thousand dollars (\$10,000) per~~
29 ~~taxable year.~~

30 (2) ~~Any tax credit provided shall not offset any tax liability in taxable years other than the~~
31 ~~year in which the taxpayer qualifies for the credit. The credit shall not reduce the tax below the~~
32 ~~minimum. The credit shall be used to offset tax liability pursuant to the provisions of only one of~~
33 ~~the aforementioned chapters of title 44, but not both.~~

34 (3) ~~Provided further that a one hundred percent (100%) credit against taxes due under~~

1 ~~chapter 11, 13, 14, 17, or 30 of title 44 for interest earned on loans made for the rehabilitation of~~
2 ~~council-certified industrial or commercial property located in the zone after the effective date of~~
3 ~~designation of the zone for use in construction, expanding or rehabilitation of industrial or~~
4 ~~commercial real property shall be allowed provided that the amount of the loan shall be a~~
5 ~~minimum of twenty five percent (25%) of the qualified business' book value of the real property~~
6 ~~and the credit shall not be counted against the maximum credit provided in subsection (1), but~~
7 ~~shall be limited to twenty thousand dollars (\$20,000) per taxable year.~~

8 ~~(4) In the case of a corporation, the credit allowed under this section is only allowed~~
9 ~~against the tax of that corporation included in a consolidated return that qualifies for the credit~~
10 ~~and not against the tax of other corporations that may join in the filing of a consolidated tax~~
11 ~~return.~~

12 SECTION 2. Chapter 44-43.1 of the General Laws entitled “Small Business Tax Credit”
13 is hereby repealed.

14 ~~**44-43.1-1. Small business tax credit.**— (a) For the purposes of this section, a “small~~
15 ~~business” means any corporation, partnership, sole proprietorship or other business entity~~
16 ~~qualifying as “small” under the standards contained in 13 C.F.R. § 121.~~

17 ~~(b) Every small business formed under the laws of the state of Rhode Island and~~
18 ~~operating within the state of Rhode Island is entitled to claim as a credit against the tax imposed~~
19 ~~by chapters 11, 17 and 30 of this title any amount paid to the U.S. small business administration~~
20 ~~(SBA) as a guaranty fee pursuant to the obtaining of SBA guaranteed financing. This credit may~~
21 ~~be applied to the tax year in which the guaranty fee was paid and any unused credit may be~~
22 ~~carried forward and applied by the taxpayer for a maximum of four (4) subsequent tax years;~~
23 ~~provided, that the credit shall not reduce the tax in any tax year below the minimum tax where a~~
24 ~~minimum tax is provided under this title, and shall be claimable only by the small business which~~
25 ~~is the primary obligor in the financing transaction and which actually paid the guaranty fee.~~

26 SECTION 3. Section 44-11-42 of the General Laws in Chapter 44-11 entitled
27 “Corporations” is hereby repealed.

28 ~~**44-11-42. Tax credit for quality certification.**— (a) Any taxpayer which~~
29 ~~receives a quality standard certificate from the International Standard Organization shall be~~
30 ~~entitled to a tax credit equal to the cost incurred to obtain the quality standard certificate. The~~
31 ~~credit under this section may be taken as an offset against the Rhode Island business corporation~~
32 ~~tax or the Rhode Island personal income tax in the case of subchapter “S” corporations, but in no~~
33 ~~event shall reduce either tax to below the minimum due or result in a refund.~~

34 ~~(b) The tax administrator is authorized and empowered to make rules and regulations as~~

1 ~~the administrator shall deem necessary to carry out the purpose of this section.~~

2 SECTION 4. This article shall take effect upon passage and applies to tax years ending
3 on or after January 1, 2004.

4 ARTICLE 18

5 RELATING TO MEDICAL ASSISTANCE - NURSING FACILITY RATES

6 SECTION 1. Section 40-8-19 of the General Laws in Chapter 40-8- entitled "Medical
7 Assistance" is hereby amended to read as follows:

8 **40-8-19. Rates of payment to nursing facilities.** – (a) The rates to be paid by the state
9 to nursing facilities licensed pursuant to chapter 17 of title 23, and certified to participate in the
10 title XIX medicaid program for services rendered to medicaid-eligible residents, shall be
11 reasonable and adequate to meet the costs which must be incurred by efficiently and
12 economically operated facilities in accordance with 42 U.S.C. section 1396a(a)(13). The
13 department of human services shall promulgate or modify the principles of reimbursement for
14 nursing facilities currently in effect on July 1, 2003 to be consistent with the provisions of this
15 section and title XIX, 42 U.S.C. section 1396 et seq., of the Social Security Act.

16 (b) *Rate reform.* Subject to the phase-in provisions in subsections (c) and (d) below, the
17 department shall, on or before October 1, 2005, modify the principles of reimbursement for
18 nursing facilities to include the following elements:

19 (1) Annual base years;

20 (2) Four (4) cost centers: direct labor, property, other operating, and pass through items;

21 (3) Re-array of costs of all facilities in the labor and other operating cost centers every
22 three (3) years beginning with calendar year 2002;

23 (4) A ceiling maximum for allowable costs in the direct labor cost center to be
24 established by the department between one hundred ten percent (110%) and one hundred twenty-
25 five percent (125%) of the median for all facilities for the most recent array year.

26 (5) A ceiling maximum for allowable costs in the other operating cost center to be
27 established by the department between ninety percent (90%) and one hundred fifteen percent
28 (115%) of the median for all facilities for the most recent array year;

29 (6) Adjustment of costs and ceiling maximums by the increase in the National Nursing
30 Home Price Index ("NNHPI") for the direct labor cost center and the other operating cost center
31 for year between array years; such adjustments to be applied on October 1st of each year
32 beginning October 1, 2003 for the direct labor cost center and October 1, 2005 for the other
33 operating cost center.

34 (7) Application of a fair rental value system to be developed by the department for

1 calculating allowable reimbursement for the property cost center;

2 (8) Such quality of care and cost containment incentives as may be established by
3 departmental regulations.

4 (c) *Phase I Implementation.* The department shall file a state plan amendment with the
5 U.S. Department of Health and Human Services on or before August 1, 2003 to modify the
6 principles of reimbursement for nursing facilities, to be effective on October 1, 2003, or as soon
7 thereafter as is authorized by an approved state plan amendment, to establish the direct labor cost
8 center and the pass through items cost center utilizing calendar year 2002 cost data, and to apply
9 the ceiling maximums in subsections (b)(4) and (b)(5) above. Nursing facilities whose allowable
10 2002 direct labor costs are below the median in the direct labor cost center may make application
11 to the department for a direct labor cost interim payment adjustment equal to twenty-five percent
12 (25%) of the amount such allowable 2002 direct labor costs are below the median in the direct
13 labor cost center, provided that the interim payment adjustment granted by the department on or
14 after October 1, 2003 must be expended by the facility on expenses allowable within the direct
15 labor cost center, and any portion of the interim payment not expended on allowable direct labor
16 cost center expenses shall be subject to retroactive adjustment and recoupment by the department
17 upon the department's determination of a final direct labor payment adjustment after review of the
18 facility's actual direct labor expenditures. The final direct labor payment adjustment will be
19 included in the facility's October 1, 2004 rate until the facility's next base year.

20 (d) *Phase II Implementation.* The department shall file a state plan amendment with the
21 U.S. Department of Health and Human Services to modify the principles of reimbursement for
22 nursing facilities, to be effective on July 1, ~~2004~~ 2005, or as soon thereafter as is authorized by an
23 approved state plan amendment, to establish a fair rental value system for calculating allowable
24 reimbursement for the property cost center in accordance with subsection (b)(7) above.

25 SECTION 2. This article shall take effect on July 1, 2004, and any rules or regulations
26 necessary or advisable to implement the provisions of this article shall be effective immediately
27 as an emergency rule upon the department's filing thereof with the secretary of state as it is
28 hereby found that the current fiscal crisis in this state has caused an imminent peril to public
29 health, safety and welfare, and the department is hereby exempted from the requirements of
30 sections 42-35-3(b) and 42-35-4(b)(2) relating to agency findings of imminent peril to public
31 health, safety and welfare and the filing of statements of the agency's reasons thereof.

32 ARTICLE 19

33 RELATING TO CHILD CARE ASSISTANCE - ELIGIBILITY

34 SECTION 1. Section 40-5.1-17 of the General Laws in Chapter 40-5.1 entitled "Family

1 Independence Act” is hereby to read as follows:

2 **40-5.1-17. Families eligible for child care assistance.** – (a) The department shall
3 provide appropriate child care to every parent who requires child care in order to meet the work
4 requirements in § 40-5.1-9 and to all other families with incomes at or below one hundred eighty-
5 five percent (185%) of the federal poverty line, if and to the extent such other families require
6 child care in order to work at paid employment; provided, however, that effective January 1,
7 1999, the department shall provide appropriate child care to such other families whose incomes
8 are at or below two hundred percent (200%) of the federal poverty line; ~~effective July 1, 1999, the~~
9 ~~department shall provide appropriate child care to such other families whose incomes are at or~~
10 ~~below two hundred twenty five percent (225%) of the federal poverty line.~~

11 (b) For purposes of this section "appropriate child care" means child care, including
12 infant/toddler, pre-school, nursery school, school-age, and youth care, which is provided by a
13 person or organization qualified, approved, and authorized to provide such care by the department
14 of children, youth, and families, or by the department of elementary and secondary education, or
15 such other lawful providers as determined by the department of human services, in cooperation
16 with the department of children, youth and families and the department of elementary and
17 secondary education, subject to the following age limitations:

18 (1) Through December 31, 1998, for a child below the age of thirteen (13), or children
19 age thirteen (13) years or older who are under supervision of the family court or who require care
20 because of a physical or mental impairment;

21 (2) Effective January 1, 1999, for a child below the age of fifteen (15);

22 (3) Effective July 1, 1999, for a child below the age of sixteen (16).

23 (c) The department of human services shall determine rates of reimbursement for child
24 care services for children over the age of twelve (12) in accordance with the provisions of § 40-
25 6.2-1.1(d).

26 For purposes of this section "appropriate child care" is defined in § 40-5.1-9(d).

27 (d) Families with incomes below one hundred percent (100%) of the applicable federal
28 poverty guidelines shall be provided with free child care. Families with incomes equal to or
29 greater than one hundred percent (100%) of the applicable federal poverty guideline shall be
30 required to pay for some portion of the child care they receive, according to a sliding fee scale
31 adopted by the department.

32 (e) In determining the type of child care to be provided to a family, the department shall
33 take into account the cost of available child care options and the suitability of the type of care
34 available for the child and the parent's preference as to the type of child care.

1 (f) For purposes of this section "income" for families receiving cash assistance under §
2 40-5.1-9 means gross earned income and unearned income, subject to the income exclusions in §
3 40-5.1-10(b) and § 40-5.1-10(c); and income for other families shall mean gross earned and
4 unearned income as determined by departmental regulations.

5 (g) The entitlement provided for in subsection (a) shall be an entitlement to payment of a
6 subsidy for child care to an appropriate child care provider as defined in subsection (b). The
7 caseload estimating conference established by chapter 17 of title 35 shall forecast the
8 expenditures for child care in accordance with the provisions of § 35-17-1.

9 SECTION 2. This article shall take effect upon passage and any rules or regulations
10 necessary or advisable to implement the provisions of this article shall be effective immediately
11 as an emergency rule upon the department's filing thereof with the secretary of state as it is
12 hereby found that the current fiscal crisis in this state has caused an imminent peril to public
13 health, safety and welfare, and the department is hereby exempted from the requirements of
14 sections 42-35-3(b) and 42-35-4(b)(2) relating to agency findings of imminent peril to public
15 health, safety and welfare and the filing of statements of the agency's reasons thereof.

16 ARTICLE 20

17 RELATING TO HUMAN SERVICES-CASH ASSISTANCE OVERPAYMENTS

18 SECTION 1. Sections 44-30.1-1, 44-30.1-3, 44-30.1-4 and 44-30.1-8 of the General
19 Laws in Chapter 44-30.1 entitled "Setoff of Refund of Personal Income Tax" are hereby
20 amended to read as follows:

21 **44-30.1-1. Definitions.** – (a) "Claimant agency" means either:

22 (1) The department of human services, with respect to (1) past-due support which has
23 been assigned to the department of human services by public assistance and medical assistance
24 recipients or by the department for children, youth and families, ~~and with respect to~~ (2) past-due
25 support which it is attempting to collect on behalf of any individual not eligible as a public
26 assistance recipient, and (3) cash assistance benefit overpayments, as defined herein; or

27 (2)(i) The Rhode Island higher education assistance authority (RIHEAA), with respect
28 to obligations owed to that agency or to the state of Rhode Island by reason of default or failure to
29 pay student loans, health professions contract advances or scholarships or grant overawards, or

30 (ii) The Rhode Island higher education assistance authority (RIHEAA), acting as agent
31 for the United States department of education or other student loan guarantee agencies in other
32 states which have negotiated a reciprocal arrangement with the RIHEAA for the setoff of refunds
33 of personal income taxes against defaulted loan obligations.

34 (3) The Rhode Island court administrative office, with respect to court costs, fines, and

1 restitution owed; or

2 (4) The department of labor and training with respect to benefit overpayments and
3 interest owed in excess of five hundred dollars (\$500).

4 (b) "Court costs owed" means any amount which has been assessed pursuant to a
5 criminal disposition by a judge of the district, family and superior courts, including but not
6 limited to those amounts assessed pursuant to chapters 20 and 25 of title 12 and those amounts
7 assessed pursuant to title 31, which has not been paid and which has been declared delinquent by
8 the administrative judge of the court making the assessment.

9 (c) "Debtor" means:

10 (1) any individual who owes past-due support which has been assigned to the
11 department of human services by public assistance and medical assistance recipients or by the
12 department ~~for~~ of children, youth and ~~their~~ families, or owes past due support to any individual
13 not eligible as a public assistance recipient;

14 (2) any individual who has obligations owed to RIHEAA or the state of Rhode Island,
15 the United States department of education or other states and agencies as have negotiated
16 reciprocal agreements with RIHEAA;

17 (3) any individual who owes court costs or fines to the Superior, Family and District
18 Courts;

19 (4) any individual who owes restitution to any victim of any offense which has been
20 ordered by a Judge of the District, Family and Superior Courts pursuant to a disposition in a
21 criminal case and which has been made payable through the administrative office of state courts
22 pursuant to § 12-19-34 except that obligations discharged in bankruptcy shall not be included;
23 ~~and~~

24 (5) any individual who owes any sum in excess of five hundred dollars (\$500) for benefit
25 overpayments and interest to the department of labor and training determined to be recoverable
26 under the provisions of chapters 39-44 of title 28-; and

27 (6) any individual who owes any sum of cash assistance benefit overpayments to the
28 department of human services.

29 (d) "Division" means the department of administration, division of taxation.

30 (e) "Fines owed" means any amount which has been ordered paid as a penalty in a
31 criminal case by a judge of the District, Family and Superior Courts which has not been paid and
32 which has been declared delinquent by the administrative judge of the court making the
33 assessment.

34 (f) "Obligation owed" means the total amount owed by any individual on:

1 (1) Any guaranteed student loan or parent loan for undergraduate students for which
2 RIHEAA has had to pay the guarantee, or for which RIHEAA is acting as agent on behalf of the
3 United States department of education or other state cooperating agencies which have had to pay
4 a guarantee,

5 (2) Any contract fee advanced by either RIHEAA or the state of Rhode Island on behalf
6 of any individual participating in a health professions educational program for which payment has
7 not been made according to the terms of the contract, and

8 (3) Any amount of scholarship or grant funds which constitutes an overaward, whether
9 due to error or to the submission of false information, and for which repayment has been
10 demanded by the agency, but which has not been paid.

11 (g) "Past-due support" means the amount of court-ordered child support or maintenance,
12 child medical support or a spousal support order for a custodial parent having custody of a minor
13 child, which is overdue or otherwise in arrears, regardless of whether there is an outstanding
14 judgment for that amount, and whether the order for the support or maintenance has been
15 established by a court or by an administrative process authorized under the laws of any state.

16 (h) "Refund" means the Rhode Island income tax refund which the division determines to
17 be due to a taxpayer.

18 (i) "Restitution owed" means any amount which has been ordered paid pursuant to a
19 criminal case disposition by a judge of the district, family and superior courts pursuant to chapter
20 19 of title 12, which has not been paid and which has been declared delinquent by the
21 administrative judge of the court making the assessment.

22 (j) "Benefit overpayments and interest owed" means any amount in excess of five
23 hundred dollars (\$500) determined to be recoverable under the provisions of chapters 39-44 of
24 title 28.

25 (k) "Cash assistance benefit overpayments" means any amount of cash assistance benefits
26 which constitutes an overpayment of benefits under the provisions of the Family Independence
27 Act, chapter 5.1 of title 40, and/or the predecessor family assistance program, formerly known as
28 the Aid to Families With Dependent Children program, as previously established by section 40-6-
29 4 of the general laws, which overpayment amount has been established by court order, by
30 administrative hearing conducted by the department of human of human services, or by written
31 agreement between the department of human services and the individual.

32 **44-30.1-3. Collection of debts by setoff.** – Within a time frame established by the
33 division, the claimant agency shall supply the information necessary relative to each debtor owing
34 the state money, and further, shall certify the amount of debt or debts owed to the state by each

1 debtor. Upon receiving notice from the claimant agency that a named debtor owes past-due
2 support, delinquent court costs, fines, or restitution or benefit overpayments and interest owed, ~~or~~
3 has obligations owed as described in § 44-30.1-1(f) above, or cash assistance benefit
4 overpayments, the division shall determine whether any amount, as a refund of taxes paid, is
5 payable to the debtor, regardless of whether the debtor filed an income tax return as a married or
6 unmarried individual. If the division determines that any refund is payable, the division shall
7 setoff the past-due support, delinquent court costs, fines or restitution or benefit overpayments
8 and interest owed, ~~or~~ the obligation owed, or cash assistance benefit overpayments against the
9 debtor's refund and shall reduce the debtor's refund by the amount so determined. The division
10 shall transfer the amount of past-due support, delinquent court costs, fines or restitution, or
11 benefit overpayments and interest owed, ~~or~~ obligation owed, or cash assistance benefit
12 overpayments setoff against the debtor's refund to the claimant agency or in the case of the
13 United States department of education or other out-of-state agencies, to Rhode Island Higher
14 Education Assistance Authority (RIHEAA) as its agent. The pendency of judicial proceedings to
15 contest the setoff shall not stay nor delay the setoff and transfer of refunds to the claimant agency.
16 If the amount of the debtor's refund exceeds the amount of the past-due support, delinquent court
17 costs, fines, or restitution or benefit overpayments and interest owed, ~~or~~ obligation owed, or cash
18 assistance benefit overpayments, the division shall refund the excess amount to the debtor. If in
19 any instance with regard to the debtor the division has received notice from more than one
20 claimant agency, the claim by the bureau of child support shall receive first priority, the
21 obligations owed shall have second priority, and the delinquent court costs, fines or restitution
22 shall have third priority, ~~and~~ the benefit overpayments and interest owed the fourth priority and
23 the cash assistance benefit overpayments the fifth priority.

24 **44-30.1-4. Procedures for setoff and notification of a debtor.** – (a) The division shall
25 prescribe the time or times at which the claimant agency must submit notices of past-due support,
26 the manner in which the notices must be submitted, and the necessary information that must be
27 contained in or accompany the notices. The division shall, from time to time, determine the
28 minimum amount of claim to which the set-off procedure may be applied.

29 (b) Prior to submitting information relating to a debtor for purposes of setoff of the
30 debtor's income tax refund, the claimant agency shall provide written notice to each debtor, the
31 amount of past-due support, delinquent court costs, fines or restitution, or benefit overpayments
32 and interest owed, ~~or~~ other obligation owed, or cash assistance benefit overpayments, the
33 intention to setoff the amount owed against the refund, the debtor's right to an administrative
34 hearing to contest the setoff upon written request made within thirty (30) days of the mailing of

1 the notice to the debtor, the debtor's right to judicial review of the administrative hearing
2 decision, the general nature of the potential defenses available to the debtor, and, in general
3 terms, the rights of non-obligated spouses with respect to income tax refunds in the event a joint
4 return is filed.

5 (c) At the time of the transfer of funds to a claimant agency as provided in this chapter,
6 the division shall notify the debtor whose refund is sought to be setoff that the transfer has been
7 made. The notice shall state the name of the debtor, the amount of the past-due support being
8 claimed, the transfer of funds to the claimant agency, the amount of the refund in excess of the
9 amount claimed, if any. In the case of a joint refund, the notice shall also state the name of a
10 taxpayer-spouse named in the return, if any, against whom no past-due support, delinquent court
11 costs, fines or restitution, or benefit overpayments and interest owed, ~~or~~ obligation owed, or cash
12 assistance benefit overpayments is claimed, the opportunity to request that the refund be divided
13 between the spouses by filing an amended income tax return in conformance with § 44-30-11
14 showing each spouse's share of the tax and the contribution to the overpayment of tax resulting in
15 the refund.

16 (d) Upon receipt of funds transferred from the division, the claimant agency deposits
17 and holds the funds in an escrow account until final determination of setoff. Upon final
18 determination of the amount of the claim to be setoff by (1) default for failure to apply for a
19 hearing pursuant to subsection (b), or by (2) decision of the hearing officer pursuant to § 44-30.1-
20 5, the claimant agency shall remove the account of the claim payment from the escrow account,
21 and credit the amount to the debtor's obligation. The pendency of judicial proceedings pursuant to
22 § 42-35-15 to review the administrative decision shall not stay nor delay the setoff, transfer, and
23 disbursement of the tax refund in question.

24 (e) With respect to setoff for past-due support, or cash assistance benefit overpayments,
25 the division shall provide the debtor's address and social security number to the department of
26 human services.

27 (f) With respect to setoff for past-due support, the department of human services must
28 inform a non-public assistance custodial parent in advance if it will first apply any setoff amount
29 to be received from the division to satisfy past-due support assigned to it.

30 **44-30.1-8. Confidentiality exemption – Nondisclosure.** – The division may provide to
31 a claimant agency the information necessary to accomplish and effectuate the intent of this
32 chapter. The information obtained by a claimant agency from the division in accordance with the
33 provisions of this article retains its confidentiality and is only used by a claimant agency in
34 pursuit of its past-due support, ~~or~~ obligation owed, or cash assistance benefit overpayments

1 collection duties and practices; and any employee or prior employee of any claimant agency who
2 unlawfully discloses that information for any other purpose, except as specifically authorized by
3 law, is subject to the penalties specified by § 44-30-95(c).

4 SECTION 2. This article shall take effect as of July 1, 2004.

5 ARTICLE 21

6 RELATING TO LICENSING OF HOSPITAL FACILITIES

7 SECTION 1. Section 23-17-38.1 of the General Laws in Chapter 23-17 entitled
8 "Licensing of Health Care Facilities" is hereby amended as follows:

9 **23-17-38.1. Hospitals -- Licensing fee.** -- (a) There is imposed a hospital licensing fee at
10 the rate of four percent (4.0%) upon the net patient services revenue of every hospital for the
11 hospital's first fiscal year ending on or after January 1, 2001. This licensing fee shall be
12 administered and collected by the tax administrator, division of taxation within the department of
13 administration, and all the administration, collection and other provisions of chapter 50 and 51 of
14 title 44 shall apply. Every hospital shall pay the licensing fee to the tax administrator on or before
15 ~~October 31~~ December 15, 2003 2004 and payments shall be made by electronic transfer of
16 monies to the general treasurer and deposited to the general fund in accordance with § 44-50-11.
17 Every hospital shall, on or before ~~October 1~~ November 30, 2003 2004, make a return to the tax
18 administrator containing the correct computation of net patient services revenue for the hospital
19 fiscal year ending September 30, 2001 and the licensing fee due upon that amount. All returns
20 shall be signed by the hospital's authorized representative, subject to the pains and penalties of
21 perjury.

22 (b) For purposes of this section the following words and phrases have the following
23 meanings:

24 (1) "Hospital" means a person or governmental unit duly licensed in accordance with this
25 chapter to establish, maintain, and operate a hospital, except a hospital whose primary service and
26 primary bed inventory are psychiatric.

27 (2) "Gross patient services revenue" means the gross revenue related to patient care
28 services.

29 (3) "Net patient services revenue" means the charges related to patient care services less
30 (i) charges attributable to charity care, (ii) bad debt expenses, and (iii) contractual allowances.

31 (c) The tax administrator shall make and promulgate any rules, regulations, and
32 procedures not inconsistent with state law and fiscal procedures that he or she deems necessary
33 for the proper administration of this section and to carry out the provisions, policy and purposes
34 of this section.

1 (d) The licensing fee imposed by this section shall be in addition to the inspection fee
2 imposed by § 23-17-38 and to any licensing fees previously imposed in accordance with § 23-17-
3 38.1.

4 SECTION 2. This article shall take effect on July 1, 2004 and shall apply to hospitals, as
5 defined in Section 1, which are duly licensed on July 1, 2004. The licensing fee imposed by
6 Section 1 shall be in addition to the inspection fee imposed by Section 23-17-38 and to any
7 licensing fees previously imposed in accordance with Section 23-17-38.1.

8 ARTICLE 22

9 RELATING TO HEALTH INSURANCE – EARLY INTERVENTION SERVICES

10 SECTION 1. Chapter 27-18 of the General Laws entitled "Accident and Sickness
11 Insurance Policies" is hereby amended by adding thereto the following section:

12 **27-18-63. Coverage for early intervention services.** -- (a) Every individual or group
13 hospital or medical expense insurance policy or contract providing coverage for dependent
14 children, delivered or renewed in this state on or after the effective date of this act, shall include
15 coverage of early intervention services. Such coverage shall be limited to a benefit of five
16 thousand dollars (\$5,000) per dependent child per policy or calendar year and shall not be subject
17 to deductibles and coinsurance factors. Any amount paid by an insurer under this section for a
18 dependent child shall not be applied to any annual or lifetime maximum benefit contained in the
19 policy or contract. For the purpose of this section, "early intervention services" means, but is not
20 limited to, speech and language therapy, occupational therapy, physical therapy, evaluation, case
21 management, nutrition, service plan development and review, nursing services, and assistive
22 technology services and devices for dependents from birth to age three (3) who are certified by
23 the department of health as eligible for services under part C of the individuals with disabilities
24 education act (20 U.S.C. sec. 1471 et seq.).

25 (b) Subject to the annual limits provided in this section, insurers shall reimburse certified
26 early intervention providers, who are designated as such by the Department of Health, for early
27 intervention services as defined in this section at rates of reimbursement equal to or greater than
28 the prevailing integrated state/Medicaid rate for early intervention services as established by the
29 Department of Health and the Department of Human Services.

30 SECTION 2. Chapter 27-19 of the General Laws entitled "Nonprofit Hospital Service
31 Corporations" is hereby amended by adding thereto the following section:

32 **27-19-54. Coverage for early intervention services.** -- (a) Every individual or group
33 hospital or medical expense insurance policy or contract providing coverage for dependent
34 children, delivered or renewed in this state on or after the effective date of this act, shall include

1 coverage of early intervention services. Such coverage shall be limited to a benefit of five
2 thousand dollars (\$5,000) per dependent child per policy or calendar year and shall not be subject
3 to deductibles and coinsurance factors. Any amount paid by an insurer under this section for a
4 dependent child shall not be applied to any annual or lifetime maximum benefit contained in the
5 policy or contract. For the purpose of this section, "early intervention services" means, but is not
6 limited to, speech and language therapy, occupational therapy, physical therapy, evaluation, case
7 management, nutrition, service plan development and review, nursing services, and assistive
8 technology services and devices for dependents from birth to age three (3) who are certified by
9 the department of health as eligible for services under part C of the individuals with disabilities
10 education act (20 U.S.C. sec. 1471 et seq.).

11 (b) Subject to the annual limits provided in this section, insurers shall reimburse certified
12 early intervention providers, who are designated as such by the Department of Health, for early
13 intervention services as defined in this section at rates of reimbursement equal to or greater than
14 the prevailing integrated state/Medicaid rate for early intervention services as established by the
15 Department of Health and the Department of Human Services.

16 SECTION 3. Chapter 27-20 of the General Laws entitled "Nonprofit Medical Service
17 Corporations" is hereby amended by adding thereto the following section:

18 **27-20-49. Coverage for early intervention services.** -- (a) Every individual or group
19 hospital or medical expense insurance policy or contract providing coverage for dependent
20 children, delivered or renewed in this state on or after the effective date of this act, shall include
21 coverage of early intervention services. Such coverage shall be limited to a benefit of five
22 thousand dollars (\$5,000) per dependent child per policy or calendar year and shall not be subject
23 to deductibles and coinsurance factors. Any amount paid by an insurer under this section for a
24 dependent child shall not be applied to any annual or lifetime maximum benefit contained in the
25 policy or contract. For the purpose of this section, "early intervention services" means, but is not
26 limited to, speech and language therapy, occupational therapy, physical therapy, evaluation, case
27 management, nutrition, service plan development and review, nursing services, and assistive
28 technology services and devices for dependents from birth to age three (3) who are certified by
29 the department of health as eligible for services under part C of the individuals with disabilities
30 education act (20 U.S.C. sec. 1471 et seq.).

31 (b) Subject to the annual limits provided in this section, insurers shall reimburse certified
32 early intervention providers, who are designated as such by the Department of Health, for early
33 intervention services as defined in this section at rates of reimbursement equal to or greater than
34 the prevailing integrated state/Medicaid rate for early intervention services as established by the

1 Department of Health and the Department of Human Services.

2 SECTION 4. Chapter 27-41 of the General Laws entitled "Health Maintenance
3 Organizations" is hereby amended by adding thereto the following section:

4 **27-41-66. Coverage for early intervention services.** -- (a) Every individual or group
5 hospital or medical expense insurance policy or contract providing coverage for dependent
6 children, delivered or renewed in this state on or after the effective date of this act, shall include
7 coverage of early intervention services. Such coverage shall be limited to a benefit of five
8 thousand dollars (\$5,000) per dependent child per policy or calendar year and shall not be subject
9 to deductibles and coinsurance factors. Any amount paid by an insurer under this section for a
10 dependent child shall not be applied to any annual or lifetime maximum benefit contained in the
11 policy or contract. For the purpose of this section, "early intervention services" means, but is not
12 limited to, speech and language therapy, occupational therapy, physical therapy, evaluation, case
13 management, nutrition, service plan development and review, nursing services, and assistive
14 technology services and devices for dependents from birth to age three (3) who are certified by
15 the department of health as eligible for services under part C of the individuals with disabilities
16 education act (20 U.S.C. sec. 1471 et seq.).

17 (b) Subject to the annual limits provided in this section, insurers shall reimburse certified
18 early intervention providers, who are designated as such by the Department of Health, for early
19 intervention services as defined in this section at rates of reimbursement equal to or greater than
20 the prevailing integrated state/Medicaid rate for early intervention services as established by the
21 Department of Health and the Department of Human Services.

22 SECTION 5. This article shall take effect as of July 1, 2004.

23 ARTICLE 23

24 RELATING TO BOND FINANCING FOR SCHOOL HOUSING PROJECTS

25 SECTION 1. Sections 45-38.1-3, 45-38.1-19, and 45-38.1-20 of the General Laws in
26 Chapter 45-38.1 entitled "Health and Educational Building Corporation" are hereby amended to
27 read as follows:

28 **45-38.1-3. Definitions.** – As used in this chapter, the following words and terms have the
29 following meaning unless the context indicates another or different meaning or intent:

30 (1) "Bonds" means bonds of the corporation issued under the provisions of this chapter,
31 including refunding bonds, notwithstanding that the bonds may be secured by mortgage or the
32 full faith and credit of the corporation or the full faith and credit of a participating institution for
33 higher education or of a participating health care provider or any other lawfully pledged security
34 of a participating educational institution or child day care center or of a participating health care

1 provider;

2 (2) "Borrower" means a student or a parent who has received or agreed to pay an
3 education loan;

4 (3) "Cooperative hospital service organization" means a corporation created pursuant to
5 chapter 6 of title 7, which meets the requirements of Section 501(e) of the Internal Revenue Code
6 of 1954, 26 U.S.C. § 501(e), and is exempt from federal taxation of income in accordance with
7 Section 501(c)(3) of the Internal Revenue Code, 26 U.S.C. § 501(c)(3);

8 (4) "Corporation" means the Rhode Island health and educational building corporation
9 created and established as a nonbusiness corporation, under and pursuant to chapter 6 of title 7, as
10 amended, and constituted and established as a public body corporate and agency of the state
11 under § 45-38.1-4, or any board, body, commission, department, or officer succeeding to the
12 principal functions of the corporation or to whom the powers conferred upon the corporation by
13 this chapter are given by law;

14 (5) "Corporation loans" means loans by the corporation to an educational institution or
15 child day care center for the purpose of funding education loans;

16 (6) "Cost" as applied to a project or any portion of it, financed under the provisions of
17 this chapter, embraces all or any part of the cost of construction and acquisition of all lands,
18 structures, real or personal property, rights, rights of way, franchises, easements, and interests
19 acquired or used for a project, the cost of demolishing or removing any buildings or structures on
20 land so acquired, including the cost of acquiring any lands to which the buildings or structures
21 may be moved, the cost of all machinery and equipment, financing charges, interest prior to,
22 during and for a period after completion of the construction, provisions for working capital,
23 reserves for principal and interest and for extensions, enlargements, additions, replacements,
24 renovations and improvements, cost of engineering, financial and legal services, plans,
25 specifications, studies, surveys, estimates of cost and of revenues, administrative expenses,
26 expenses necessary or incident to determining the feasibility or practicability of constructing the
27 project, and other expenses that may be necessary or incident to the construction and acquisition
28 of the project, the financing of the construction and acquisition, and the placing of the project in
29 operation;

30 (7) "Default insurance" means insurance insuring education loans, corporation loans, or
31 bonds or notes of the corporation against default;

32 (8) "Default reserve fund" means a fund established pursuant to a resolution of the
33 corporation for the purpose of securing education loans, corporation loans, or bonds or notes of
34 the corporation;

1 (9) "Education loan" means a loan which is made by or on behalf of an educational
2 institution or child day care center from the proceeds of a corporation loan, to a student or parents
3 of a student or both, to finance the student's attendance at the institution;

4 (10) "Education loan series portfolio" means all education loans made by or on behalf of
5 a specific educational institution or child day care center which are funded from the proceeds of a
6 corporation loan to the institution out of the proceeds of a related specific bond or note issued
7 through the corporation;

8 (11) "Health care provider" means:

9 (i) Any nonprofit hospital incorporated under the laws of the state, including any
10 nonprofit subsidiary corporations formed by any hospital or formed by the parent corporation of
11 the hospital;

12 (ii) Any nonprofit corporation, the member or members of which consist solely of one or
13 more hospitals or their parent corporations;

14 (iii) Any other hospital, which is licensed as a general hospital or maternity hospital
15 pursuant to chapter 17 of title 23, which is exempt from taxation;

16 (iv) Any nonprofit group health association;

17 (v) Any cooperative hospital service organization, or any nonprofit corporation that is
18 licensed as a skilled nursing and/or intermediate care facility pursuant to chapter 17 of title 23,
19 including any nonprofit subsidiary corporation formed by any of the foregoing skilled nursing
20 and/or intermediate care facilities, or any nonprofit corporation eligible to receive funding,
21 pursuant to chapter 8.5 of title 40.1, and/or a corporation created pursuant to chapter 6 of title 7;
22 provided, that it is a real estate holding corporation created for the benefit of a nonprofit
23 corporation eligible to receive funding under chapter 8.5 of title 40.1;

24 (vi) Any nonprofit health care corporation whose purpose is to provide home care
25 services or supplies to the citizens of this state including, but not limited to, nonprofit visiting
26 nurse associations and nonprofit home care organizations;

27 (vii) Any other not-for-profit corporation organized pursuant to chapter 6 of title 7 or
28 pursuant to any special act of the general assembly and which is exempt from federal taxation of
29 income in accordance with Section 501(c)(3), 26 U.S.C. § 501(c)(3), of the Internal Revenue
30 Code and which is licensed as:

31 (A) A health care facility pursuant to chapter 17 of title 23;

32 (B) A "facility" pursuant to chapter 24 of title 40.1;

33 (C) A "residential care and assisted living facility" pursuant to chapter 17.4 of title 23; or

34 (D) An adult day-care facility;

1 (viii) Any not-for-profit corporation which is exempt from federal taxation of income in
2 accordance with Section 501(c)(3) of the Internal Revenue Code, 26 U.S.C. § 501(c)(3), or any
3 successor section of the Internal Revenue Code, which under contract with the state educates,
4 counsels or rehabilitates young people who have come subject to child welfare, juvenile justice or
5 mental health systems in the state; or

6 (ix) Any network or similar arrangement of those entities listed in subsection (11)(i)
7 through (viii) above;

8 (12) "Educational institution" means an educational institution or local education
9 authority participating in the school housing aid program as described in chapter 7 of title 16
10 situated within this state which, by virtue of law or charter, is a public or other nonprofit
11 educational institution empowered to provide a program of education at the primary, secondary or
12 high school level, beyond the high school level, and which is accredited by a nationally
13 recognized educational accrediting agency or association and awards a bachelor's or advance
14 degree or provides a program of not less than two (2) years' duration which is accepted for full
15 credit toward a bachelor's degree;

16 (13) "Loan funding deposit" means monies or other property deposited by an educational
17 institution or child day care center with the corporation, a guarantor, or a trustee for the purpose
18 of:

19 (i) Providing security for bonds or notes;

20 (ii) Funding a default reserve fund;

21 (iii) Acquiring default insurance;

22 (iv) Defraying costs of the corporation, the monies or properties to be in amounts as
23 deemed necessary by the corporation or a guarantor as a condition for the institution's
24 participation in the corporation's programs;

25 (14) "Nonprofit group health association" means an association or a corporation
26 established by an act of the general assembly, or created pursuant to chapter 6 of title 7, to
27 provide all or any part of a project or property to the citizens of this state;

28 (15) "Parent" means any parent, legal guardian, or sponsor of the student at an
29 educational institution or child day care center;

30 (16) "Participating hospital" means a hospital which, pursuant to the provisions of this
31 chapter, undertakes the financing and construction or acquisition of a project or undertakes the
32 refunding or refinancing of obligations or of a mortgage or of advances as provided in and
33 permitted by this chapter;

34 (17) "Participating educational institution" means an educational institution or child day

1 care center which, pursuant to the provisions of this chapter, undertakes the financing and
2 construction or acquisition of a project, or undertakes the refunding or refinancing of obligations
3 or of a mortgage or of advances or undertakes the financing, directly or indirectly, of education
4 loans, all as provided in and permitted by this chapter;

5 (18) "Project," in the case of a participating educational institution or child day care
6 center means a structure suitable for use as a dormitory or other housing facility, dining hall,
7 student union, administration building, academic building, library, laboratory, research facility,
8 classroom, athletic facility, health care facility, and maintenance, storage or utility facility, and
9 other structures or facilities related to the educational institution or child day care center or
10 required or useful for the instruction of students or the conducting of research or the operation of
11 an educational institution or child day care center including parking and other facilities or
12 structures essential or convenient for the orderly conduct of the educational institution or child
13 day care center and also includes equipment and machinery and other similar items necessary or
14 convenient for the operation of a particular facility or structure in the manner for which its use is
15 intended, but does not include such items as books, fuel, supplies, or other items which are
16 customarily deemed to result in a current operating charge; and, in the case of a participating
17 health care provider, means a structure suitable for use as a hospital, clinic, nursing home,
18 congregate housing for the elderly and/or infirm, mental health service unit, or other health care
19 facility, laboratory, laundry, nurses', interns', or clients' residence, administration building,
20 research facility, and maintenance, storage or utility facility, and other structures or facilities
21 related to the health care provider or required or useful for the operation of the project, including
22 parking and other facilities or structures essential or convenient for the orderly operation of the
23 project, and also includes equipment and machinery and other similar items necessary or
24 convenient for the operation of the project in the manner for which its use is intended, but does
25 not include such items as fuel, supplies, or other items which are customarily deemed to result in
26 a current operating charge;

27 (19) "State" means the state of Rhode Island and Providence Plantations;

28 (20) "Child day care center" means a child day care center as defined in § 23-28.1-5,
29 which is a not-for-profit organization;

30 (21) "Note" means a written promise to pay, including, but not limited to, capital notes
31 and revenue anticipation notes;

32 (22) "Capital note(s)" means a note or notes of the corporation not exceeding twelve (12)
33 months in duration to maturity issued for the benefit of a health care provider or educational
34 institution to purchase capital assets to be used in the operations of the health care provider or

1 educational institution; and

2 (23) "Revenue anticipation note(s)" means a note or notes of the corporation not
3 exceeding twelve (12) months in duration to maturity issued for the benefit of a health care
4 provider or educational institution in anticipation of revenues reasonably expected to be collected
5 by the health care provider or educational institution within twelve (12) months from the date of
6 the note or notes.

7 (24) "School Housing Project" means an "approved project" as defined in section 16-7-
8 36(2).

9 (25) "School Housing Project Financing" means bonds issued through the corporation to
10 fund school housing projects as provided in and permitted by section 16-7-44 of the General
11 Laws.

12 (26) "State Reimbursement" shall mean the state's share of school housing project cost
13 as determined in accordance with sections 16-7-35 through 16-7-47 of the General Laws.

14 **45-38.1-19. State not liable. --** (a) Except with regard to state reimbursement related to
15 school housing project financing, ~~The~~ the state is not liable for the payment of the principal of or
16 interest on any bonds or notes of the corporation, or for the performance of any pledge, mortgage,
17 obligation, or agreement of any kind whatsoever which may be undertaken by the corporation,
18 and none of the bonds or notes of the corporation nor any of its agreements or obligations, except
19 for state reimbursement related to school housing project financing, are construed to constitute an
20 indebtedness of the state within the meaning of any constitutional or statutory provision
21 whatsoever, nor shall the issuance of bonds or notes, under the provisions of this chapter, directly
22 or indirectly or contingently obligate the state or any municipality or political subdivision of the
23 state to levy or to pledge any form of taxation for them or to make any appropriation for their
24 payment, except for state reimbursement for school housing projects. All of the revenue bonds or
25 notes shall contain on the face a statement to the effect that neither the state nor the corporation
26 are obligated to pay the revenue bonds or notes, or their interest except from revenues of the
27 project or projects for which they are issued, and that neither the faith and credit nor the taxing
28 power of the state or of any municipality or political subdivision of the state is pledged to the
29 payment of the principal of or the interest on those bonds or notes; provided, however, that in
30 connection with any state housing project financing, the statement on the face of the bonds shall
31 also include an exception for state reimbursement.

32 (b) Nothing contained in this section shall prevent nor be construed to prevent the
33 corporation from pledging its full faith and credit or the full faith and credit of a participating
34 institution for higher education or health care provider to the payment of bonds or notes, or issue

1 of bonds or notes authorized pursuant to this chapter.

2 **45-38.1-20. Procedure before issuance of bonds or notes.** -- Notwithstanding any other
3 provisions of this chapter, the corporation is not empowered to undertake any project authorized
4 by this chapter unless, prior to the issuance of any bonds or notes under this chapter, it has
5 determined that:

6 (1) The acquisition, construction, or financing of the cost of the project will:

7 (i) With respect to an institution for higher education, enable or assist the institution to
8 fulfill its obligations in providing education to the youth of this state; or

9 (ii) With respect to a health care provider, enable the health care provider to improve the
10 health of the people it serves by means of expanded health care, health care provider, and other
11 related services; and

12 (2) The project is leased to, or owned by, a financially responsible institution for higher
13 education or health care provider within the state; and

14 (3) Adequate provision has been, or will be, made for the payment of the cost of the
15 construction and/or acquisition of the project, and, except with regard to those bonds issued
16 through the corporation related to school housing project financing, that under no circumstances
17 will the state be obligated, directly or indirectly, for the payment of the cost of the construction
18 and/or acquisition of the project, or for the payment of the principal of, or interest on, any
19 obligations issued to finance the construction and/or acquisition; and

20 (4) Adequate provision has been, or will be made in any agreement with respect to or
21 lease of the project for payment of all costs of operation, maintenance, and upkeep of the project
22 by the lessee, sublessee, or occupant so that under no circumstances is the state obligated, directly
23 or indirectly, for the payment of the costs except with regard to state reimbursement for school
24 housing projects; provided, that no findings shall be made and no financing effected under this
25 chapter, with respect to health care providers, unless the proposed health care providers have first
26 been approved by any state agency empowered to approve the construction of any health care
27 providers in the manner provided in its general laws.

28 SECTION 2. This article shall take effect upon passage.

29 ARTICLE 24

30 RELATING TO PROPERTY TAX RELIEF

31 SECTION 1. Sections 44-33-2.1 and 44-33-3 of the General Laws in Chapter 44-33
32 entitled "Property Tax Relief" are hereby amended to read as follows:

33 **44-33-2.1. Property tax relief – Limitation.** – ~~(a)~~ Appropriations from the general fund
34 for property tax relief provided by this chapter are in the amount of six million dollars

1 (\$6,000,000) ~~for fiscal year 1998-1999 and~~ for each ~~subsequent~~ fiscal year.

2 ~~(b) A claimant sixty five (65) years of age or older, and/or disabled during any portion of~~
3 ~~the year for which the claim was filed is paid in full upon receipt of his or her claim for relief~~
4 ~~under this chapter.~~

5 ~~(c) The tax administrator shall not pay any claims to claimants who were under sixty five~~
6 ~~(65) years of age or not disabled on the last day of the taxable year for which the claim is made~~
7 ~~until the total amount of all timely filed claims has been paid under subsection (b). This balance~~
8 ~~shall be determined as of June 30 annually less the sum of fifty thousand dollars (\$50,000)~~
9 ~~annually for payment of late filed claims approved by the tax administrator under § 44-33-18.~~

10 ~~(d) If insufficient funds exist as of June 30 annually to pay the full amount of all claims~~
11 ~~of persons under sixty five (65) years of age and/or not disabled on the last day of the taxable~~
12 ~~year for which the claim is made, the tax administrator shall make payments to each claimant~~
13 ~~proportionately. No payment shall exceed one hundred percent (100%) of the amount of the~~
14 ~~claim.~~

15 ~~(e) Late filed claims approved under § 44-33-18 for claimants sixty five (65) years of age~~
16 ~~or older and/or disabled are paid in full upon receipt of his or her claim for relief under this~~
17 ~~chapter. Late filed claims approved under § 44-33-18 for claimants under sixty five (65) years of~~
18 ~~age and/or not disabled are paid at the same percentage as determined under subsection (d).~~

19 **44-33-3. Definitions.** – As used in this chapter:

20 (1) "Claimant" means a homeowner or renter, sixty-five (65) years of age or older, and/or
21 disabled, who has filed a claim under this chapter and was domiciled in this state for the entire
22 calendar year for which he or she files a claim for relief under this chapter. In the case of claim
23 for rent constituting property taxes accrued the claimant shall have rented property during the
24 preceding year for which he or she files for relief under this chapter. Claimant does not mean or
25 include any person claimed as a dependent by any taxpayer under the Internal Revenue Code of
26 the United States. When two (2) individuals of a household are able to meet the qualifications for
27 a claimant, they may determine between themselves as to who the claimant is. If they are unable
28 to agree, the matter is referred to the tax administrator and his or her decision is final. If a
29 homestead is occupied by two (2) or more individuals, and more than one individual is able to
30 qualify as a claimant, and some or all of the qualified individuals are not related, the individuals
31 may determine among themselves as to who the claimant is. If they are unable to agree, the
32 matter is referred to the tax administrator, and his or her decision is final.

33 (2) "Disabled" means those persons who are receiving a social security disability benefit.

34 (3) "Gross rent" means rental paid in cash or its equivalent solely for the right of

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

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

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

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

21 (7) "Income" means the sum of federal adjusted gross income as defined in the Internal
22 Revenue Code of the United States, 26 U.S.C. § 1 et seq., and all non-taxable income including,
23 but not limited to, the amount of capital gains excluded from adjusted gross income, alimony,
24 support money, non-taxable strike benefits, cash public assistance and relief (not including relief
25 granted under this chapter), the gross amount of any pension or annuity (including Railroad
26 Retirement Act (see 45 U.S.C. § 231 et seq.) benefits, all payments received under the federal
27 Social Security Act, 42 U.S.C. § 301 et seq., state unemployment insurance laws, and veterans'
28 disability pensions (see 38 U.S.C. § 301 et seq.)), non-taxable interest received from the federal
29 government or any of its instrumentalities, workers' compensation, and the gross amount of "loss
30 of time" insurance. It does not include gifts from nongovernmental sources, or surplus foods or
31 other relief in kind supplied by a public or private agency.

32 (8) "Property taxes accrued" means property taxes (exclusive of special assessments,
33 delinquent interest, and charges for service) levied on a claimant's homestead in this state in 1977
34 or any calendar year thereafter. If a homestead is owned by two (2) or more persons or entities as

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

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

26 SECTION 2. This article shall take effect upon passage and shall apply to tax years
27 ending on or after January 1, 2004.

28 ARTICLE 25

29 RELATING TO HUMAN SERVICES- CASH ASSISTANCE WAIVERS

30 SECTION 1. Section 40-5.1-9.1 of the General Laws in Chapter 40-5.1 entitled "Family
31 Independence Act" is hereby to read as follows:

32 **40-5.1-9.1. Lump sum payment in lieu of cash assistance.** – (a) ~~In accordance with a~~
33 ~~limited pilot project to be established by the department, t~~ The department may offer families who
34 are eligible for cash assistance under ~~the act~~ this chapter a lump sum payment equal to up to three

1 (3) times the monthly amount of cash assistance to which the family would otherwise be entitled
2 if:

3 (1) The department finds that a lump sum payment would enable an adult member of the
4 family to either accept and commence employment based upon a verifiable job offer, or to
5 maintain current employment; and provided further that the adult member of the family has not
6 voluntarily terminated employment within sixty (60) days prior to the date of application for
7 benefits under this section; and

8 (2) The family waives any cash assistance under this chapter to which it would otherwise
9 be entitled during the six (6) month period ~~immediately following~~ beginning with the date of
10 application for payment of the lump sum; and

11 (3) The department provides the family with a clear and concise description of the waiver
12 which must be signed.

13 (b) Each member of a family which receives a lump sum payment under this section shall
14 be deemed for all other purposes to be receiving cash assistance throughout the six (6) month
15 waiver period. , provided however, that the provisions of sections 40-5.1-5, 40-5.1-8 (d)(1),40-
16 5.1-9 shall not be applicable to families who receive a lump sum payment under this section, and
17 such families shall not be required to assign child and spousal support rights to the department.

18 (c) This section shall be applicable only with respect to applications for cash assistance
19 under this chapter filed on and after July 1, 2004, and there shall be a lifetime limit of one (1)
20 lump sum payment per family. No family who has received cash assistance under this chapter at
21 any time during the twelve (12) month period prior to its application for a lump sum cash
22 assistance payment under this section shall be eligible for assistance under this section.

23 SECTION 2. This article shall take effect upon passage and any rules or regulations
24 necessary or advisable to implement the provisions of this article shall be effective immediately
25 as an emergency rule upon the department's filing thereof with the secretary of state as it is
26 hereby found that the current fiscal crisis in this state has caused an imminent peril to public
27 health, safety and welfare, and the department is hereby exempted from the requirements of
28 sections 42-35-3(b) and 42-35-4(b)(2) relating to agency findings of imminent peril to public
29 health, safety and welfare and the filing of statements of the agency's reasons thereof.

30 ARTICLE 26

31 RELATING TO HUMAN SERVICES- CASH ASSISTANCE SANCTIONS

32 SECTION 1. Section 40-5.1-9 of the General Laws in Chapter 40-5.1 entitled "Family
33 Independence Act" is hereby amended to read as follows:

34 **40-5.1-9. Cash assistance.** – (a) *Entitlement to cash assistance.* A family found by the

1 department to meet the eligibility criteria set forth in this chapter shall be entitled to receive cash
2 assistance from the date of submitting a signed application. The family members shall be eligible
3 for cash assistance for so long as they continue to meet the eligibility criteria and parents shall be
4 eligible so long as they meet the terms and conditions of the work requirements of subsection (c).
5 The monthly amount of cash assistance shall be equal to the payment standard for the family
6 minus the countable income of the family in that month. The department is authorized to reduce
7 the amount of assistance in the month of application to reflect the number of the days between the
8 first (1st) day of the month and the effective date of the application.

9 (b) *Payment standard.* The payment standard is equal to the sum of the following: three
10 hundred twenty-seven dollars (\$327) (two hundred seventy-seven dollars (\$277) for a family
11 residing in subsidized housing) for the first person, one hundred twenty-two dollars (\$122) for the
12 second person, one hundred five dollars (\$105) for the third person and eighty dollars (\$80) for
13 each additional person.

14 (c) *Work requirements.* (1) No more than forty-five (45) days following the date on
15 which a family has been notified by the department in writing that it is eligible for cash assistance
16 under the act, the department shall develop a family financial plan pursuant to § 40-5.1-5 and,
17 unless the parent is exempt from work pursuant to paragraph (iv), the department shall assess the
18 parent's educational and vocational abilities and develop an individual employment plan pursuant
19 to § 40-5.1-5. In the case of a family including two parents, the department may develop an
20 employment plan for each parent if the parents so request.

21 (2) The employment plan shall specify the parent's work activity and the supportive
22 services which will be provided by the department to enable the parent to engage in the work
23 activity.

24 (i) During the first twenty-four (24) months of the employment plan, the parent shall
25 participate, for a minimum of twenty (20) hours per week for parents whose youngest child in the
26 home is under the age of six (6), and for a minimum of thirty (30) hours per week for parents
27 whose youngest child in the home is six (6) years of age or older, in one or more of the following
28 work activities, as appropriate, in order to help the parent obtain stable full-time paid
29 employment:

30 (A) Paid employment, (including on-the-job training);

31 (B) A community work experience in a program which satisfies the requirements of § 40-
32 5.1-23;

33 (C) A training or work readiness program approved by the department and conducted at a
34 job site if the program involves supervised participation in work at the site;

1 (D) During the first six (6) months of eligibility (or for a longer period if the department
2 determines it necessary to prepare the parent to obtain stable full-time employment), successful
3 participation in an approved work readiness program as defined in § 40-5.1-22;

4 (E) During the first three (3) months of eligibility (or for a longer period if the department
5 determines it necessary to prepare the parent to obtain stable full-time employment), participation
6 in an approved rapid job placement program as defined in § 40-5.1-20;

7 (F) A supervised individual job search which meets the conditions set forth in § 40-5.1-
8 21;

9 (G) For a parent under the age of twenty (20) without a high school diploma or the
10 equivalent, successful participation on a full-time basis in a program to secure such diploma or
11 the equivalent;

12 (H) For a parent age twenty (20) or older, without basic literacy or English literacy skills,
13 successful participation on a full time basis in a program to secure such skills; and

14 (I) For a parent age twenty (20) or older (and a parent under the age of twenty (20) who
15 has a high school degree or the equivalent or a parent under the age of twenty (20) for whom
16 attendance at a high school is determined to be inappropriate) successful participation in a
17 vocational education, skills or job training program, including without limitation, a program of
18 postsecondary education, which the department determines is likely to result in regular full-time
19 employment at wages sufficient to eliminate eligibility for cash assistance under the act.

20 (ii) Beginning with the twenty-fifth (25th) month of the employment plan, the parent
21 shall participate in one or more of the following work activities for at least twenty (20) hours per
22 week for parents whose youngest child in the home is under the age of six (6) and thirty (30)
23 hours per week for parents whose youngest child in the home is six (6) years of age or older:

24 (A) Paid employment (including on-the-job training);

25 (B) A community work experience program which satisfies the requirements of § 40-5.1-
26 23;

27 (C) A training program approved by the department and conducted at a job site if the
28 program involves supervised participation in work at the site.

29 (iii) The following parents shall be deferred from the participation requirement in
30 paragraph (ii):

31 (A) A parent under the age of twenty (20) without a high school diploma or the
32 equivalent who is successfully participating, on a full-time basis, in a program to secure such
33 diploma or the equivalent;

34 (B) A single parent age twenty (20) or older, without basic literacy or English language

1 skills, who: (I) is participating in a full-time program but is unable to complete a literacy or
2 language skills program during the first twenty-four (24) months of his or her employment plan,
3 or (II) who the department has determined is unable to secure paid employment without
4 additional language or literacy skills, and who is successfully participating in a program to secure
5 such skills;

6 (C) A parent age twenty (20) years or older, who is successfully participating in a
7 vocational education, skills or job training program, including without limitation, a program of
8 postsecondary education, which the department determines is likely to result in regular full-time
9 employment at wages sufficient to eliminate eligibility for cash assistance under the act;
10 provided, however, that the parent began the program prior to the twenty-fifth (25th) month of his
11 or her employment plan; provided, further, however, that participation shall not be deemed a
12 work activity after the thirty-sixth (36th) month of the employment plan;

13 (D) Upon completion of any activity in subparagraphs (A)–(C), the parent shall be
14 subject to the work activity requirements of paragraph (ii).

15 (iv) Paragraphs (i) and (ii) shall not apply to a single parent if (and for so long as) the
16 department finds that he or she is:

17 (A) Unable to comply with the employment plan because of an illness which, on the basis
18 of medical evidence, is serious enough to temporarily prevent work;

19 (B) Unable to comply with the employment plan because of a physical or mental
20 impairment which, on the basis of medical evidence, either by itself or in conjunction with age,
21 prevents work;

22 (C) Unable to comply with the employment plan because of the illness or incapacity of a
23 minor child or spouse who requires full-time in-home care, and for whom the person is providing
24 care;

25 (D) Caring for a child below the age of one; provided, however, that a minor parent
26 without a high school diploma or the equivalent, and who is not married, shall not be exempt
27 from subparagraph (i)(G) for more than twelve (12) weeks from the birth of the child;

28 (E) Sixty (60) years of age or older;

29 (F) A pregnant woman in her third trimester;

30 (G) Otherwise exempt by the department.

31 (v)(A) The amount of cash assistance to which an otherwise eligible family is entitled
32 under the act, shall be reduced ~~in any month during the first twenty-four (24) months of the~~
33 ~~parent's employment plan in which the parent fails, without good cause, to comply with the~~
34 ~~employment plan, by the parent's portion of the family's benefit.~~ by the portion of the family's

1 benefit attributable to any parent who, without good cause, has failed to enter into an individual
2 employment plan or has failed to comply with his or her individual employment plan, as required
3 under this chapter; provided that the reduction shall be applied during the first twelve (12)
4 months, whether or not consecutive, of such failure or non-compliance by the parent.

5 (B) The department shall terminate cash assistance to a family if any parent in the
6 family has failed, without good cause, to enter into an individual employment plan, or to comply
7 with his or her individual employment plan, for twelve (12) months, whether or not consecutive.

8 ~~(vi)(A) Beginning with the twenty fifth (25th) month of the employment plan, the~~
9 ~~following penalties shall apply in any month to a family in which the parent, without good cause,~~
10 ~~fails to comply with his or her employment plan:~~

Number of	Reduction in Family
Months of Noncompliance	Benefit (% of Parent's Benefit)
One Six	110%
Seven Twelve	120%
Thirteen Eighteen	130%
Nineteen Twenty four	140%

17 ~~(B)~~(C) For purposes of paragraphs (v) ~~and (vi)~~ the benefit reduction for a family size of
18 two (2) shall be computed utilizing a family size of three (3).

19 ~~(C) If a parent fails to comply with his or her employment plan for more than twenty four~~
20 ~~(24) months, the family's benefit shall be reduced by one hundred percent (100%) of the parent's~~
21 ~~benefit and the entire benefit shall be paid to some appropriate and responsible person (other than~~
22 ~~the parent) to pay the expenses of the family. An "appropriate responsible person" may include~~
23 ~~the family's case manager.~~

24 ~~(D)~~(vi)(A) If the family's benefit has been reduced in accordance with paragraph (v)(A)
25 for less than twelve (12) months, whether or not consecutive, due to the parent's failure to enter
26 into an individual employment plan or failure to comply with the terms of ~~the~~ his or her
27 individual employment plan, benefits shall be restored to the full amount beginning with the
28 initial payment made on the first of the month following the month in which the parent ~~agrees to~~
29 ~~comply with the terms of the plan.~~ (1) enters into an individual employment plan and
30 demonstrates compliance with the terms thereof, or (2) demonstrates compliance with the terms
31 of his or her existing individual employment plan, as such plan may be amended by agreement of
32 the parent and the department.

33 (B) If the family's benefit has been terminated in accordance with paragraph (v)(B) due
34 to the failure by one or more parents to enter into an individual employment plan or failure to

1 comply with the terms of his or her individual employment plan, the family may re-apply for
2 benefits and benefits shall be restored to the family in the full amount the family is otherwise
3 entitled to under this chapter beginning on the first of the month following the month in which all
4 parents in the family who are subject to the employment plan requirements under this chapter (1)
5 enter into an individual employment plan and demonstrate compliance with the terms thereof, or
6 (2) demonstrate compliance with the terms of the parent’s individual employment plan in effect
7 at the time of termination of benefits, as such plan may be amended by agreement of the parent
8 and the department.

9 ~~(E) If a family subject to a reduction in benefits under this subsection:~~

10 ~~(I) Terminates benefits;~~

11 ~~(II) Reapplies within three (3) months and;~~

12 ~~(III) Has not had gross earnings in excess of one hundred dollars (\$100) during the three~~
13 ~~(3) month period;~~

14 ~~(F) There shall be a rebuttable presumption that the family has terminated in order to~~
15 ~~avoid a further reduction in benefits, and penalties shall be applied as if the family had not~~
16 ~~terminated from the program.~~

17 (vii) Notwithstanding paragraphs (i) and (ii) of this subsection, in the case of a family
18 consisting of two (2) parents, (except as provided in paragraph (xi) below), beginning seven (7)
19 days following completion of the family financial plan and the individual employment plan(s), or
20 as soon as practical thereafter, one parent shall be engaged in work activities for at least thirty-
21 five (35) hours per week during the month, not fewer than thirty (30) hours per week of which are
22 attributable to one or more of the following activities:

23 (A) Unsubsidized employment;

24 (B) Subsidized private sector employment;

25 (C) Subsidized public sector employment;

26 (D) Work experience if sufficient private sector employment is not available;

27 (E) On-the-job training;

28 (F) Job search and job readiness assistance;

29 (G) Community service program;

30 (H) Vocational educational training (not to exceed twelve (12) months with respect to
31 any individual); or

32 (I) The provision of child care services to an individual who is participating in a
33 community service program.

34 Moreover, in the case of a two (2) parent family wherein one parent is engaged for at

1 least thirty-five (35) hours per week in the work activities specified immediately above, and if the
2 family requests child care assistance under this chapter, and an adult in the family is not disabled
3 or caring for a severely disabled child, the second parent must be engaged in work activities
4 during the month for not fewer than twenty (20) hours per week in one or more of the following
5 activities:

6 (A) Unsubsidized employment;

7 (B) Subsidized private sector employment;

8 (C) Subsidized public sector employment;

9 (D) Work experience if sufficient private sector employment is not available;

10 (E) On-the-job training; or

11 (F) Community service programs;

12 (viii) Paragraph (vii) shall not apply:

13 (A) To a parent who is ill and the department determines on the basis of medical evidence
14 that the illness is serious enough to temporarily prevent entry into employment or engaging in the
15 activities listed in paragraph (vii) or to provide care for his or her children; or

16 (B) To a parent who is incapacitated by a physical or mental impairment which the
17 department has determined on the basis of medical evidence either by itself or in conjunction with
18 age, prevents the individual from engaging in employment or training or providing care for his or
19 her children; or

20 (C) To a parent who is providing full-time in-home care to a minor child or parent who,
21 due to illness or incapacity, requires full-time in-home care; or

22 (D) If otherwise authorized by the department for cause.

23 (ix) If, during any month, parents required to comply with paragraph (vii) fail, without
24 good cause to do so, the family shall be deemed for all purposes under this act to include only one
25 parent. The parent included in the family shall be the parent which the department determines has
26 accepted primary responsibility for child care. The parent included in the family, unless exempt
27 pursuant to paragraph (iv), shall be required to comply with paragraphs (i) and (ii) of this
28 subsection and shall be subject to the penalties in paragraphs (v) and (vi), as applicable, if the
29 parent fails to do so. Notwithstanding the foregoing, in determining the amount of cash assistance
30 to which a family is entitled under this chapter, the earnings of any parent living in the same
31 household as a family eligible for cash assistance, shall be deemed to be earned income of the
32 family for purposes of § 40-5.1-10(b).

33 (x) A parent's failure, without good cause, to accept a bona fide offer of work, including
34 full-time, part-time and/or temporary employment, or unpaid community service, to the extent the

1 offer of work is not inconsistent with the employment plan shall be deemed a failure to comply
2 with this section, provided that:

3 (A) The parent is able to perform the work offered; and

4 (B) Appropriate child care (as defined in subsection (e) hereof) is made available to the
5 parent.

6 (xi) A two (2) parent family that includes a disabled parent shall be considered to be a
7 single parent family for purposes of applying the work requirements of paragraphs (i) and (ii).

8 (d) *Child care.* Notwithstanding any other provision of this section, no single parent, or
9 both parents meeting the requirements of paragraph (vii), shall be required to work to the extent
10 that appropriate child care is necessary for the parent to do so and the department determines that
11 such appropriate child care is unavailable for fiscal or other reasons. For purposes of this section
12 "appropriate child care" means child care which is provided by a person or organization qualified
13 and authorized to provide such care by the department of children, youth, and families or such
14 other lawful providers as determined by the department of children, youth, and families. Child
15 care shall be considered "necessary" under this section for any child below the age of thirteen
16 (13), or any children age thirteen (13) years or older who is under supervision of the family court
17 or who requires care because of a physical or mental impairment.

18 (e) *Work expenses.* The department shall provide an allowance for transportation costs
19 necessary to comply with the employment plan, provided, however, that the amount of such
20 reimbursement shall not exceed the sum of three dollars (\$3.00) per day.

21 SECTION 2. This article shall take effect on July 1, 2004 and any rules or regulations
22 necessary or advisable to implement the provisions of this article shall be effective immediately
23 as an emergency rule upon the department's filing thereof with the secretary of state as it is
24 hereby found that the current fiscal crisis in this state has caused an imminent peril to public
25 health, safety and welfare, and the department is hereby exempted from the requirements of
26 sections 42-35-3(b) and 42-35-4(b)(2) relating to agency findings of imminent peril to public
27 health, safety and welfare and the filing of statements of the agency's reasons thereof.

28 ARTICLE 27

29 RELATING TO HUMAN SERVICES-CHILD CARE STATE SUBSIDIES

30 SECTION 1. Section 40-6.2-1.1 of the General Laws in Chapter 40-6.2 entitled "Child
31 Care- State Subsidies" is hereby amended to read as follows:

32 **40-6.2-1.1. Rates established.** -- ~~(a) The reimbursement rate for home based and center~~
33 ~~based child care providers shall be on the following basis:~~

34 ~~(1) Home based child care providers shall be reimbursed at least sixty six dollars~~

1 ~~(\$66.00) per week for each child under three (3) years of age and at least forty four dollars~~
 2 ~~(\$44.00) per week for each child three (3) years old to five (5) years old;~~

3 ~~(2) Center based child care providers shall be reimbursed at least eighty dollars (\$80.00)~~
 4 ~~per week for each child under three (3) years of age and at least fifty three dollars (\$53.00) per~~
 5 ~~week for each child three (3) years old to five (5) years old.~~

6 ~~(b) (a) Effective January 1, 1998, Subject to the payment limitations in section (b), the~~
 7 ~~minimum maximum~~ reimbursement rates to be paid by the Departments of Human Services and
 8 Children, Youth and Families for licensed child care centers and certified family-child care
 9 providers shall be based on the following schedule ~~of percentages~~ of the 75th percentile of
 10 weekly market rates:

LICENSED	75th	PERCENT	PERCENT	PERCENT
CHILD CARE	PERCENTILE	AGE	AGE	AGE
CENTERS	OF WEEKLY	EFFECTIVE	EFFECTIVE	EFFECTIVE
	MARKET	1/1/98	1/1/99	7/1/1999
	RATE			
INFANT	\$129.50	85.4%	92.7%	100.00%
	<u>\$182.00</u>			
PRESCHOOL	\$100.00	84.3%	92.1%	100.00%
	<u>\$150.00</u>			
SCHOOL-AGE	\$85.00	85.1%	92.6%	100.00%
	<u>\$135.00</u>			
CERTIFIED	75th	PERCENT	PERCENT	PERCENT
FAMILY	PERCENTILE	AGE	AGE	AGE
CHILD CARE	OF WEEKLY	EFFECTIVE	EFFECTIVE	EFFECTIVE
PROVIDERS	MARKET	1/1/98	1/1/99	7/1/1999
	RATE			
INFANT	\$105.00	86.4%	93.2%	100.00%
	<u>\$150.00</u>			
PRESCHOOL	\$100.00	76.8%	88.4%	100.00%
	<u>\$150.00</u>			
SCHOOL-AGE	\$100.00	70.0%	85.0%	100.00%
	<u>\$135.00</u>			

33 (b) The department shall pay child care providers based on the lesser of the applicable
 34 rate specified in section (a), or the lowest rate actually charged by the provider to any of its public

1 or private child care customers with respect to each of the rate categories, infant, preschool and
2 school-age.

3 (c) By June 30, ~~1998~~ 2004 and biennially thereafter, the Department of Labor and
4 Training shall conduct an independent survey or certify an independent survey of the then current
5 weekly market rates for child care in Rhode Island and shall forward such weekly market rate
6 survey to the Department of Human Services. The Departments of Human Services and Labor
7 and Training will jointly determine the survey criteria including, but not limited to, rate categories
8 and sub-categories. The 75th percentile of weekly market rates in the table in subsection ~~(b)~~ (a)
9 shall be adjusted by the surveys conducted under this subsection, beginning January 1, 20026 and
10 biennially thereafter. For the purposes of this section, and until adjusted in accordance with this
11 subsection, the 75th percentile of weekly market rate shall mean the ~~1993~~ 2002 Department of
12 Human Services Child Care Market Survey.

13 ~~(c)~~ (c) The department of human services is authorized and directed to establish rates of
14 reimbursement for appropriate child care provided to children older than twelve (12) years of age,
15 so as to implement the provisions of § 40- 5.1-17(b).

16 ~~(d)~~ (d) In order to expand the accessibility and availability of quality child care, the
17 department of human services is authorized to establish by regulation alternative or incentive
18 rates of reimbursement for quality enhancements, innovative or specialized child care and
19 alternative methodologies of child care delivery, including non-traditional delivery systems and
20 collaborations.

21 SECTION 2. This article shall take effect upon passage and shall apply to payments to
22 child care providers for child care services rendered on and after June 6, 2004. Any rules or
23 regulations necessary or advisable to implement the provisions of this article shall be effective
24 immediately as an emergency rule upon the department's filing thereof with the secretary of state
25 as it is hereby found that the current fiscal crisis in this state has caused an imminent peril to
26 public health, safety and welfare, and the department is hereby exempted from the requirements
27 of sections 42-35-3(b) and 42-35-4(b)(2) relating to agency findings of imminent peril to public
28 health, safety and welfare and the filing of statements of the agency's reasons thereof.

29 ARTICLE 28

30 RELATING TO BUSINESS CORPORATION AND FRANCHISE TAXES

31 SECTION 1. Section 44-11-2 of the general laws in Chapter 44-11 entitled "Business
32 Corporation Tax" is hereby amended to read as follows:

33 **44-11-2. Imposition of tax.** – (a) Each corporation shall annually pay to the state a tax
34 equal to nine percent (9%) of net income, as defined in § 44-11-11, qualified in § 44-11-12, and

1 apportioned to this state as provided in §§ 44-11-13 – 44-11-15, for the taxable year.

2 (b) A corporation shall pay the amount of any tax as computed in accordance with
3 subsection (a) after deducting from "net income" as used in this section fifty percent (50%) of the
4 excess of capital gains over capital losses realized during the taxable year, if for the taxable year:

5 (1) the corporation is engaged in buying, selling, dealing in, or holding securities on its own
6 behalf and not as a broker, underwriter, or distributor; (2) its gross receipts derived from these
7 activities during the taxable year amounted to at least ninety percent (90%) of its total gross
8 receipts derived from all of its activities during the year. "Gross receipts" means all receipts,
9 whether in the form of money, credits, or other valuable consideration, received during the
10 taxable year in connection with the conduct of the taxpayer's activities.

11 (c) A corporation shall not pay the amount of the tax computed on the basis of its net
12 income under subsection (a), but shall annually pay to the state a tax equal to ten cents (10¢) for
13 each one hundred dollars (\$100) of gross income for the taxable year or a tax of one hundred
14 dollars (\$100), whichever tax shall be the greater, if for the taxable year the corporation is either a
15 "personal holding company" registered under the federal Investment Company Act of 1940, 15
16 U.S.C. § 80a-1 et seq., "regulated investment company", or a "real estate investment trust" as
17 defined in the federal income tax law applicable to the taxable year. "Gross income" means gross
18 income as defined in the federal income tax law applicable to the taxable year, plus (1) any
19 interest not included in the federal gross income, minus (2) interest on obligations of the United
20 States or its possessions, and other interest exempt from taxation by this state, and minus (3) fifty
21 percent (50%) of the excess of capital gains over capital losses realized during the taxable year.

22 (d)(1) A small business corporation having an election in effect under subchapter S, 26
23 U.S.C. § 1361 et seq., shall not be subject to the Rhode Island income tax on corporations, except
24 that the corporation shall be subject to the provisions of subsection (a), to the extent of the income
25 that is subjected to federal tax under subchapter S.

26 (2) The shareholders of the corporation who are residents of Rhode Island shall include in
27 their income their proportionate share of the corporation's federal taxable income.

28 (3) If any shareholder of the corporation is a nonresident during any part of the
29 corporation's taxable year, he or she shall file a Rhode Island personal income tax return and shall
30 include in Rhode Island adjusted gross income that portion of the corporation's Rhode Island
31 income allocable to his or her interest in the corporation. The shareholder shall execute and
32 forward to the corporation, before the original due date of the Rhode Island corporate return, an
33 agreement which states that he or she will file a Rhode Island personal income tax return and pay
34 income tax on all income derived from or connected with sources in this state, and the agreement

1 shall be attached to the corporation's Rhode Island return for the taxable year.

2 (4) In the event:

3 (i) That the nonresident shareholder's executed agreement is not attached to the Rhode
4 Island corporate return; or

5 (ii) That the agreement set forth in subdivision (3) is attached to the corporate return, and
6 after this if the nonresident shareholder fails to file a timely personal income tax return, then
7 within thirty (30) days of the date of notice by the tax administrator to the corporation, the
8 corporation shall remit to the tax administrator a portion of the share of the corporation's taxable
9 income which was derived from or attributable to this state, this portion shall be computed at the
10 rate set forth in subsection (a), of the nonresident shareholder's share of the corporation's income
11 which was derived from or attributable to sources within this state.

12 (5) A nonresident shareholder is required to file a Rhode Island personal income tax
13 return even though the shareholder's only source of Rhode Island income was his or her share of
14 the corporation's income which was derived from or attributable to sources within this state, and
15 the amount of remittance by the corporation on behalf of the nonresident shareholder shall be
16 allowed as a credit against his or her Rhode Island personal income tax liability.

17 (e) Minimum tax. The tax imposed upon any corporation under this section shall not be
18 less than ~~two~~ four hundred fifty dollars (~~\$250~~ 450).

19 SECTION 2. Section 44-12-1 of the general laws in Chapter 44-12 entitled "Franchise
20 Tax" is hereby amended to read as follows:

21 **44-12-1. Tax imposed – Corporations liable – Credit for tax on income – Reduced**
22 **rate where no business done.** – (a) Every corporation, joint-stock company, or association
23 incorporated in this state or qualified to do business in this state, whether or not doing business
24 for profit, all referred to in this section under the term "corporation", except those enumerated in
25 § 44-12-11, shall pay an annual franchise tax to the state upon its authorized capital stock of two
26 and fifty one-hundredths dollars (\$2 50/100) for each ten thousand dollars (\$10,000) or fractional
27 part or the sum of ~~two~~ four hundred fifty dollars (~~\$250.00~~ 450.00), whichever is greater.

28 (b) In case of corporations liable to a tax under chapter 11 of this title, only the amount
29 by which the franchise tax exceeds the tax payable under that chapter shall be assessed

30 (c) If a corporation shall show, by supplemental affidavit attached to the return prescribed
31 and signed in the manner provided for each return that it has not, at any time during its preceding
32 taxable year, been engaged within the state in any business activities, it shall pay an annual
33 franchise tax upon its authorized capital stock only at the following rates: ~~two~~ four hundred fifty
34 dollars (~~\$250.00~~ 450.00) where the stock does not exceed one million dollars (\$1,000,000); and

1 the further sum of twelve dollars fifty cents (\$12.50) for each additional one million dollars
2 (\$1,000,000) or fractional part of the stock.

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

4 ARTICLE 29

5 RELATING TO NONRESIDENT SHAREHOLDER WITHHOLDING

6 SECTION 1. Section 44-11-2 of the General Laws in Chapter 44-11 entitled “Business
7 Corporation Tax” is hereby amended to read as follows:

8 **44-11-2. Imposition of tax.** -- (a) Each corporation shall annually pay to the state a tax
9 equal to nine percent (9%) of net income, as defined in § 44-11-11, qualified in § 44-11-12, and
10 apportioned to this state as provided in §§ 44-11-13 – 44-11-15, for the taxable year.

11 (b) A corporation shall pay the amount of any tax as computed in accordance with
12 subsection (a) after deducting from “net income” as used in this section fifty percent (50%) of the
13 excess of capital gains over capital losses realized during the taxable year, if for the taxable year:
14 (1) the corporation is engaged in buying, selling, dealing in, or holding securities on its own
15 behalf and not as a broker, underwriter, or distributor; (2) its gross receipts derived from these
16 activities during the taxable year amounted to at least ninety percent (90%) of its total gross
17 receipts derived from all of its activities during the year. “Gross receipts” means all receipts,
18 whether in the form of money, credits, or other valuable consideration, received during the
19 taxable year in connection with the conduct of the taxpayer’s activities.

20 (c) A corporation shall not pay the amount of the tax computed on the basis of its net
21 income under subsection (a), but shall annually pay to the state a tax equal to ten cents (10¢) for
22 each one hundred dollars (\$100) of gross income for the taxable year or a tax of one hundred
23 dollars (\$100), whichever tax shall be the greater, if for the taxable year the corporation is either a
24 “personal holding company” registered under the federal Investment Company Act of 1940, 15
25 U.S.C. § 80a-1 et seq., “regulated investment company”, or a “real estate investment trust” as
26 defined in the federal income tax law applicable to the taxable year. “Gross income” means gross
27 income as defined in the federal income tax law applicable to the taxable year, plus (1) any
28 interest not included in the federal gross income, minus (2) interest on obligations of the United
29 States or its possessions, and other interest exempt from taxation by this state, and minus (3) fifty
30 percent (50%) of the excess of capital gains over capital losses realized during the taxable year.

31 (d)(1) A small business corporation having an election in effect under subchapter S, 26
32 U.S.C. § 1361 et seq., shall not be subject to the Rhode Island income tax on corporations, except
33 that the corporation shall be subject to the provisions of subsection (a), to the extent of the income
34 that is subjected to federal tax under subchapter S.

1 (2) The shareholders of the corporation who are residents of Rhode Island shall include in
2 their income their proportionate share of the corporation's federal taxable income.

3 ~~(3) If any shareholder of the corporation is a nonresident during any part of the~~
4 ~~corporation's taxable year, he or she shall file a Rhode Island personal income tax return and~~
5 ~~shall include in Rhode Island adjusted gross income that portion of the corporation's Rhode~~
6 ~~Island income allocable to his or her interest in the corporation. The shareholder shall execute~~
7 ~~and forward to the corporation, before the original due date of the Rhode Island corporation~~
8 ~~return, an agreement which states that he or she will file a Rhode Island personal income tax~~
9 ~~return and pay income tax on all income derived from or connected with sources in this state, and~~
10 ~~the agreement shall be attached to the corporation's Rhode Island return for the taxable year.~~

11 ~~(4) In the event:~~

12 ~~(i) That the nonresident shareholder's executed agreement is not attached to the Rhode~~
13 ~~Island corporation return; or~~

14 ~~(ii) That the agreement set forth in subdivision (3) is attached to the corporate return, and~~
15 ~~after this if the nonresident shareholder fails to file a timely personal income tax return, then~~
16 ~~within thirty (30) days of the date of notice by the tax administrator to the corporation, the~~
17 ~~corporation shall remit to the tax administrator a portion of the share of the corporation's taxable~~
18 ~~income which was derived from or attributable to this state, this portion shall be computed at the~~
19 ~~rate set forth in subsection (a), of the nonresident shareholder's share of the corporation's income~~
20 ~~which was derived from or attributable to sources within this state.~~

21 ~~(4) A nonresident shareholder is required to file a Rhode Island personal income tax~~
22 ~~return even though the shareholder's only source of Rhode Island income was his or her share of~~
23 ~~the corporation's income which was derived from or attributable to sources within this state, and~~
24 ~~the amount of remittance by the corporation on behalf of the nonresident shareholder shall be~~
25 ~~allowed as a credit against his or her Rhode Island personal income tax liability.~~

26 (e) Minimum tax. The tax imposed upon any corporation under this section shall not be
27 less than two hundred fifty dollars (\$250).

28 SECTION 2. Chapter 44-11 of the General Laws entitled "Business Corporation
29 Tax" is hereby amended by adding thereto the following section:

30 **44-11-2.2. Pass-Through Entities – Definitions – Withholding – Returns. -- (a)**
31 **Definitions: (1) "Pass-through entity" means a corporation that for the applicable tax year is**
32 **treated as an S Corporation under IRC §1362(a), and a general partnership, limited partnership,**
33 **limited liability partnership, trust, or limited liability company that for the applicable tax year is**
34 **not taxed as a corporation for federal tax purposes under the state's check-the-box regulation.**

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

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

7 (b) Withholding: (1) A pass-through entity shall withhold income tax at the highest
8 Rhode Island withholding tax rate provided for individuals or nine percent (9%) for corporations
9 on the member’s share of income of the entity which is derived from or attributable to sources
10 within this state distributed to each nonresident member and pay the withheld amount in the
11 manner prescribed by the tax administrator. The pass-through entity shall be liable for the
12 payment of the tax required to be withheld under this section and shall not be liable to such
13 member for the amount withheld and paid over in compliance with this section. A member of a
14 pass-through entity that is itself a pass-through entity (a “lower-tier pass-through entity”) shall be
15 subject to this same requirement to withhold and pay over income tax on the share of income
16 distributed by the lower-tier pass-through entity to each of its nonresident members. The tax
17 administrator shall apply tax withheld and paid over by a pass-through entity on distributions to a
18 lower-tier pass-through entity to the withholding required of that lower-tier pass-through entity.

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

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

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

31 (2) the tax administrator has determined by regulation, ruling or instruction that the
32 member’s income is not subject to withholding; or

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

1 (4) the entity is a publicly traded partnership as defined by Section 7704(b) of the Internal
2 Revenue Code that is treated as a partnership for the purposes of the Internal Revenue Code and
3 that has agreed to file an annual information return reporting the name, address, taxpayer
4 identification number and other information requested by the tax administrator of each unitholder
5 with an income in the state in excess of \$500.

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

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

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

16 SECTION 3. Section 44-30-58 of the General Laws in Chapter 44-30 entitled "Personal
17 Income Tax" is hereby amended to read as follows:

18 **44-30-58. Requirements concerning returns, notices, records, and statements.** – (a)
19 *General.* The tax administrator may prescribe regulations as to the keeping of records, the
20 content and form of returns and statements, and the filing of copies of federal income tax returns
21 and determinations. The tax administrator may require any person, by regulation or notice served
22 upon the person, to make such returns, render such statements, or keep such records, as the tax
23 administrator may deem sufficient to show whether or not the person is liable for the tax or for
24 collection of the tax.

25 (b) *Partnerships.* Every partnership having any income derived from Rhode Island
26 sources, determined in accordance with the applicable rules of § 44-30-32 as in the case of a
27 nonresident individual, shall make a return for the taxable year setting forth all items of income
28 and deduction and such other pertinent information as the tax administrator may by regulation or
29 instructions prescribe. Any partnership with nonresident partners having any income derived
30 from Rhode Island sources shall be subject to the provisions of 44-11-2.2.

31 (c) *Information at source.* The tax administrator may prescribe regulations and
32 instructions requiring returns of information to be made and filed on or before February 28 of
33 each year as to the payment or crediting in any calendar year of amounts of one hundred dollars
34 (\$100) or more to any Rhode Island personal income taxpayer. The returns may be required of

1 any person, including lessees or mortgagors of real or personal property, fiduciaries, employers,
2 and all officers and employees of this state, or of any municipal corporation or political
3 subdivision of this state, having the control, receipt, custody, disposal or payment of interest,
4 rents, salaries, wages, premiums, dividends and other corporate distributions, annuities,
5 compensations, remunerations, emoluments, or other fixed or determinable gains, profits, or
6 income. A duplicate of the statement as to tax withheld on wages, required to be furnished by an
7 employer to an employee, shall constitute the return of information required to be made under this
8 section with respect to the wages.

9 (d) *Notice of qualification as fiduciary.* Every receiver, trustee in bankruptcy, assignee
10 for benefit of creditors, or other like fiduciary shall give notice of his or her qualification as such
11 to the tax administrator as may be required by regulation.

12 SECTION 4. This act shall take effect upon passage and apply to tax years beginning on
13 or after January 1, 2005.

14 ARTICLE 30

15 RELATING TO BUSINESS REGULATION FEES

16 SECTION 1. Sections 3-6-1, 3-6-1.2, 3-6-9, 3-6-10 and 3-6-14 of the General Laws in
17 Chapter 3-6 entitled "Manufacturing and Wholesale Licenses" are hereby amended to read as
18 follows:

19 **3-6-1. Manufacturer's license.** – (a) A manufacturer's license authorizes the holder to
20 establish and operate a brewery, distillery, or winery at the place described in the license for the
21 manufacture of beverages within this state. The license does not authorize more than one of the
22 activities of operator of a brewery or distillery or winery and a separate license shall be required
23 for each plant.

24 (b) The license also authorizes the sale at wholesale at the licensed place by the
25 manufacturer of the product of the licensed plant to another license holder and the transportation
26 and delivery from the place of sale to a licensed place or to a common carrier for that delivery.
27 The license does not authorize the sale of beverages for consumption on premises where sold.
28 The license does not authorize the sale of beverages in this state for delivery outside this state in
29 violation of the law of the place of delivery.

30 (c) The annual fee for the license is three thousand dollars (\$3,000) for a distillery, ~~one~~
31 ~~hundred dollars (\$100)~~ five hundred dollars (\$500) for a brewery, and ~~one thousand dollars~~
32 ~~(\$1,000)~~ one thousand five hundred dollars (\$1,500) for a winery producing more than fifty
33 thousand (50,000) gallons per year and one hundred dollars (\$100) per year for a winery
34 producing less than fifty thousand (50,000) gallons per year. All those fees are prorated to the

1 year ending December 1 in every calendar year and shall be paid to the division of taxation and
2 be turned over to the general treasurer for the use of the state.

3 **3-6-1.2. Brewpub manufacturer's license.** – (a) A brewpub manufacturer's license
4 shall authorize the holder to establish and operate a brewpub within this state. The brewpub
5 manufacturer's license shall authorize the retail sale of the beverages manufactured on the
6 location for consumption on the premises. The license shall not authorize the retail sale of
7 beverages from any location other than the location set forth in the license. A brewpub may sell at
8 retail alcoholic beverages produced on the premises by the half-gallon bottle known as a
9 "growler" to consumers for off the premises consumption to be sold pursuant to the laws
10 governing retail Class A establishments.

11 (b) The license shall also authorize the sale at wholesale at the licensed place by the
12 manufacturer of the product of his or her licensed plant as well as beverages produced for the
13 brewpub and sold under the brewpub's name to a holder of a wholesaler's license and the
14 transportation and delivery from the place of sale to the licensed wholesaler or to a common
15 carrier for that delivery.

16 (c) The brewpub manufacturer's license further authorizes the sale of beverages
17 manufactured on the premises to any person holding a valid wholesaler's and importer's license
18 under § 3-6-9 or 3-6-11.

19 (d) The annual fee for the license is one thousand dollars (\$1,000) for a brewpub
20 producing more than fifty thousand (50,000) gallons per year and ~~one hundred dollars (\$100)~~ five
21 hundred dollars (\$500) per year for a brewpub producing less than fifty thousand (50,000) gallons
22 per year. The annual fee is prorated to the year ending December 1 in every calendar year and
23 paid to the division of taxation and turned over to the general treasurer for the use of the state.

24 **3-6-9. Wholesaler's license – Class A.** -- A wholesaler's license, Class A, authorizes
25 the holder to keep for sale and to sell malt beverages and wines at wholesale at the place
26 described to holders of licenses under this title within this state and to holders of wholesale
27 licenses in other states and the transportation and delivery from the place of sale to those license
28 holders or to a common carrier for that delivery. Sales by a wholesaler in this state to a holder of
29 a wholesale license in another state shall be only to a wholesaler who is a distributor of the same
30 brand of malt beverages or wines subject to permission by the department. The license shall not
31 authorize the sale of malt beverages or wines for consumption on the premises where sold nor
32 their sale for their delivery outside this state in violation of the law of the place of delivery. The
33 annual fee for the license is ~~one thousand two hundred fifty dollars (\$1,250)~~ two thousand dollars
34 (\$2,000) prorated to the year ending December 1 in every calendar year, and shall be paid to the

1 division of taxation and turned over to the general treasurer for the use of the state. Whenever any
2 malt beverages or wines are sold outside the state pursuant to this section, refunds or credits of
3 import fees previously paid on those malt beverages or wines shall be made to holders of
4 wholesaler's licenses under this title in accordance with regulations promulgated by the division
5 of taxation.

6 **3-6-10. Wholesaler's license – Class B.** – (a) A wholesaler's license, Class B,
7 authorizes the holder to keep for sale and to sell malt and vinous beverages and distilled spirits at
8 wholesale, at the place described in the license, to holders of licenses under this title within this
9 state and to holders of wholesale licenses in other states and authorizes the transportation and
10 delivery from the place of sale to those license holders or to a common carrier for that delivery.
11 Sales by a wholesaler in this state to a holder of a wholesale license in another state shall be only
12 to a wholesaler who is a distributor of the same brand of malt beverages, vinous beverages, and
13 distilled spirits subject to permission by the state liquor control administrator. The license shall
14 not authorize the sale of beverages for consumption on the premises where sold nor the sale of
15 beverages for delivery outside this state in violation of the law of the place of delivery.

16 (b) The annual fee for the license is ~~three thousand dollars (\$3,000)~~ four thousand
17 (\$4,000) prorated to the year ending December 1 in every calendar year, and shall be paid to the
18 division of taxation and turned over to the general treasurer for the use of the state whenever any
19 malt beverages, vinous beverages, and distilled spirits are sold outside the state pursuant to this
20 section. Refunds or credits of import fees previously paid on malt beverages, vinous beverages
21 and distilled spirits shall be made to holders of wholesaler's licenses under this title in accordance
22 with regulations promulgated by the division of taxation.

23 **3-6-14. Certificate of compliance.** – (a) As conditions precedent to transporting, or
24 causing to be transported, distilled spirits, malt beverages, and vinous beverages into this state for
25 storage, sale, or consumption in this state, any person, firm, or corporation located in another state
26 shall first obtain a certificate of compliance from the department.

27 (b) The certificate of compliance shall be issued upon the condition that the holder
28 furnishes from time to time, as the department may require, but in no event more often than once
29 each month, information concerning all shipments or sales of distilled spirits, malt beverages, and
30 vinous beverages made into this state. The holder must also furnish information concerning the
31 brand, type of container, quantity, and other information that may be required by the department.
32 The department is empowered to promulgate any rules and regulations that may be necessary for
33 the enforcement of this subsection.

34 (c) As a condition precedent to the issuance of and during the term of a certificate, the

1 holder shall comply with the provisions of this title, and all rules and regulations promulgated
2 under authority of this title.

3 (d) The department may suspend, cancel, or revoke any certificate of compliance for
4 violation of the terms or conditions of the certificate.

5 (e) The certificate of compliance shall contain on its face a list of those distilled spirits,
6 malt beverages, and vinous beverages transported or caused to be transported into this state by the
7 holder of the certificate.

8 (f) The annual fee for the certificate of compliance is ~~thirty five dollars (\$35.00)~~ forty
9 dollars (\$40.00) for each and every brand, blend, mixture, variety, type, kind, and class of
10 distilled spirits, malt beverages, and vinous beverages. The annual fee, prorated to the year ending
11 December 1st in every calendar year, is paid to the department, and deposited as general
12 revenues. The department may fix a flat fee per gallon instead of the annual fee for any of the
13 above categories where the application for a certificate of compliance contains an affidavit that
14 less than twenty-five (25) gallons of the category involved will be imported during the year for
15 which filed.

16 SECTION 2. Sections 3-7-15 and 3-7-25 of the General Laws in Chapter 3-7 entitled
17 “Retail Licenses” are hereby amended to read as follows:

18 **3-7-15. Class G license.** – (a) A Class G retailer's license shall be issued only to any
19 dining car company, sleeping car company, parlor car company, and railroad company operating
20 in this state, or any company operating passenger carrying marine vessels in this state, or any
21 airline operating in this state, and authorizes the holder of the license to keep for sale and to sell
22 in its dining cars, sleeping cars, buffet cars, club cars, lounge cars and any other cars used for the
23 transportation or accommodation of passengers, and in or on any passenger-carrying marine
24 vessel, and in any airplane, beverages for consumption therein or thereon, but only when actually
25 en route.

26 (b) In addition, the holder of the Class G license for a passenger-carrying marine vessel
27 may serve alcoholic beverages at retail aboard the vessel during the period thirty (30) minutes
28 prior to the scheduled departure and until departure, provided that the local licensing board
29 annually consents.

30 (c) Each company or airline to which the license is issued shall pay to the department an
31 annual fee of ~~one hundred dollars (\$100)~~ two hundred fifty dollars (\$250) for the license, and one
32 dollar (\$1.00) for each duplicate of the license, which fees are paid into the state treasury.

33 (d) The license expires one year from its date and is good throughout the state as a state
34 license, and only one license is required for all cars or airplanes, but a license issued to any

1 company or person operating passenger-carrying marine vessels in this state shall authorize the
2 sale of beverages only in the passenger-carrying marine vessel designated and no further license
3 shall be required or tax levied by any city or town for the privilege of selling beverages for
4 consumption in those cars or on those vessels or in those airplanes. Each licensed dining car
5 company, sleeping car company, and railroad car company shall keep a duplicate of the license
6 posted in each car where beverages are sold. The department shall issue duplicates of the license
7 from time to time upon the request of any licensed company upon the payment of the fee of one
8 dollar (\$1.00).

9 **3-7-25. Sanitary conditions for dispensing of malt beverages or wine.** – (a) Beer or
10 wine pipe lines, faucets and barrel-tapping devices used for the dispensing of malt beverages or
11 wine in places where the dispensing is carried on by licensees under this chapter shall be cleaned
12 at least once every four (4) weeks by the use of a hydraulic pressure mechanism, hand-pump
13 suction or a force cleaner or other system approved by the department or shall be permanently
14 kept clean by a device approved by the department. After cleaning, the lines shall be rinsed with
15 clear water until all chemicals, if any have been used, are removed. The cleaning equipment must
16 be operated in conformance with the manufacturer's recommendations.

17 (b) A record, the form of which shall be approved by the department, shall be used to
18 record the dates and the methods used in cleaning of beer or wine pipe lines, coils, tubes and
19 appurtenances. This record shall be signed by the person who performs the cleaning operation
20 and countersigned by the licensee. The records shall be kept on the licensed premises for a period
21 of one year from the date of the last entry and made available at all times for inspection by health
22 enforcement and law enforcement officers.

23 (c) Line cleaners may be certified by the department and the department shall issue a
24 license and charge a fee not to exceed ~~twenty five dollars (\$25.00)~~ fifty dollars (\$50.00) for each
25 license.

26 SECTION 3. Sections 5-20.5-4, 5-20.5-11, and 5-20.5-20 of the General Laws in
27 Chapter 3-20.5 entitled “Real Estate Brokers and Salespersons” are hereby amended to read as
28 follows:

29 **5-20.5-4. Examination of applicants – Examination fee – Licensing without**
30 **examination.** – (a) The director requires any applicant for a real estate broker's or salesperson's
31 license to submit to and pass a written examination to show the applicant's knowledge of reading,
32 writing, spelling, elementary arithmetic, and in general the statutes relating to real property,
33 deeds, mortgages, leases, contracts, and agency. The director deems that the uniform portion of
34 the Rhode Island real estate examination has been passed if the applicant has a current real estate

1 license from a state which allows a similar reciprocal waiver for persons holding a current Rhode
2 Island broker's or salesperson's license and has been licensed for a period of not less than two (2)
3 years; provided, that the applicant must be tested for the remainder of the Rhode Island real estate
4 examination as administered by the department of business regulation. An applicant for a real
5 estate broker's or salesperson's license, prior to the taking of the examination, pays to the director
6 an examination fee, the cost of which is limited to the charge as designated by the appropriate
7 testing service's contract with the department of business regulation.

8 (b) The applicant for a broker's license must also submit satisfactory proof that he or she
9 has been engaged full time as a real estate salesperson for at least one year prior to the date of
10 application, except that the period is waived if the applicant has received a baccalaureate degree
11 with a major in real estate, from an accredited college or university; or has successfully
12 completed at least ninety (90) hours of classroom study in a school as defined in § 5-20.5-19, or
13 equivalent in a correspondence course offered by an extension department of an accredited
14 college or university. The director may require any other proof, through the application or
15 otherwise, that he or she desires with regard to the paramount interests of the public, as to the
16 honesty, trustworthiness, integrity, good reputation, and competency of the applicant.

17 (c) The director shall notify applicants of the result of the examination within thirty (30)
18 days of the date of the examination. Any successful applicant who fails to remit the original
19 license fee as provided in § 5-20.5-11 within one year of the date of that examination is required
20 by the director to re-submit to and pass a written examination as provided in subsection (a).

21 (d) When an attorney-at-law licensed by the supreme court of the state desires to have a
22 real estate broker's license or a real estate salesperson's license, the attorney, by application, and
23 upon payment of the applicable fee as provided in § 5-20.5-11, is granted a license without
24 examination.

25 (e) A certificate of licensure is issued by the real estate division of the department of
26 business regulation within thirty (30) days after it is requested at a cost of not more than ~~fifteen~~
27 ~~dollars (\$15.00)~~ twenty-five (\$25.00) for each certificate issued.

28 **5-20.5-11. Fees and license renewals.** – (a) The following fees are charged by the
29 director:

30 (1) For each application, a fee of ten dollars (\$10.00);

31 (2) For each examination a fee, the cost of which is limited to the charge as designated by
32 the appropriate testing service's contract with the department of business regulation;

33 (3) For each original broker's license issued, a fee of eighty-five dollars (\$85.00) per
34 annum for the term of the license and for each annual renewal of the license, a fee of eighty-five

1 dollars (\$85.00) per annum for the term of renewal. The total fees for the term of initial licensure
2 and of renewal are paid at the time of application for the license;

3 (4) For each original salesperson's license issued, a fee of sixty-five dollars (\$65.00) per
4 annum for the term of the license and for each renewal of the license, a fee of sixty-five dollars
5 (\$65.00) per annum for the term of the license. The total fees for the term of initial licensure and
6 of renewal are paid at the time of application for the license.

7 (5) For each change from one broker to another broker by a salesperson, or a broker, a fee
8 of ~~fifteen dollars (\$15.00)~~ twenty-five dollars (\$25.00) to be paid by the salesperson or the
9 broker;

10 (6) For each duplicate license, where a license is lost or destroyed and affidavit is made
11 of that fact, a fee of ~~ten dollars (\$10.00)~~ twenty-five dollars (\$25.00);

12 (7) For each duplicate pocket card, where the original pocket card is lost or destroyed and
13 affidavit is made of that fact, a fee of ~~ten dollars (\$10.00)~~ twenty-five dollars (\$25.00);

14 (8) For each broker's license reinstated after its expiration date, a late fee of ~~sixty-five~~
15 ~~dollars (\$65.00)~~ one hundred dollars (\$100); in addition to the required renewal fee;

16 (9) For each salesperson's license reinstated after its expiration date, a late fee of ~~sixty~~
17 ~~dollars (\$60.00)~~ one hundred dollars (\$100) in addition to the required renewal fee.

18 (b) Every licensed real estate broker and salesperson who desires to renew a license for
19 the succeeding year term applies for the renewal of the license upon a form furnished by the
20 director and containing whatever information is required by the director. Any renewal of a license
21 is subject to the same provisions covering issuance, suspension, and revocation of any license
22 originally issued. At no time shall any license be renewed without examination if the license has
23 expired beyond a period of one year.

24 **5-20.5-20. Real estate school permit – Fees – Penalty for operation without permit**

25 **prohibited.** – (a) It is unlawful for any school to offer courses or to conduct classes of instruction
26 in real estate subjects without first procuring a permit; or having obtained a permit, to represent
27 that its students are assured of passing examinations given by the division of professional
28 regulation, or to represent that the issuance of a permit is a recommendation or ~~ie~~ endorsement of
29 the school to which it is issued, or of any course of instruction given by it.

30 (b) The application of each school is accompanied by a first year license fee of ~~two~~
31 ~~hundred dollars (\$200)~~ two hundred fifty dollars (\$250) and; a further fee of one hundred dollars
32 (\$100) multiplied by the remaining term of licensure. If issued, the license is renewable on the
33 payment of a renewal fee assessed at the rate of ~~one hundred dollars (\$100)~~ one hundred fifty
34 (\$150) per annum. The total fee for the entire term of initial licensure and renewal is paid at the

1 time of application therefor.

2 (c) In the event that any person is found guilty of violating this section in the operation
3 of a school, or any rule or regulation adopted pursuant thereto, or attempts to continue to operate
4 as a school after the revocation or during a period of suspension of a permit, he or she shall be
5 deemed guilty of a misdemeanor.

6 (d) The department of business regulation shall promulgate rules and regulations
7 mandating the term of license and the term of renewal of each permit issued; however, no license
8 shall remain in force for a period in excess of three (3) years.

9 SECTION 4. Section 5-20.7-15 of the General Laws in Chapter 5-20.7 entitled "Real
10 Estate Appraiser Certification Act" is hereby amended to read as follows:

11 **5-20.7-15. Fees.** -- The director is hereby empowered and directed to establish a fee
12 schedule for the application, review, examination, and re-examination of applicants for
13 certification and licensing and for the issuance and renewal of certificates and for late fees;
14 provided, however, that the annual fee for a residential or general appraiser certificate shall be
15 ~~one hundred and fifty dollars (\$150)~~ two hundred dollars (\$200).

16 SECTION 5. Section 5-38-8 of the General Laws in Chapter 5-38 entitled "Automobile
17 Body Repair Shops" is hereby amended to read as follows:

18 **5-38-8. License fee.** -- The license fee for each year shall be one hundred dollars (\$100).
19 If an applicant desires to do business in more than one location, he, she, or it shall pay a separate
20 fee of ~~one hundred dollars (\$100)~~ one hundred fifty dollars (\$150) for each such location which is
21 authorized by the department of business regulation.

22 SECTION 6. Sections 5-52-4.3 and 5-52-5 of the General Laws in Chapter 5-52 entitled
23 "Travel Agencies" are hereby amended to read as follows:

24 **5-52-4.3. Apprentice permits.** -- The department is authorized to issue an apprentice
25 permit to any person, without examination, who is otherwise qualified by reason of age and
26 reputation, to assist in the performance of a travel agency while under the that travel agency or of
27 a travel agent, for whose performance that travel agency and/or travel strict supervision of that
28 travel agency or of a travel agent, for whose performance that travel agency and/or travel agent
29 shall be liable as if that performance was undertaken by that travel agency or travel agent. An
30 apprentice permit shall be valid for a period of six (6) months from the date of issue and may be
31 renewed for cause shown upon proper application to the director. The fee for an apprentice permit
32 and for each renewal shall be ~~ten dollars (\$10.00)~~ twenty-five dollars (\$25.00).

33 **5-52-5 License fees – Transfer and renewal of licenses.** -- (a) All licenses issued under
34 this chapter shall be for a period of one year. No license shall be issued until all license fees due

1 are paid in full.

2 (b) The per annum fee for the issuance of a travel agency license for any person, firm,
3 partnership, or corporation is ~~one hundred dollars (\$100)~~ one hundred twenty-five dollars (\$125).

4 (c) The per annum fee for the issuance of a travel agent or travel manager license shall
5 be ~~thirty dollars (\$30.00)~~ fifty dollars (\$50.00). The fee for a travel agent or manager license to be
6 transferred to another travel agency shall be fifteen dollars (\$15.00). The ~~L~~license fee for a
7 duplicate license that is destroyed or mutilated shall be five dollars (\$5.00).

8 (d) No license shall be assignable or transferable except on the prior approval of the
9 department of business regulation.

10 (e) Application for renewal of a license must be received by the licensing authority no
11 less than twenty-one (21) days prior to expiration date, subject to the right of the licensing
12 authority to permit late filing upon good cause shown. Any renewal of a license shall be subject
13 to the same provisions covering issuance, suspension, and revocation of any license originally
14 issued. The licensing authority may refuse to renew a license for any of the grounds stated in § 5-
15 52-7 and where the past conduct of the applicant affords reasonable grounds for belief that he or
16 she will not carry out his or her duties in accordance with law and with integrity and honesty. The
17 authority shall promptly notify the licensee, in writing, by certified mail of its intent to refuse to
18 renew the license. The licensee may, within twenty-one (21) days after receipt of that notice of
19 intent, request a hearing on the refusal. The licensee shall be permitted to honor commitments
20 already made to its customers provided that no new commitments are incurred, unless said new
21 commitments are completely bonded to insure that the general public is protected from loss of
22 monies paid to the licensee. Where an applicant does not request a hearing in accordance with §
23 42-35-14, the licensing authority may carry out the proposal stated in its notice.

24 SECTION 7. Sections 5-57-23, 5-57-29, and 5-57-35 of the General Laws in Chapter 5-
25 57 entitled "Burglar and Hold-Up Alarm Businesses" are hereby amended to read as follows:

26 **5-57-23. Application, license, replacement and renewal fees. --** (a) A nonrefundable
27 application fee of ~~one hundred dollars (\$100)~~ one hundred twenty-five dollars (\$125) shall be
28 remitted with each application to cover investigation and administrative costs.

29 (b) The licensing authority shall promulgate rules and regulations mandating the term
30 of license for each license issued pursuant to this chapter; however, no license shall remain in
31 force for a period in excess of three (3) years.

32 (c) Any fee for the initial issuance of a license or for the renewal of a license shall be
33 determined by multiplying the per annum fee by the term of years of the license. The entire fee
34 for the total term of licensure shall be paid prior to issuing the initial license or renewal.

1 (d) The per annum fee for the initial issuance of a license shall be ~~seventy-five dollars~~
2 ~~(\$75.00)~~ one hundred dollars (\$100) which shall be remitted with the application, but which will
3 be refunded if the application of the alarm business is denied or withdrawn before approved.

4 (e)(1) The licensee shall submit a completed renewal application form not later than
5 thirty (30) days before the expiration of the license with a ~~twenty-five dollar (\$25.00)~~ fifty dollar
6 (\$50.00) nonrefundable administrative fee to cover the cost of processing the renewal application.

7 (2) The per annum fee for renewal shall be ~~seventy-five dollars (\$75.00)~~ one hundred
8 dollars (\$100). If the renewal application of the licensee is denied, the annual fee will be
9 refunded.

10 (f) All fees shall be paid into the general fund.

11 (g) There shall be a ten dollar (\$10.00) charge for issuance of a duplicate license to
12 replace a lost, damaged original, or renewal license. Fees for the replacement shall be paid into
13 the general fund.

14 **5-57-29. I.D. cards – Requirement – Application – Issuance or denial. --** (a) It shall
15 be unlawful and punishable as provided in § 5-57-41 for any individual to function as an alarm
16 agent or to perform the duties described in subsections (b) and (c) without first obtaining an
17 identification card (hereinafter referred to as "I.D." card).

18 (b) Owners, principal corporate officers, partners, and managers of all alarm businesses
19 shall be required to obtain I.D. cards if they directly engage in selling, installing, altering,
20 servicing, moving, maintaining, repairing, replacing, monitoring, responding to, or causing others
21 to respond to, alarm systems within the state.

22 (c) Any individual engaged in the alarm business or employed by or associated with an
23 alarm business within the state who is not an alarm agent but who has access to confidential
24 information relating to a customer or subscriber of an alarm business or who monitors radio
25 equipment used in connection with an alarm business shall also obtain an I.D. card.

26 (d) Individuals required to obtain an I.D. card under this section shall file a joint
27 application for a temporary and permanent I.D. card and upon completion thereof, the alarm
28 business shall immediately forward the application form to the licensing authority and retain a
29 copy of the application in its files. Alarm businesses shall issue temporary I.D. cards in the
30 manner prescribed in subsection (g) until the I.D. card applicant obtains a permanent I.D. card
31 from the licensing authority.

32 (e) A person engaged in the alarm business on September 1, 1977 shall have authority
33 to and shall be required to issue to its alarm agents or other individuals required to obtain I.D.
34 cards under this section temporary I.D. cards (as provided in subsection (g)) while the application

1 of that person for an alarm business license is pending. If that alarm business application is finally
2 denied, the alarm business shall no longer have authority to issue temporary I.D. cards and all
3 temporary I.D. cards issued by that alarm business shall become void and shall be returned by the
4 temporary I.D. cardholders to the issuer.

5 (f) Application for an I.D. card shall be on a form prescribed by the licensing authority
6 and shall include the following:

7 (1) The I.D. card applicant's full name and any other names previously used, current
8 residence and business addresses and telephone numbers;

9 (2) Date and place of birth;

10 (3) Whether the I.D. card applicant is applying as an alarm agent or as an individual
11 required to obtain an I.D. card under subsection (b) or (c);

12 (4) A list of all felony and misdemeanor convictions of the I.D. card applicant in any
13 jurisdiction;

14 (5) Two classifiable sets of fingerprints recorded in such manner that may be specified
15 by the licensing authority;

16 (6) Two recent photographs of a type prescribed by the licensing authority;

17 (7) The name and address of the alarm business which employs or will employ or
18 otherwise engage the I.D. card applicant;

19 (8) The application shall include a statement by the alarm business which employs or
20 will employ the I.D. card applicant or otherwise engage the I.D. card applicant as to whether that
21 alarm business:

22 (i) Is licensed under this chapter;

23 (ii) Has a license application pending before the licensing authority; or

24 (iii) Is unlicensed and does not have an application pending before the licensing authority
25 but was engaged in the alarm business within the state on September 1, 1977 and intends to file a
26 timely application for an alarm business license under this chapter;

27 (9) A statement by the alarm business as to whether it has issued a temporary I.D. card
28 to the I.D. card applicant. If the alarm business has issued a temporary I.D. card, the alarm
29 business shall state the date of issuance of the card and the card number;

30 (10) The I.D. card applicant's employment record for the prior three (3) years;

31 (11) A statement whether the applicant has been denied an alarm agent, guard or private
32 investigator license, permit or I.D. card or business license for an alarm business, guard or private
33 investigator business in any jurisdiction and whether that license, permit or I.D. card has been
34 revoked;

1 (12) A statement that the I.D. card applicant will inform the licensing authority of any
2 material change in the information set forth in the I.D. card applicant's form within ten (10) days
3 after that change; and

4 (13) Any other information which the licensing authority may reasonably deem
5 necessary to determine whether an applicant for an I.D. card meets the requirements of this
6 chapter.

7 (g) A temporary I.D. card shall be issued by an alarm business licensed under this
8 chapter to any of its alarm agents or any other individual required to obtain an I.D. card prior to
9 the issuance of a permanent I.D. card for any such individual by the licensing authority. The form
10 for temporary I.D. cards shall be at the discretion of the alarm business, but only with the
11 approval of the licensing authority. The form for permanent I.D. cards shall be prescribed by the
12 licensing authority and shall include the following concerning the I.D. cardholder:

13 (1) Full name and signature;

14 (2) An I.D. card number and date of issuance of the card;

15 (3) Date and place of birth;

16 (4) Name and address of the alarm business which employs the applicant or with which
17 the applicant is associated;

18 (5) Date of commencement of employment or association with the alarm business; and

19 (6) A recent photograph of the I.D. cardholder.

20 (h) Before issuing a permanent I.D. card, the licensing authority shall require the
21 prospective I.D. cardholder to submit on forms provided by the licensing authority the names and
22 addresses of two (2) references who can verify the applicant's good moral character and
23 competency to install alarms or alarm systems and the names and addresses of employers of the
24 prospective I.D. cardholder for the past three (3) years, and shall make reasonable and prudent
25 inquiries to determine whether the applicant meets the requirements of this section. If the
26 licensing authority has reason to believe that the individual required to obtain a permanent I.D.
27 card does not meet the requirements of this section, no permanent I.D. card shall be issued by the
28 licensing authority.

29 (i) Any alarm business issuing a temporary I.D. card shall promptly report to the
30 licensing authority the name, address, and I.D. card number of the individual to whom it has
31 issued a temporary I.D. card.

32 (j) The temporary or permanent I.D. card shall be carried by an individual required to
33 obtain an I.D. card under this chapter whenever that individual is engaged in the alarm business
34 and shall be exhibited upon request.

1 (k) Application for an I.D. card to the licensing authority shall be accompanied by a
2 ~~twenty-five dollar (\$25.00)~~ thirty dollar (\$30.00) fee to cover the cost of processing the
3 application and investigating the applicant. The fees collected shall be paid into the general fund.

4 (l) The licensing authority may refuse to issue an I.D. card if the I.D. card applicant has
5 been convicted of a felony or a misdemeanor in any jurisdiction and the licensing authority finds
6 that the conviction reflects unfavorably on the fitness of the applicant to engage in the alarm
7 business or to be employed by an alarm business.

8 (m) The permanent I.D. card issued by the licensing authority shall include the items
9 listed in subsection (g) and the expiration date of the I.D. card.

10 **5-57-35. Renewal and replacement of I.D. cards – Notification of changes.** – (a)
11 I.D. cards issued by the licensing authority shall be valid for a period of two (2) years. An I.D.
12 card renewal form must be filed by the cardholder with the licensing authority not less than thirty
13 (30) days prior to the expiration of the I.D. card. The fee for renewal of an I.D. card shall be ~~five~~
14 ~~dollars (\$5.00)~~ fifteen dollars (\$15.00) and shall be paid into the general fund.

15 (b) The licensing authority may refuse to renew an I.D. card on any of the grounds
16 stated in § 5-57-19(1), and it shall promptly notify the I.D. cardholder of its intent to refuse to
17 renew the license. The I.D. cardholder may within fifteen (15) days after receipt of the notice of
18 intent to refuse to renew an I.D. card, request a hearing on that refusal in the same manner and in
19 accordance with the same procedure as that provided in § 5-57-20(b).

20 (c) An alarm business shall notify the licensing authority within ten (10) days after the
21 death or termination of employment of any of its employees or of any individual associated with
22 the alarm business who holds an I.D. card issued by it or by the licensing authority.

23 (d) There shall be a five dollar (\$5.00) charge for issuance of a duplicate I.D. card to
24 replace a lost, damaged, or destroyed original, or renewal I.D. card. Fees for the replacement shall
25 be paid into the general fund.

26 SECTION 8. Sections 19-14-4, 19-14-9, and 19-14-12 of the General Laws in Chapter
27 19-4 entitled “Licensed Activities” are hereby amended to read as follows:

28 **19-14-4. Annual fee.** -- (a) Each licensee shall pay an annual license fee as follows:

29 (1) Each small loan lender license and each branch certificate, the sum of five hundred
30 fifty dollars (\$550);

31 (2) Each loan broker license and each branch certificate, the sum of five hundred fifty
32 dollars (\$550);

33 (3) Each lender license and each branch certificate, the sum of one thousand one
34 hundred dollars (\$1,100);

1 (4) Each sale of checks license, the sum of ~~three hundred dollars (\$300)~~ three hundred
2 thirty dollars (\$330);

3 (5) Each check cashing license and each branch certificate, the sum of ~~three hundred~~
4 ~~dollars (\$300)~~ three hundred thirty dollars (\$330); and

5 (6) Each electronic money transfer license, the sum of ~~three hundred dollars (\$300)~~
6 three hundred thirty dollars (\$330).

7 (b) Any licensee who shall not pay the annual fee by March 31 of each year shall be
8 subject to a daily penalty of twenty-five dollars (\$25) per day, subject to a maximum of seven
9 hundred fifty dollars (\$750). The penalty shall be paid to the director to and for the use of the
10 state. The penalty may be waived for good cause by the director or the director's designee, upon
11 written request.

12 **19-14-9. Contents of license – Posting. --** The license or branch certificate shall contain
13 any information that the director or the director's designee shall require, including the type of
14 activity authorized. The license or branch certificate shall be kept conspicuously posted in the
15 place of business of the licensee. Any licensee who shall lose, misplace or mutilate the license or
16 branch certificate shall pay a replacement fee of ~~one hundred dollars (\$100)~~ one hundred ten
17 dollars (\$110) to the director for the use of the state.

18 **19-14-12. Place of business – Branch offices – Name changes. --** (a) Additional
19 places of business may be maintained under the same license upon written application to the
20 director or the director's designee for the establishment of an additional branch office. A separate
21 application must be filed for each additional branch office being requested. At the time of the
22 application, the licensee shall pay to and for the use of the state an investigation fee as provided
23 for in § 19-14-3. Upon the filing of the application, the director or the director's designee shall
24 investigate the facts, and if he or she shall find that allowing the licensee to engage in business in
25 the additional branch location will promote the convenience and advantage of the community in
26 which the licensee desires to conduct his or her business, the director or the director's designee
27 shall issue and deliver a branch certificate, signed by the director or the director's designee which
28 shall be authority for the operation of the business under the license at the branch location. If the
29 director or the director's designee shall not so find, he or she shall deny the licensee permission to
30 establish the branch location in a manner consistent with the licensing application process. Upon
31 approval of a branch location request, the licensee shall pay an additional annual licensing fee for
32 each branch location in the manner consistent with the licensing application process. Any person
33 licensed under chapters 25, 25.1, 25.2, 25.3 or 25.4 of this title as in effect on June 30, 1995, that
34 has maintained more than one office licensed under any of those chapters as of June 30, 1995 will

1 automatically be issued branch certificates for the comparable licenses under this chapter for all
2 of the locations other than the main office as part of the 1996 license renewal process. The
3 original licenses for locations deemed to be branches must be surrendered at that time.

4 (b) Whenever a licensee wishes to change his or her place of business or branch
5 location to a street address other than that designated in the license, the licensee shall make
6 written application to the director or the director's designee who shall investigate the facts. If the
7 director or the director's designee finds that allowing the licensee to engage in business in the new
8 location will promote the convenience and advantage of the community in which the licensee
9 desires to conduct business, the director or the director's designee shall reissue the license or
10 branch certificate reflecting the change and the date, which shall be authority for the operation of
11 the business under the license at the new location. If the director or the director's designee shall
12 not so find, he or she shall deny the licensee permission to change the location of the place of
13 business, in the manner consistent with the application process for a license. At the time of
14 application, the licensee shall pay to the state the sum of ~~two hundred fifty dollars (\$250)~~ two
15 hundred seventy-five dollars (\$275) as an investigation and processing fee.

16 (c) No licensee shall transact the business provided for by this chapter under any other
17 name than that named in the license or branch certificate. Whenever a licensee shall wish to
18 change the name, the licensee shall make written application to the director or the director's
19 designee, who shall investigate the facts. If the director or the director's designee shall find that
20 the change of name is appropriate and all requirements for the name change have been met by the
21 licensee, the director or the director's designee shall approve the change and issue a replacement
22 license and branch certificate(s), if applicable, reflecting the new name, upon surrender by the
23 licensee of the original license and branch certificate(s), if applicable. At the time of application
24 for change of name, the licensee shall pay to and for the use of the state the sum of ~~one hundred~~
25 ~~fifty dollars (\$150)~~ one hundred sixty-five (\$165) and an additional ~~fifty dollars (\$50.00)~~ fifty-
26 five dollars (\$55) for each branch location as an investigation and processing fee.

27 SECTION 9. Sections 23-26-12 and 23-26-31 of the General Laws in Chapter 23-26
28 entitled "Bedding and Upholstered Furniture" are hereby amended to read as follows:

29 **23-26-12. Sterilization permits.** -- Any sterilization process, before being used in
30 connection with this chapter, must receive the approval of the director. Every person, firm, or
31 corporation desiring to operate the sterilization process shall first obtain a numbered permit from
32 the director and shall not operate the process unless the permit is kept conspicuously posted in the
33 establishment. Fee for original permit shall be ~~fifty dollars (\$50.00)~~ seventy dollars (\$70.00).
34 Application for the permit shall be accompanied by specifications in duplicate, in such form as

1 the director shall require. Each permit shall expire one year from date of issue. Fee for annual
2 renewal of a sterilizing permit shall be one-half (1/2) the original fee.

3 **23-26-31. Fees. --** (a) The per annum fees imposed for licenses issued pursuant to §
4 23-26-30 shall be as follows:

5 (1) Every applicant classified as a manufacturer of articles of bedding for sale at
6 wholesale or retail or as a supply dealer shall pay, prior to the issuance of a general license, a per
7 annum fee of ~~one hundred and fifty dollars (\$150)~~ one hundred seventy-five dollars (\$175), and
8 the licensee may be engaged in any or all of the following:

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

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

11 (iii) Supply dealer;

12 (iv) Repairer-renovator.

13 (2) Every applicant classified as a repairer-renovator or retailer of second-hand articles
14 of bedding shall pay, prior to the issuance of a limited license, a per annum fee of ~~forty dollars~~
15 ~~(\$40.00)~~ fifty dollars (\$50.00), and the licensee may be engaged in any or all of the following:

16 (i) Repairer-renovator;

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

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

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

31 SECTION 10. Section 27-2-14 of the General Laws in Chapter 27-2 entitled "Foreign
32 Insurance Companies" is hereby amended to read as follows:

33 **27-2-14. Forwarding of process by commissioner. --** Whenever lawful process against
34 an insurance company shall be served upon the insurance commissioner, the commissioner shall

1 forward a copy of the process served on him or her, by mail, postpaid, and directed to the
2 secretary of the company, or in the case of companies of foreign countries, to the resident
3 manager, if any, in this country. For each copy of process the insurance commissioner shall
4 collect, for the use of the state, the sum of ~~five dollars (\$5.00)~~ twenty-five dollars (\$25.00), which
5 shall be paid by the plaintiff at the time of the service; the fee is to be recovered by the plaintiff as
6 part of the taxable costs, if he or she prevails in the suit.

7 SECTION 11. Section 27-10.1-1 of the General Laws in Chapter 27-10.1 entitled "Motor
8 Vehicle Damage Appraisers" is hereby amended to read as follows:

9 **27-10.1-1. Purpose of chapter – Issuance of license – Penalties – Renewal –**
10 **Revocation or suspension.** -- (a) The purpose of this chapter is to subject certain individuals to
11 the jurisdiction of the insurance commissioner. The legislature declares that it is concerned with
12 the business of appraising damaged automobiles and to this end authorizes the insurance
13 commissioner to regulate that business. No person shall act as an appraiser for motor vehicle
14 physical damage claims on behalf of any insurance company or firm or corporation engaged in
15 the adjustment or appraisal of motor vehicle claims unless that person has first secured a license
16 from the insurance commissioner and has paid a license fee of fifty dollars (\$50.00) for each
17 fiscal year or fraction of a year. The license shall be issued only upon the successful passage of
18 the examination that shall be administered at the discretion of the insurance commissioner, but in
19 no event less than quarterly. Each person applying for a physical damage appraisers license shall
20 pay an ~~examination fee of ten dollars (\$10.00)~~ application fee of fifty dollars (\$50.00) to and for
21 the use of the state. The commissioner may prescribe reasonable regulations concerning standards
22 for qualifications, suspension, or revocation, and the methods with which licensees conduct their
23 business, in addition to the requirements specifically delineated within this chapter. The
24 commissioner shall submit an annual report on his or her findings and recommendations to the
25 governor and the general assembly on January 30 of each year.

26 (b) Any person who violates any provision of this chapter shall be fined not more than
27 five hundred dollars (\$500) or imprisoned not more than one year, or both.

28 (c) The insurance commissioner shall promulgate rules and regulations mandating the
29 term of license for each category of license issued pursuant to this chapter; and no license shall
30 remain in force for a period in excess of four (4) years.

31 (d) Any mandated license fee shall be determined by multiplying the number of years
32 of the license by the fee described in subsection (a). A license shall be renewed upon the payment
33 of the appropriate renewal fee. The fee for the total term of the licensure or renewal shall be paid
34 at the time of initial application or renewal.

1 (e) Nothing in this section shall be construed to limit the authority of the insurance
2 commissioner to sooner suspend or revoke any license issued pursuant to this chapter. Any action
3 for suspension or revocation of any license shall be in accordance with Administrative Procedures
4 Act, chapter 35 of title 42, upon proof that the license was obtained by fraud or misrepresentation,
5 or that the interests of the insurer or the interests of the public are not properly served under the
6 license, or for cause.

7 SECTION 12. Section 27-10-6 of the General Laws in Chapter 27-10 entitled "Claim
8 Adjusters" is hereby amended to read as follows:

9 **27-10-6. Minimum percentage of licensed adjusters – Examination of applicants. --**

10 Any person who desires to act as an insurance claim adjuster or who is employed by an insurance
11 company doing business in the state of Rhode Island and desires to act within the state as an
12 insurance adjuster shall make a written application to the insurance commissioner for a license to
13 engage in this type of business. All insurance claims adjusters and those presently employed by
14 insurance companies in the state of Rhode Island as of January 1, 1976, who hold current and
15 valid licenses including all persons currently engaged in the business of public adjusting as of
16 June 12, 1985 shall automatically qualify for a license to handle the various lines of business for
17 which they are qualified. Insurance claim adjusters who have less than one year's experience
18 adjusting claims shall be classified as trainees and it will be necessary for them to obtain a license
19 to adjust claims in the state of Rhode Island in accordance with the provisions of this section. No
20 insurance company shall have more than twenty-five percent (25%) of its insurance claim
21 adjusters in a trainee classification where that adjusting force consists of at least ten (10) people;
22 this shall not apply to company training programs to qualify personnel in other jurisdictions. A
23 minimum of seventy-five percent (75%) of the insurance claim adjusters in any claims office
24 shall be licensed insurance claim adjusters in the state of Rhode Island. All applications shall be
25 accompanied by an [filing application](#) fee of ~~twenty dollars (\$20.00)~~ [fifty dollars \(\\$50.00\)](#) and the
26 license shall be both initially issued and renewed upon the payment by the applicant or the
27 insurance claim adjuster's employer of a fee assessed at an annual rate of fifty dollars (\$50.00) for
28 each insurance claim adjuster's license. The fee for the total time of licensure or renewal shall be
29 paid at the time of initial application or of renewal, respectively. Each insurance claim adjuster
30 who is an applicant for a license shall furnish satisfactory evidence to the insurance commissioner
31 that he or she is a person of good moral character and that he or she is trustworthy and competent
32 as an applicant. The commissioner shall subject the applicant to a written ~~and oral~~ examination
33 ~~for which the applicant shall pay ten dollars (\$10.00)~~, as to his or her competency to act as an
34 insurance claim adjuster. These examinations shall be conducted at the discretion of the

1 commissioner, but in no event less than quarterly.

2 SECTION 13. Section 34-38-3 of the General Laws in Chapter 34-38 entitled
3 “Regulation of Out of State Real Estate Sales and Dispositions” is hereby amended to read as
4 follows:

5 **34-38-3. Filing requirements.** -- Any person or broker proposing to advertise, offer,
6 or dispose of any subdivision or lot, parcel, unit, or interest therein in this state shall first submit
7 to the department:

8 (1) Such particulars and details of the subdivision or lots, parcels, units or other interest
9 in any subdivision to be advertised, offered, or to be disposed of as the department may by
10 regulation require, including, but not limited to, a prospectus, property report, or offering
11 statement embodying all the terms relative to the offering and disposition;

12 (2) A detailed statement of intended and proposed advertising and sale methods and
13 techniques;

14 (3) A completed license application in such form as the department may require; and

15 (4) A filing fee of ~~one hundred dollars (\$100)~~ one hundred fifty (\$150) in respect of
16 each subdivision to be offered or to be disposed of.

17 SECTION 14. Section 42-14.2-6 of the General Laws in Chapter 42-14.2 entitled
18 “Department of Business Regulation – Automobile Wrecking and Salvage Yards” is hereby
19 amended to read as follows:

20 **42-14.2-6. License fee.** -- Every application to the department for renewal of an
21 existing license or the issuance of a new license shall be accompanied by a fee of ~~sixty dollars~~
22 ~~(\$60.00)~~ one hundred and twenty dollars (\$120) per annum, payable to the state of Rhode Island.
23 In the event the application is denied, the fee shall be returned to the applicant.

24 SECTION 15. This article shall take effect as of July 1, 2004.

25 ARTICLE 31

26 RELATING TO PUBLIC UTILITIES AND CARRIERS - 27 TELECOMMUNICATION SURCHARGE

28 SECTION 1. Section 39-1-61 of the General Laws in Chapter 39-1 entitled “Public
29 Utilities Commission” is hereby amended to read as follows:

30 **39-1-61. Rhode Island telecommunications education access fund.** – (a) *Preamble.*
31 For the past ten (10) years, the schools and libraries of Rhode Island have benefited from a
32 regulatory agreement with Verizon and its predecessor companies that has provided up to two
33 million dollars (\$2,000,000) annually for support of telecommunications lines for internet access.
34 In addition, the funds provided for in the original regulatory agreement and every dollar

1 generated hereunder leverages a one dollar and twenty-seven cents (\$1.27) federal E-Rate match.
2 With the regulatory agreement approaching its termination and the advent of more advanced
3 technologies, it is the intent of this section to provide a continued source of funding for internet
4 access for eligible public and private schools and libraries.

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

7 (1) “Department of Education” means the Rhode Island Department of Elementary and
8 Secondary Education.

9 (2) “~~Commission~~ Division” means the Division of Public Utilities ~~Commission~~ and
10 Carriers.

11 (3) “Telecommunications Education Access Fund” means the programs and funding
12 made available to qualified libraries and schools to assist in paying the costs of acquiring,
13 installing and using telecommunications technologies to access the internet.

14 (c) *Purpose.* The purpose of the Telecommunications Education Access Fund shall be to
15 fund a basic level of internet connectivity for all of the qualified schools (kindergarten through
16 grade 12) and libraries in the state.

17 (d) *Authority.* The ~~commission~~ division shall establish, by rule or regulation, an
18 appropriate funding mechanism to recover from the general body of ratepayers the costs of
19 providing telecommunications technology to access the internet.

20 (1) The general assembly shall determine the amount of a monthly surcharge to be levied
21 upon each residence and business telephone access line or trunk in the state, including PBX
22 trunks and centrex equivalent trunks and each service line or trunk, and upon each user interface
23 number or extension number or similarly identifiable line, trunk or path to and from a digital
24 network. The department will provide the general assembly with information and
25 recommendations regarding the necessary level of funding to effectuate the purposes of this
26 article. ~~The General Assembly shall annually review the surcharge to determine if it should be~~
27 ~~applied to wireless telephone service.~~ The surcharge shall be billed by each telecommunications
28 services provider and shall be payable to the telecommunications services provider by the
29 subscriber of the telecommunications services. State, local and quasi-governmental agencies
30 shall be exempt from the surcharge. The surcharge shall be deposited in a restricted receipt
31 account, hereby created within the ~~commission~~ department of elementary and secondary
32 education and known as the Telecommunications Education Access Fund, to pay any and all
33 costs associated with subsection (b)(3). The amount of the surcharge shall not exceed thirty-five
34 cents (\$.35) per access line or trunk.

1 (2) The surcharge is hereby determined to be twenty-six (\$.26) per access line or trunk.

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

6 (e) *Administration.* The ~~commission~~ division, with input from the department, shall
7 administer the Telecommunications Education Access Fund consistent with the requirements of
8 the Universal Service (E-Rate) program. The ~~commission~~ division shall collect from the
9 telecommunications service providers the amounts of the surcharge collected from their
10 subscribers. The department, with the approval of the ~~commission~~ division, shall publish requests
11 for proposals that do not favor any particular technology, evaluate competitive bids, and select
12 products and services that best serve the internet access needs of schools and libraries. In doing
13 so, the department shall endeavor to obtain all available E-Rate matching funds. The department
14 is further authorized and encouraged to seek matching funds from all local, state, and federal
15 public or private entities. The department shall approve disbursement of funds under this section
16 in accordance with the ~~commission's~~ division's directives. Unsuccessful bids may be appealed to
17 the ~~commission~~ division. The ~~commission~~ division shall annually review the department's
18 disbursements from this account to ensure that the department's decisions do not favor any
19 competitor.

20 (f) *Eligibility.* All schools seeking support from the fund must be eligible for Universal
21 Service (E-Rate) support and meet the definition of "elementary school" or "secondary school" in
22 the Elementary and Secondary Education Act of 1965, as amended (20 U.S.C. § 8801). Schools
23 operating as a for-profit business or with endowments exceeding fifty million dollars
24 (\$50,000,000) are not eligible for support. All libraries seeking support from the fund must meet
25 the definition of "library" or "library consortium" in the Library Services and Technology Act,
26 P.L. No. 104-208, § 211 et seq., 110 Stat. 3009 (1996) and must be eligible for assistance from a
27 state library administrative agency under that act. Only libraries that have budgets that are
28 completely separate from any schools (including, but not limited to, elementary and secondary,
29 colleges and universities) shall be eligible to receive support. Libraries operating as a for-profit
30 business shall not be eligible for support.

31 (g) The effective date of assessment for the Telecommunications Education Access Fund
32 shall be January 1, 2004.

33 SECTION 2. Chapter 39-1 of the General Laws entitled "Public Utilities Commission" is
34 hereby amended by adding thereto the following section:

1 **39-1-62. E-911 Geographic Information System (GIS) and Technology Fund. -- (a)**

2 Preamble.To allow the Rhode Island E-911 Emergency Telephone System agency to associate
3 latitude and longitude coordinates provided by wireless carriers with physical locations
4 throughout the state, the agency must establish and maintain a GIS database of street addresses
5 and landmarks. The database will allow local emergency response personnel to dispatch police,
6 fire and rescue personnel to a specific address or landmark of a cellular caller in the event the
7 caller is unaware of his or her location, or is physically unable to communicate it. Because more
8 than half of the 530,000 9-1-1 phone calls received in 2003 came from cellular phones, it is
9 critical that the GIS database be developed and maintained in order to improve caller location
10 identification and reduce emergency personnel response times.

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

13 (1) "System" means Emergency 911 Uniform Telephone System.

14 (2) "Agency" means Rhode Island 911 Emergency Telephone System.

15 (3) "Division" means the Division of Public Utilities and Carriers.

16 (4) "GIS and Technology Fund" means the programs and funding made available to the
17 Emergency 911 Uniform Telephone System to assist in paying the costs of the GIS database
18 development project and GIS systems maintenance, which will enable the system to locate
19 cellular phone callers by geocoding all addresses and landmarks in cities and towns throughout
20 the state. It also includes programs to create system redundancy and maintain state-of-the-art
21 equipment technology.

22 (c) Purpose. The purpose of the GIS and Technology Fund shall be to:

23 implement and maintain a geographic information system database to assist in locating
24 wireless phone callers for emergency purposes in a manner consistent and in coordination with
25 the Rhode Island geographic information system administered by the Division of Planning as
26 provided for in 42-11-10(g)(3); and create system redundancy to ensure the reliability of 9-1-1
27 service to the public;

28 (3) maintain state-of-the-art equipment technology.

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

32 (1) The general assembly shall determine the amount of a monthly surcharge to be levied
33 upon each wireless telecommunications instrument or device capable of delivering two-way
34 interactive communications services comparable to those offered by telecommunications service

1 providers. The agency will provide the general assembly with information and recommendations
2 regarding the necessary level of funding to effectuate the purposes of this article. The surcharge
3 shall be billed by each wireless telecommunications services provider and shall be payable to the
4 wireless telecommunications services provider by the subscriber of the telecommunications
5 services. State, local and quasi-governmental agencies shall be exempt from the surcharge. The
6 surcharge shall be deposited in a restricted receipt account, hereby created within the division and
7 known as the GIS and Technology Fund, to pay any and all costs associated with subsection (c).
8 The amount of the surcharge under section 39-1-62 shall not exceed thirty-five cents (\$.35) per
9 wireless phone.

10 (2) The surcharge is hereby determined to be twenty-six (\$.26) per wireless phone and
11 shall be in addition to the wireless surcharge charged under section 39-21.1-14.

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

16 (e) Administration. The division shall collect from the wireless telecommunications
17 service providers the amounts of the surcharge collected from their subscribers. The division
18 shall deposit such collections in an account maintained and administered by the Rhode Island 911
19 Emergency Telephone System for use in developing and maintaining the geographic information
20 system database, creating system redundancy, and improving equipment technology. The agency
21 is further authorized and encouraged to seek matching funds from all local, state, and federal
22 public or private entities and shall coordinate its activities and share all information with the state
23 Division of Planning.

24 (f) The effective date of assessment for the GIS and Technology Fund shall be July 1,
25 2004.

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

29 SECTION 3. Section 1 of this article shall take effect as of January 1, 2004. Section 2
30 shall take effect as of July 1, 2004.

31 ARTICLE 32

32 RELATING TO STATE FUNDS

33 INDIRECT COST RECOVERIES ON RESTRICTED RECEIPT ACCOUNTS

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

1 is hereby amended to read as follows:

2 **35-4-27. Indirect cost recoveries on restricted receipt accounts.** -- Indirect cost
3 recoveries of seven percent (7%) of cash receipts shall be transferred from all restricted receipt
4 accounts, to be recorded as general revenues in the general fund. However, there shall be no
5 transfer from cash receipts with restrictions received exclusively from contributions from non-
6 profit charitable organizations. These indirect cost recoveries shall be applied to all accounts,
7 unless prohibited by federal law or regulation, court order, or court settlement. The following
8 restricted receipt accounts shall not be subject to the provisions of this section:

9	ACCOUNT	PROGRAM
10	1052-8030	Ladd school - Patients' benefit
11	1065-80300	IMH - Patients' benefit
12	1072-80200	General hospital - Patients' benefit
13	1074-80300	Zambarano - Patients' benefit
14	1101-80601	Indirect cost recovery
15	1143-80100	Forfeited property - Drug control
16	1210-80102	Indirect cost recoveries
17	1210-80103	Indirect cost recoveries
18	1210-80105	Indirect cost recoveries
19	1210-80106	Indirect cost recoveries
20	1235-80100	Veterans' home - Restricted account
21	1235-80300	Veterans' home - Resident benefits
22	1260-80100	Organ transplant fund
23	1370-80100	Custody of U.S. detainees
24	1370-80300	ACI - Inmate benefits
25	1410-80100	Recovery of indirect costs
26	1725-80100	National heritage revolving fund
27	1725-80300	Blackstone River bicycle study
28	1730-80200	Environmental Trust - Natural Resources
29	1732-80800	Non-game wildlife fund (G.L. 20-18)
30	1736-80600	Galilee Port improvement
31	1751-81000	RIDOT permits program
32	1753-80200	UST loan fund
33	1753-80900	Environ.Trust-Environmental Protection
34	1754-80200	Environmental response fund li

1	1754-80700	RIDOT Quonset cleanup
2	1759-80100	Underground storage tanks
3	1912-80200	R.I.P.T.A.
4	1932-80200	Gasoline tax/debt service*
5	2024-80400	Asset forfeiture fund
6	2024-81200	Indirect cost recovery – SA
7	2061-80400	Art for public facilities fund
8	2062-80500	Historicpreservation revolving loan fund
9	2062-80600	Hp rev. loan fund - Interest revenue
10	2211-80100	Forfeiture of property
11	2211-80600	Federal forfeitures
12	2441-80100	COBRA
13	2450-80200	DEPCO escrow account
14	2473-80100	Public service corp. tax - Admin. expen.
15	2480-80400	Restore and replace -Insurance coverage
16	2480-80800	Convention ctr.authority rental pymts.
17	2570-80100	Forfeited property - Retained
18	2570-80200	Seized & forfeited prop. - Fed. distrbd.
19	2570-80400	Forfeited property - Gambling
20	2626-80100	Audit of federal assisted programs
21	2816-80100	Arts and tourism development fund
22	2920-80300	Debt service on borrowed funds
23	3260-81500	Intermodal surface transportation fund
24	2230-82600	Atty.Gen.multi-state initiative account

ARTICLE 33

RELATING TO ENVIRONMENTAL MANAGEMENT FEES

SECTION 1. Section 2-1-22 of the General laws in Chapter 2-1 entitled “Agricultural Functions of Department of Environmental Management – Fresh Water Wetlands” is hereby amended to read as follows:

2-1-22. Procedure for approval by director – Notice of change of ownership – Recordation of permit. – (a) Application for approval of a project to the director of environmental management shall be made in a form to be prescribed by the director and provided by the director upon request. Prior to the application, a request may be made for preliminary determination as to whether this chapter applies. A preliminary determination shall be made by

1 the director only after an on-site review of the project and the determination shall be made within
2 thirty (30) days of the request. This chapter shall be determined to apply if a significant alteration
3 appears to be contemplated and an application to alter a wetland will be required. Within fourteen
4 (14) days after receipt of the completed application accompanied by plans and drawings of the
5 proposed project, the plans and drawings to be prepared by the registered professional engineer to
6 a scale of not less than one inch (1") to one hundred feet (100'), the director shall notify all
7 landowners whose properties are within two hundred feet (200') of the proposed project and the
8 director will also notify the city or town council, the conservation commission, the planning
9 board, the zoning board, and any other individuals and agencies in any city or town within whose
10 borders the project lies who may have reason in the opinion of the director to be concerned with
11 the proposal. The director may also establish a mailing list of all interested persons and agencies
12 who may wish to be notified of all applications.

13 (b) If the director receives any objection to the project within forty-five (45) days of the
14 mailing of the notice of application from his or her office, the objection to be in writing and of a
15 substantive nature, the director shall then schedule a public hearing in an appropriate place as
16 convenient as reasonably possible to the site of the proposed project. The director shall inform by
17 registered mail all objectors of the date, time, place, and subject of the hearing to be held. The
18 director shall further publish notice of the time, place, date, and subject of the hearing in one local
19 newspaper circulated in the area of the project and one statewide newspaper, the notices to appear
20 once per week for at least two (2) consecutive weeks prior to the week during which the hearing
21 is scheduled. The director shall establish a reasonable fee to cover the costs of the investigations,
22 notifications, and publications, and hearing and the applicant shall be liable for the fee.

23 (c) If no public hearing is required, or following a public hearing, the director shall
24 make his or her decision on the application and notify the applicant by registered mail and the
25 applicant's attorney and any other agent or representative of the applicant by mail of this decision
26 within a period of six (6) weeks. If a public hearing was held, any persons who objected, in
27 writing, during the forty-five (45) day period provided for objections shall be notified of the
28 director's decision by first class mail.

29 (d) In the event of a decision in favor of granting an application, the director shall issue
30 a permit for the applicant to proceed with the project, and shall require the applicant to pay a
31 permit fee of one hundred dollars (\$100.00). The permit may be issued upon any terms and
32 conditions, including time for completion, that the director may require. Permits shall be valid for
33 a period of one year from the date of issue and shall expire at the end of that time unless renewed.
34 A permit ~~shall~~ may be renewed for up to three (3) additional one year periods upon application by

1 the original permit holder or a subsequent transferee of the property subject to permit, unless the
2 original permit holder or transferee has failed to abide by the terms and conditions of the original
3 permit or any prior renewal. The director may require new hearings if, in his or her judgment, the
4 original intent of the permit is altered or extended by the renewal application or if the applicant
5 has failed to abide by the terms of the original permit in any way. In addition, in the event a
6 project authorized by a permit was not implemented by the permit holder or transferee because
7 approval of the project by a federal agency, for which application had been timely made, had not
8 been received or a federal agency had stopped the project from proceeding, prior to the expiration
9 of the permit, the permit holder or transferee may apply for a renewal of the permit at any time
10 prior to the tenth (10th) anniversary of the original issuance, and the application shall be deemed
11 to be an insignificant alteration subject to expedited treatment. The request for renewal of a
12 permit shall be made according to any procedures and form that the director may require.

13 (e) The original permittee or subsequent transferee shall notify the director, in writing,
14 of any change of ownership that occurs while an original or renewal permit is in effect by
15 forwarding a certified copy of the deed of transfer of the property subject to the permit to the
16 director.

17 (f) A notice of permit and a notice of completion of work subject to permit shall be
18 eligible for recordation under chapter 13 of title 34 and shall be recorded at the expense of the
19 applicant in the land evidence records of the city or town where the property subject to permit is
20 located, and any subsequent transferee of the property shall be responsible for complying with the
21 terms and conditions of the permit.

22 (g) The director shall notify the person requesting a preliminary determination and the
23 person's attorney, agent, and other representative of his or her decision by letter, copies of which
24 shall be sent by mail to the city or town clerk, the zoning board, the planning board, the building
25 official, and the conservation commission in the city or town within which the project lies.

26 (h) The director shall report to the general assembly on or before February 1 of each
27 calendar year on his or her compliance with the time provisions contained in this chapter.

28 (i) Normal farming activities shall be considered insignificant alterations and, as normal
29 farming activities, shall be exempted from the provisions of this chapter in accordance with the
30 following procedures:

31 (1) Normal farming and ranching activities are those carried out by farmers as defined
32 in this title, including plowing, seeding, cultivating, land clearing for routine agriculture purposes,
33 harvesting of agricultural products, pumping of existing farm ponds for agricultural purposes,
34 upland soil and water conservation practices, and maintenance of existing farm drainage

1 structures, existing farm ponds and existing farm roads are permissible at the discretion of
2 farmers in accordance with best farm management practices which assure that the adverse effects
3 to the flow and circulation patterns and chemical and biological characteristics of fresh water
4 wetlands are minimized and that any adverse effects on the aquatic environment are minimized.

5 (2) In the case of construction of new farm ponds, construction of new drainage
6 structures and construction of new farm roads, the division of agriculture shall be notified by the
7 filing of a written application for the proposed construction by the property owner. The
8 application shall include a description of the proposed construction and the date upon which
9 construction is scheduled to begin, which date shall be no earlier than thirty (30) calendar days
10 after the date of the filing of the application. The division of agriculture shall review such
11 applications to determine that they are submitted for agricultural purposes and to assure that
12 adverse effects to the flow and circulation patterns and chemical and biological characteristics of
13 fresh water wetlands are minimized and that any adverse effects on the aquatic environment are
14 minimized and will not result in a significant alteration to the wetlands. Pursuant to this review,
15 the division shall notify the applicant, in writing, whether the proposal is an insignificant
16 alteration. This notice shall be issued not later than thirty (30) days after the date that the
17 application was filed with the division. In the event notice is given by the division as required, the
18 application shall be conclusively presumed to be an insignificant alteration. If no notice is given
19 as required, or if an application is approved as an insignificant alteration, the applicant may cause
20 construction to be done in accordance with the application, and neither the applicant nor the
21 applicant's agents or employees who cause or perform the construction in accordance with the
22 application shall be liable for any criminal, civil, administrative or other fine, fee, or penalty,
23 including restoration costs for violations alleged to arise from the construction.

24 (3) The division of agriculture shall, in coordination with the agricultural council's
25 advisory committee, adopt regulations for subdivision (i)(2), and shall determine whether a
26 proposed activity, other than an activity listed in subdivision (i)(1), constitutes a normal farming
27 activity, or involves the best farm management practices.

28 (4) Except as otherwise provided for farm road construction, filling of wetlands
29 conforms to the provisions of this chapter.

30 (j) For the purposes of this section, a "farmer" is an individual, partnership or
31 corporation who operates a farm and has filed a 1040F U.S. Internal Revenue Form with the
32 Internal Revenue Service, has a state farm tax number and has earned ten thousand dollars
33 (\$10,000) gross income on farm products in each of the preceding four (4) years.

34 SECTION 2. Section 42-4 of the General Laws in Chapter 42 entitled "Commercial

1 Feeds” is hereby amended to read as follows:

2 **4-2-4. Registration.** -- (a) No person shall manufacture a commercial feed in this state,
3 unless he or she has filed with the director on forms provided by the director, his or her name,
4 place of business and location of each manufacturing facility in this state.

5 (b) No person shall distribute in this state a commercial feed except a customer formula
6 feed, which has not been registered pursuant to this section. The application for registration,
7 accompanied by a ~~fifty dollar (\$50.00)~~ sixty dollar (\$60.00) per brand registration fee, shall be
8 submitted in the manner prescribed by the director, on forms furnished by the director. A tag,
9 label, or facsimile for each brand to be registered must accompany the application. Upon approval
10 by the director, the registration shall be issued to the applicant. All registrations expire on the 31st
11 day of December of each year.

12 (c) The director is empowered to refuse registration of any commercial feed not in
13 compliance with this chapter and to cancel any registration subsequently found not to be in
14 compliance with any provisions of this chapter provided, that no registration shall be refused or
15 canceled unless the registrant has been given an opportunity to be heard before the director and to
16 amend his or her application in order to comply with the requirements of this chapter.

17 (d) Changes of either chemical or ingredient composition of a registered commercial
18 feed may be permitted with no new registration required provided there is satisfactory evidence
19 that those changes would not result in a lowering of the guaranteed analysis of the product for the
20 purpose for which designed, and provided a new label is submitted to the director notifying the
21 director of the change.

22 (e) All moneys received by the director under this chapter shall be deposited as general
23 revenues and shall consist of all fertilizer registration and tonnage fees paid pursuant to §§ 2-7-4
24 and 2-7-6 and fees paid pursuant to § 4-2-4.

25 (f) All moneys appropriated for the feed and fertilizer quality testing program shall be
26 made available for the following purposes:

27 (1) To support the feed and fertilizer testing laboratory for the testing and analysis of
28 commercial feeds distributed within this state for the expressed purpose of detection of
29 deficiency.

30 (2) For payment of ancillary services, personnel and equipment incurred in order to
31 carry out the purposes of quality assurance defined by this chapter.

32 SECTION 3. Section 43-4 of the General Laws in Chapter 43 entitled “Garbage
33 Feeding” is hereby amended to read as follows:

34 **4-3-4. Application for permit – Fee.** -- Any person desiring to obtain a permit to feed

1 garbage to swine shall make written application to the director in accordance with the
2 requirements of the director. At the time of filing an application, the applicant shall pay to the
3 director a permit fee in the sum of ~~five dollars (\$5.00)~~ fifty dollars (\$50.00) for the general use of
4 the state.

5 SECTION 4. Section 4-7-16 of the General Laws in Chapter 4-7 entitled “Cattle
6 Dealers” is hereby amended to read as follows:

7 **4-7-16. License fees.** -- The fee for the first license issued to any one individual or
8 corporation in accordance with §§ 4-7-6 – 4-7-23 is ~~ten dollars (\$10.00)~~, fifty dollars (\$50.00),
9 which entitles the licensee to one set of number plates. The fee for each additional license and set
10 of number plates is five dollars (\$5.00).

11 SECTION 5. Section 4-10-11 of the General Laws in Chapter 4-10 entitled “Handling
12 of Live Poultry” is hereby amended to read as follows:

13 **4-10-11. License fees.** -- The fee for the first license issued to any one individual or
14 corporation in accordance with this chapter shall be ~~five dollars (\$5.00)~~, twenty-five dollars
15 (\$25.00), which entitles the licensee to one set of number plates. The fee for each additional
16 license and set of number plates is two dollars (\$2.00).

17 SECTION 6. Sections 4-19-5 and 4-19-6 of the General Laws in Chapter 4-19 entitled
18 “Animal Care” are hereby amended to read as follows:

19 **4-19-5. Pet shop licenses.** -- No person shall operate a pet shop, as defined in this
20 chapter unless a license to operate that establishment shall have been granted by the director.
21 Application for that license shall be made in the manner provided by the director. The license
22 period is the fiscal year and the license fee is ~~fifty dollars (\$50.00)~~ one hundred dollars (\$100.00)
23 for each license period or partial period beginning with the first day of the fiscal year.

24 **4-19-6. Public auction and kennel licenses.** -- (a) No person shall operate a public
25 auction or a kennel, as defined in this chapter, unless a license to operate that establishment has
26 been granted by the director. Application for the license shall be made in the manner provided by
27 the director. The license period is the fiscal year and the license fee shall be ~~twenty-five dollars~~
28 ~~(\$25.00)~~ fifty dollars (\$50.00) for each license period or part thereof beginning with the first day
29 of the fiscal year.

30 (b) This section shall not be interpreted to interfere in any manner with the issuing of a
31 public auction or kennel license by any city or town, nor any fee charged by any city or town. No
32 license shall be issued by the director except for those premises as shall be designated by the
33 respective city or town council.

34 SECTION 7. Section 20-15-3 of the General Laws in Chapter 20-15 entitled “Deer

1 Hunting” is hereby amended to read as follows:

2 **20-15-3. Permit to landowner to protect property.** -- (a) Any person owning or
3 occupying any property and any employee of that person, while on that person's premises, may
4 kill any deer found destroying any crops, vegetables, or fruit trees, or otherwise causing damage
5 to that property; provided, however, that this person shall not kill any deer unless he or she has
6 obtained a permit from the director to do so. The director, on application, may issue the permit to
7 any responsible owner or the owner's employee, provided that no such permit shall be issued until
8 the director has determined that actual damage has been done to crops, vegetables, fruit trees, or
9 other property by any deer, and that no practical alternative to the shooting of the deer is
10 available. This permit shall be issued on an annual basis at a fee of twenty-five dollars (\$25.00).
11 Any person taking or wounding a deer under the permit shall report the taking or wounding to a
12 conservation officer or other designee of the director within twenty-four (24) hours of the taking
13 or wounding.

14 (b) Hunting shall only be permitted from one half (1/2) hour before sunrise to one half
15 (1/2) hour after sunset; provided that the director, subject to terms and conditions to be set forth
16 by regulation, may authorize hunting at other times on farmlands; and further provided, that these
17 farms have experienced severe deer damage to a cash crop or crops, and have attempted
18 unsuccessfully other reasonable means of controlling the damage, including daylight hunting; and
19 provided further, that the director determines whether these farmlands are of sufficient size to
20 support night hunting without endangering the public safety. A night hunting permit may be
21 issued by the director to any responsible owner or the owner's employee, provided that no such
22 permit shall be issued until the director has determined that actual damage has been done to
23 crops, vegetables, fruit trees, or other property by any deer, and that no practical alternative to the
24 shooting of the deer is available. This permit shall be issued on an annual basis at a fee of twenty-
25 five dollars (\$25.00).

26 ~~—(c) Any permit granted pursuant to subsection (b) of this section shall be exempt from~~
27 ~~all fees.~~

28 ~~(d)~~ (c) Under the authority of the director, the division of agriculture shall be
29 responsible for administering the provisions of this section as they relate to farmers, and may also
30 be responsible for administering this section as it relates to other landowners.

31 SECTION 8. Section 23-25-6.1 of the General Laws in Chapter 23-25 entitled
32 “Pesticide Control” is hereby amended to read as follows:

33 **23-25-6.1. Registration fee – Surcharge.** -- In addition to the annual registration fee of
34 fifty dollars (\$50.00) as required by § 23-25-6, an additional ~~thirty dollar (\$30.00)~~ fifty dollar

1 (\$50.00) registration surcharge fee shall be imposed upon each pesticide to be sold or used within
2 the state. The registration surcharge fee shall be deposited as general revenues.

3 SECTION 9. Section 31-3.2-2 of the General Laws in Chapter 31-3.2 entitled
4 “Snowmobiles and Recreational Vehicles” is amended to read as follows:

5 **31-3.2-2. Registration.** -- (a) *General requirements.* Except as provided in this chapter,
6 no person shall operate any snowmobile or recreational vehicle within the state unless the
7 snowmobile or recreational vehicle has been registered in accordance with this chapter. Any
8 operator of any snowmobile or recreational vehicle not registered in accordance with this chapter
9 shall be deemed guilty of a civil violation and be subject to a fine of one hundred dollars (\$100)
10 for each offense.

11 (b) *Application – Issuance – Reports.* Application for registration shall be made to the
12 director in such form as the director shall prescribe, and shall state the name and address of every
13 owner of the snowmobile or recreational vehicle and be signed by at least one owner. Upon
14 receipt of the application and the appropriate fee, the snowmobile or recreational vehicle shall be
15 registered and a reflectorized identification number assigned which shall be affixed to the
16 snowmobile or recreational vehicle in such manner as the director shall prescribe.

17 (c) *Fees for registration.*

18 (1) The fee for registration of each snowmobile or recreational vehicle, other than those
19 registered by a dealer or manufacturer pursuant to subsection (c)(1) or (c)(2) shall be as follows:
20 ~~ten dollars (\$10.00)~~ twenty-five dollars (25.00) for one year and one dollar (\$1.00) for a duplicate
21 or transfer.

22 (2) The total registration fee for all snowmobiles or recreational vehicles owned by a
23 dealer and operated for demonstration or testing purposes shall be twenty-five dollars (\$25.00)
24 per year.

25 (3) The total registration fee for all snowmobiles or recreational vehicles owned by a
26 manufacturer and operated for research, testing, experimentation, or demonstration purposes shall
27 be one hundred dollars (\$100) per year. Dealer and manufacturer registrations are not
28 transferable.

29 (4) In addition to the registration fees enumerated in subdivisions (1) – (3) of this
30 subsection, an annual registration fee of ten dollars (\$10.00) for residents and twenty dollars
31 (\$20.00) for nonresidents on all off-road facilities established by the department of environmental
32 management for such purposes. No person shall operate any recreational vehicles on off-road
33 facilities which has not been registered as required by this subdivision.

34 (d) *Renewal.* Every owner of a snowmobile or recreational vehicle shall renew his or

1 her registration in such manner as the director shall prescribe, upon payment of the same
2 registration fees provided in subsection (c).

3 (e) *Snowmobiles or recreational vehicles owned by state or political subdivision.* A
4 registration number shall be issued without the payment of a fee for snowmobiles or recreational
5 vehicles owned by the state of Rhode Island or a political subdivision of the state upon
6 application for it.

7 (f) *Exemptions.* No registration under this section shall be required for the following
8 described snowmobiles or recreational vehicles:

9 (1) Snowmobiles or recreational vehicles owned and used by the United States, another
10 state, or a political subdivision of the United States or another state.

11 (g) *Special Permits.* The director of environmental management may issue special
12 permits to out of state snowmobiles or recreational vehicles from a state or country where
13 registration is not required to operate in Rhode Island for limited periods of time not to exceed
14 thirty (30) days in connection with organized group outings, trail rides, races, rallies, and other
15 promotional events.

16 SECTION 10. Section 42-17.1-2 of the General laws in Chapter 42-17.1 entitled
17 "Department of Environmental Management" is hereby amended to read as follows:

18 **42-17.1-2. Powers and duties.** -- The director of environmental management shall
19 have the following powers and duties:

20 (a) To supervise and control the protection, development, planning, and utilization of
21 the natural resources of the state, such resources, including but not limited to, water, plants, trees,
22 soil, clay, sand, gravel, rocks and other minerals, air, mammals, birds, reptiles, amphibians, fish,
23 shellfish, and other forms of aquatic, insect, and animal life;

24 (b) To exercise all functions, powers, and duties heretofore vested in the department of
25 agriculture and conservation, and in each of the divisions of the department, such as the
26 promotion of agriculture and animal husbandry in their several branches, including the inspection
27 and suppression of contagious diseases among animals, the regulation of the marketing of farm
28 products, the inspection of orchards and nurseries, the protection of trees and shrubs from
29 injurious insects and diseases, protection from forest fires, the inspection of apiaries and the
30 suppression of contagious diseases among bees, prevention of the sale of adulterated or
31 misbranded agricultural seeds, promotion and encouragement of the work of farm bureaus in
32 cooperation with the University of Rhode Island, farmers' institutes and the various organizations
33 established for the purpose of developing an interest in agriculture, together with such other
34 agencies and activities as the governor and the general assembly may from time to time place

1 under the control of the department, and as heretofore vested by such of the following chapters
2 and sections of the general laws as are presently applicable to the department of environmental
3 management and which were previously applicable to the department of natural resources and the
4 department of agriculture and conservation or to any of its divisions: chapters 1 through 22,
5 inclusive, as amended, in title 2 entitled "Agriculture and Forestry;" chapters 1 through 17,
6 inclusive, as amended, in title 4 entitled "Animals and Animal Husbandry;" chapters 1 through
7 19, inclusive, as amended, in title 20 entitled "Fish and Wildlife;" chapters 1 through 32,
8 inclusive, as amended, in title 21 entitled "Food and Drugs;" chapter 7 of title 23 as amended,
9 entitled "Mosquito Abatement;" and by any other general or public law relating to the department
10 of agriculture and conservation or to any of its divisions or bureaus;

11 (c) To exercise all the functions, powers, and duties heretofore vested in the division of
12 parks and recreation of the department of public works by chapters 1, 2, and 5 in title 32 entitled
13 "Parks and Recreational Areas;" by chapter 22.5 of title 23, as amended, entitled "Drowning
14 Prevention and Lifesaving;" and by any other general or public law relating to the division of
15 parks and recreation;

16 (d) To exercise all the functions, powers, and duties heretofore vested in the division of
17 harbors and rivers of the department of public works, or in the department itself by such as were
18 previously applicable to the division or the department, of chapters 1 through 22 and sections
19 thereof, as amended, in title 46 entitled "Waters and Navigation"; and by any other general or
20 public law relating to the division of harbors and rivers;

21 (e) To exercise all the functions, powers and duties heretofore vested in the department
22 of health by chapters 25, 18.9, and 19.5 of title 23, as amended, entitled "Health and Safety;" and
23 by chapters 12 and 16 of title 46, as amended, entitled "Waters and Navigation"; by chapters 3, 4,
24 5, 6, 7, 9, 11, 13, 18, and 19 of title 4, as amended, entitled "Animals and Animal Husbandry;"
25 and those functions, powers, and duties specifically vested in the director of environmental
26 management by the provisions of § 21-2-22, as amended, entitled "Inspection of Animals and
27 Milk;" together with other powers and duties of the director of the department of health as are
28 incidental to or necessary for the performance of the functions transferred by this section;

29 (f) To cooperate with the Rhode Island Economic Development Corporation in its
30 planning and promotional functions, particularly in regard to those resources relating to
31 agriculture, fisheries, and recreation;

32 (g) To cooperate with, advise, and guide conservation commissions of cities and towns
33 created under chapter 35 of title 45 entitled "Conservation Commissions", as enacted by chapter
34 203 of the Public Laws, 1960;

1 (h) To assign or reassign, with the approval of the governor, any functions, duties, or
2 powers established by this chapter to any agency within the department, except as hereinafter
3 limited;

4 (i) To cooperate with the water resources board and to provide to the board facilities,
5 administrative support, staff services, and such other services as the board shall reasonably
6 require for its operation and, in cooperation with the board and the statewide planning program to
7 formulate and maintain a long range guide plan and implementing program for development of
8 major water sources transmissions systems needed to furnish water to regional and local
9 distribution systems;

10 (j) To cooperate with the solid waste management corporation and to provide to the
11 corporation such facilities, administrative support, staff services and such other services within
12 the department as the corporation shall reasonably require for its operation;

13 (k) To provide for the maintenance of waterways and boating facilities, consistent with
14 chapter 6.1 of title 46, by: (1) establishing minimum standards for upland beneficial use and
15 disposal of dredged material; (2) promulgating and enforcing rules for water quality, ground
16 water protection, and fish and wildlife protection pursuant to § 42-17.1-24; (3) planning for the
17 upland beneficial use and/or disposal of dredged material in areas not under the jurisdiction of the
18 council pursuant to § 46-23-6(2); and (4) cooperating with the coastal resources management
19 council in the development and implementation of comprehensive programs for dredging as
20 provided for in §§ 46-23-6(1)(ii)(H) and 46-23-18.3; and (5) monitoring dredge material
21 management and disposal sites in accordance with the protocols established pursuant to § 46-6.1-
22 5(3) and the comprehensive program provided for in § 46-23-6(1)(ii)(H); no powers or duties
23 granted herein shall be construed to abrogate the powers or duties granted to the coastal resources
24 management council under chapter 23 of title 46, as amended;

25 (l) To establish minimum standards, subject to the approval of the environmental
26 standards board, relating to the location, design, construction and maintenance of all sewage
27 disposal systems;

28 (m) To enforce, by such means as provided by law, the standards for the quality of air,
29 and water, and the design, construction and operation of all sewage disposal systems; any order or
30 notice issued by the director relating to the location, design, construction or maintenance of a
31 sewage disposal system shall be eligible for recordation under chapter 13 of title 34. The director
32 shall forward the order or notice to the city or town wherein the subject property is located and
33 the order or notice shall be recorded in the general index by the appropriate municipal official in
34 the land evidence records in the city or town wherein the subject property is located. Any

1 subsequent transferee of that property shall be responsible for complying with the requirements of
2 the order or notice. Upon satisfactory completion of the requirements of the order or notice, the
3 director shall provide written notice of the same, which notice shall be similarly eligible for
4 recordation. The original written notice shall be forwarded to the city or town wherein the subject
5 property is located and the notice of satisfactory completion shall be recorded in the general index
6 by the appropriate municipal official in the land evidence records in the city or town wherein the
7 subject property is located. A copy of the written notice shall be forwarded to the owner of the
8 subject property within five (5) days of a request for it, and, in any event, shall be forwarded to
9 the owner of the subject property within thirty (30) days after correction;

10 (n) To establish minimum standards for the establishment and maintenance of salutary
11 environmental conditions;

12 (o) To establish and enforce minimum standards for permissible types of septage,
13 industrial waste disposal sites and waste oil disposal sites;

14 (p) To establish minimum standards subject to the approval of the environmental
15 standards board for permissible types of refuse disposal facilities, the design, construction,
16 operation, and maintenance of disposal facilities; and the location of various types of facilities;

17 (q) To exercise all functions, powers, and duties necessary for the administration of
18 chapter 19.1 of title 23 entitled "Rhode Island Hazardous Waste Management Act.";

19 (r) To designate in writing any person in any department of the state government or any
20 official of a district, county, city, town, or other governmental unit, with that official's consent, to
21 enforce any rule, regulation, or order promulgated and adopted by the director under any
22 provision of law, provided, however, that enforcement of powers of the coastal resources
23 management council shall be assigned only to employees of the department of environmental
24 management, except by mutual agreement or as otherwise provided in chapter 23 of title 46.

25 (s) To issue and enforce such rules, regulations, and orders as may be necessary to carry
26 out the duties assigned to the director and the department by any provision of law; and to conduct
27 such investigations and hearings and to issue, suspend, and revoke such licenses as may be
28 necessary to enforce those rules, regulations, and orders;

29 (1) Notwithstanding the provisions of § 42-35-9 to the contrary, no informal disposition
30 of a contested licensing matter shall occur where resolution substantially deviates from the
31 original application unless all interested parties shall be notified of said proposed resolution and
32 provided with opportunity to comment upon said resolution pursuant to applicable law and any
33 rules and regulations established by the director.

34 (t) To enter, examine or survey at any reasonable time such places as the director deems

1 necessary to carry out his or her responsibilities under any provision of law subject to the
2 following provisions:

3 (1) For criminal investigations, the director shall, pursuant to chapter 5 of title 12, seek
4 a search warrant from an official of a court authorized to issue warrants, unless a search without a
5 warrant is otherwise allowed or provided by law;

6 (2)(A) All administrative inspections shall be conducted pursuant to administrative
7 guidelines promulgated by the department in accordance with chapter 35 of title 42.

8 (B) A warrant shall not be required for administrative inspections if conducted under
9 the following circumstances, in accordance with the applicable constitutional standards:

10 (i) For closely regulated industries;

11 (ii) In situations involving open fields or conditions that are in plain view;

12 (iii) In emergency situations;

13 (iv) In situations presenting an imminent threat to the environment or public health,
14 safety or welfare;

15 (v) If the owner, operator, or agent in charge of the facility, property, site or location
16 consents; or

17 (vi) In other situations in which a warrant is not constitutionally required.

18 (C) Whenever it shall be constitutionally or otherwise required by law, or whenever the
19 director in his or her discretion deems it advisable, an administrative search warrant, or its
20 functional equivalent, may be obtained by the director from a neutral magistrate for the purpose
21 of conducting an administrative inspection. The warrant shall be issued in accordance with the
22 applicable constitutional standards for the issuance of administrative search warrants. The
23 administrative standard of probable cause, not the criminal standard of probable cause, shall
24 apply to applications for administrative search warrants.

25 (i) The need for, or reliance upon, an administrative warrant shall not be construed as
26 requiring the department to forfeit the element of surprise in its inspection efforts.

27 (ii) An administrative warrant issued pursuant to this subsection must be executed and
28 returned within ten (10) days of its issuance date unless, upon a showing of need for additional
29 time, the court orders otherwise.

30 (iii) An administrative warrant may authorize the review and copying of documents that
31 are relevant to the purpose of the inspection. If documents must be seized for the purpose of
32 copying, and the warrant authorizes such seizure, the person executing the warrant shall prepare
33 an inventory of the documents taken. The time, place and manner regarding the making of the
34 inventory shall be set forth in the terms of the warrant itself, as dictated by the court. A copy of

1 the inventory shall be delivered to the person from whose possession or facility the documents
2 were taken. The seized documents shall be copied as soon as feasible under circumstances
3 preserving their authenticity, then returned to the person from whose possession or facility the
4 documents were taken.

5 (iv) An administrative warrant may authorize the taking of samples of air, water or soil
6 or of materials generated, stored or treated at the facility, property, site or location. Upon request,
7 the department shall make split samples available to the person whose facility, property, site or
8 location is being inspected.

9 (v) Service of an administrative warrant may be required only to the extent provided for
10 in the terms of the warrant itself, by the issuing court.

11 (D) *Penalties.* Any willful and unjustified refusal of right of entry and inspection to
12 department personnel pursuant to an administrative warrant shall constitute a contempt of court
13 and shall subject the refusing party to sanctions, which in the courts discretion may result in up to
14 six (6) months imprisonment and/or a monetary fine of up to ten thousand dollars (\$10,000) per
15 refusal.

16 (u) To give notice of an alleged violation of law to the person responsible therefor
17 whenever the director determines that there are reasonable grounds to believe that there is a
18 violation of any provision of law within his or her jurisdiction or of any rule or regulation adopted
19 pursuant to authority granted to him or her, unless other notice and hearing procedure is
20 specifically provided by that law. Nothing in this chapter shall limit the authority of the attorney
21 general to prosecute offenders as required by law.

22 (1) The notice shall provide for a time within which the alleged violation shall be
23 remedied, and shall inform the person to whom it is directed that a written request for a hearing
24 on the alleged violation may be filed with the director within ten (10) days after service of the
25 notice. The notice will be deemed properly served upon a person if a copy thereof is served him
26 or her personally, or sent by registered or certified mail to his or her last known address, or if he
27 or she is served with notice by any other method of service now or hereafter authorized in a civil
28 action under the laws of this state. If no written request for a hearing is made to the director
29 within ten (10) days of the service of notice, the notice shall automatically become a compliance
30 order.

31 (2)(A) Whenever the director determines that there exists a violation of any law, rule,
32 or regulation within his or her jurisdiction which requires immediate action to protect the
33 environment, he or she may, without prior notice of violation or hearing, issue an immediate
34 compliance order stating the existence of the violation and the action he or she deems necessary.

1 The compliance order shall become effective immediately upon service or within such time as is
2 specified by the director in such order. No request for a hearing on an immediate compliance
3 order may be made.

4 (B) Any immediate compliance order issued under this section without notice and prior
5 hearing shall be effective for no longer than forty-five (45) days, provided, however, that for good
6 cause shown the order may be extended one additional period not exceeding forty-five (45) days.

7 (3) If a person upon whom a notice of violation has been served under the provisions of
8 this section or if a person aggrieved by any such notice of violation requests a hearing before the
9 director within ten (10) days of the service of notice of violation, the director shall set a time and
10 place for the hearing, and shall give the person requesting that hearing at least five (5) days
11 written notice thereof. After the hearing, the director may make findings of fact and shall sustain,
12 modify, or withdraw the notice of violation. If the director sustains or modifies the notice, that
13 decision shall be deemed a compliance order and shall be served upon the person responsible in
14 any manner provided for the service of the notice in this section.

15 (4) The compliance order shall state a time within which the violation shall be
16 remedied, and the original time specified in the notice of violation shall be extended to the time
17 set in the order.

18 (5) Whenever a compliance order has become effective, whether automatically where
19 no hearing has been requested, where an immediate compliance order has been issued, or upon
20 decision following a hearing, the director may institute injunction proceedings in the superior
21 court of the state for enforcement of the compliance order and for appropriate temporary relief,
22 and in that proceeding the correctness of a compliance order shall be presumed and the person
23 attacking the order shall bear the burden of proving error in the compliance order, except that the
24 director shall bear the burden of proving in the proceeding the correctness of an immediate
25 compliance order. The remedy provided for in this section shall be cumulative and not exclusive
26 and shall be in addition to remedies relating to the removal or abatement of nuisances or any
27 other remedies provided by law.

28 (6) Any party aggrieved by a final judgment of the superior court may, within thirty
29 (30) days from the date of entry of such judgment, petition the supreme court for a writ of
30 certiorari to review any questions of law. The petition shall set forth the errors claimed. Upon the
31 filing of the petition with the clerk of the supreme court, the supreme court may, if it sees fit,
32 issue its writ of certiorari;

33 (v) To impose administrative penalties in accordance with the provisions of chapter
34 17.6 of this title and to direct that such penalties be paid into the account established by

1 subsection (z) of this section; and

2 (w) The following definitions shall apply in the interpretation of the provisions of this
3 chapter:

4 (1) Director: The term director shall mean the director of environmental management of
5 the state of Rhode Island or his or her duly authorized agent.

6 (2) Person: The term person shall include any individual, group of individuals, firm,
7 corporation, association, partnership or private or public entity, including a district, county, city,
8 town, or other governmental unit or agent thereof, and in the case of a corporation, any individual
9 having active and general supervision of the properties of such corporation.

10 (3) Service: (a) Service upon a corporation under this section shall be deemed to
11 include service upon both the corporation and upon the person having active and general
12 supervision of the properties of such corporation.

13 (b) For purposes of calculating the time within which a claim for a hearing is made
14 pursuant to § 42-17.1-2(u)(1) heretofore, service shall be deemed to be the date of receipt of such
15 notice or three (3) days from the date of mailing of said notice, whichever shall first occur.

16 (x)(1) To conduct surveys of the present private and public camping and other
17 recreational areas available and to determine the need for and location of such other camping and
18 recreational areas as may be deemed necessary and in the public interest of the state of Rhode
19 Island and to report back its findings on an annual basis to the general assembly on or before
20 March 1 of every year;

21 (2) Additionally, the director of the department of environmental management shall
22 take such additional steps, including but not limited to, matters related to funding as may be
23 necessary to establish such other additional recreational facilities and areas as are deemed to be in
24 the public interest.

25 (y)(1) To apply for and accept grants and bequests of funds with the approval of the
26 director of administration from other states, interstate agencies and independent authorities, and
27 private firms, individuals and foundations, for the purpose of carrying out his or her lawful
28 responsibilities. The funds shall be deposited with the general treasurer in a restricted receipt
29 account created in the Natural Resources Program for funds made available for that program's
30 purposes or in a restricted receipt account created in the Environmental Protection Program for
31 funds made available for that program's purposes. All expenditures from the accounts shall be
32 subject to appropriation by the general assembly, and shall be expended in accordance with the
33 provisions of the grant or bequest. In the event that a donation or bequest is unspecified or in the
34 event that the trust account balance shows a surplus after the project as provided for in the grant

1 or bequest has been completed, the director may utilize said appropriated unspecified or
2 appropriated surplus funds for enhanced management of the department's forest and outdoor
3 public recreation areas, or other projects or programs that promote the accessibility of recreational
4 opportunities for Rhode Island residents and visitors.

5 (2) The director shall submit to the House Fiscal Advisor and the Senate Fiscal
6 Advisor, by October 1 of each year, a detailed report on the amount of funds received and the
7 uses made of such funds.

8 (z) To establish fee schedules by regulation with the approval of the governor for the
9 processing of applications and the performing of related activities in connection with the
10 department's responsibilities pursuant to subdivision (1) of this section, chapter 19.1 of title 23 as
11 it relates to inspections performed by the department to determine compliance with chapter 19.1
12 and rules and regulations promulgated in accordance therewith, chapter 18.9 of title 23 as it
13 relates to inspections performed by the department to determine compliance with chapter 18.9
14 and the rules and regulations promulgated in accordance therewith, chapters 19.5 and 23 of title
15 23; chapter 12 of title 46 insofar as it relates to water quality certifications and related reviews
16 performed pursuant to provisions of the federal Clean Water Act, the regulation and
17 administration of underground storage tanks and all other programs administered under chapter
18 12 of title 46 and § 2-1-18 et seq., and chapter 13.1 of title 46 [and chapter 13.2 of title 46](#) insofar
19 as ~~it~~[they](#) relates to any reviews and related activities performed under the provisions of the
20 Groundwater Protection Act, and chapter 17.7 of this title insofar as it relates to administrative
21 appeals of all enforcement, permitting and licensing matters to the administrative adjudication
22 division for environmental matters. Two fee ranges shall be required: for "Appeal of enforcement
23 actions", a range of fifty dollars (\$50) to one hundred dollars (\$100), and for "Appeal of
24 application decisions", a range of five hundred dollars (\$500) to ten thousand dollars (\$10,000).
25 The monies from the administrative adjudication fees will be deposited as general revenues and
26 the amounts appropriated shall be used for the costs associated with operating the administrative
27 adjudication division.

28 There is hereby established an account within the general fund to be called the water
29 and air protection program. The account shall consist of sums appropriated for water and air
30 pollution control and waste monitoring programs and the state controller is hereby authorized and
31 directed to draw his or her orders upon the general treasurer for the payment of such sums or such
32 portions thereof as may be required from time to time upon receipt by him or her of properly
33 authenticated vouchers. All amounts collected under the authority of this subdivision for the
34 sewage disposal system program and fresh waters wetlands program will be deposited as general

1 revenues and the amounts appropriated shall be used for the purposes of administering and
2 operating the programs. The director shall submit to the house fiscal advisor and the senate fiscal
3 advisor by January 15 of each year a detailed report on the amount of funds obtained from fines
4 and fees and the uses made of such funds.

5 (aa) To establish and maintain a list or inventory of areas within the state worthy of
6 special designation as "scenic" to include but not be limited to certain state roads or highways,
7 scenic vistas and scenic areas, and to make the list available to the public.

8 (bb) To establish and maintain an inventory of all interests in land held by public and
9 private land trust and to exercise all powers vested herein to insure the preservation of all
10 identified lands.

11 (1) The director may promulgate and enforce rules and regulations to provide for the
12 orderly and consistent protection, management, continuity of ownership and purpose, and
13 centralized records-keeping for lands, water, and open spaces owned in fee or controlled in full or
14 in part through other interests, rights, or devices such as conservation easements or restrictions,
15 by private and public land trusts in Rhode Island. The director may charge a reasonable fee for
16 filing of each document submitted by a land trust.

17 (2) The term "public land trust" means any public instrumentality created by a Rhode
18 Island municipality for the purposes stated herein and financed by means of public funds
19 collected and appropriated by the municipality. The term "private land trust" means any group of
20 five (5) or more private citizens of Rhode Island who shall incorporate under the laws of Rhode
21 Island as a nonbusiness corporation for the purposes stated herein, or a national organization such
22 as the nature conservancy. The main purpose of either a public or a private land trust shall be the
23 protection, acquisition, or control of land, water, wildlife, wildlife habitat, plants, and/or other
24 natural features, areas, or open space for the purpose of managing or maintaining, or causing to
25 be managed or maintained by others, the land, water, and other natural amenities in any
26 undeveloped and relatively natural state in perpetuity. A private land trust must be granted
27 exemption from federal income tax under Internal Revenue Code 501c(3) [26 U.S.C. § 501(c)(3)]
28 within two (2) years of its incorporation in Rhode Island or it may not continue to function as a
29 land trust in Rhode Island. A private land trust may not be incorporated for the exclusive purpose
30 of acquiring or accepting property or rights in property from a single individual, family,
31 corporation, business, partnership, or other entity. Membership in any private land trust must be
32 open to any individual subscribing to the purposes of the land trust and agreeing to abide by its
33 rules and regulations including payment of reasonable dues.

34 (3)(A) Private land trusts will, in their articles of association or their by-laws, as

1 appropriate, provide for the transfer to an organization created for the same or similar purposes
2 the assets, lands and land rights and interests held by the land trust in the event of termination or
3 dissolution of the land trust.

4 (B) All land trusts, public and private, will record in the public records of the
5 appropriate towns and cities in Rhode Island all deeds, conservation easements or restrictions or
6 other interests and rights acquired in land and will also file copies of all such documents and
7 current copies of their articles of association, their by-laws, and annual reports with the secretary
8 of state, and with the director of the Rhode Island department of environmental management. The
9 director is hereby directed to establish and maintain permanently a system for keeping records of
10 all private and public land trust land holdings in Rhode Island.

11 (cc) The director will contact in writing, not less often than once every two (2) years,
12 each public or private land trust to ascertain: that all lands held by the land trust are recorded with
13 the director; the current status and condition of each land holding; that any funds or other assets
14 of the land trust held as endowment for specific lands have been properly audited at least once
15 within the two (2) year period; the name of the successor organization named in the public or
16 private land trust's by-laws or articles of association; and any other information the director
17 deems essential to the proper and continuous protection and management of land and interests or
18 rights in land held by the land trust.

19 In the event that the director determines that a public or private land trust holding land
20 or interest in land appears to have become inactive, he or she shall initiate proceedings to effect
21 the termination of the land trust and the transfer of its lands, assets, land rights, and land interests
22 to the successor organization named in the defaulting trust's by-laws or articles of association or
23 to another organization created for the same or similar purposes. Should such a transfer not be
24 possible, then the land trust, assets, and interest and rights in land will be held in trust by the state
25 of Rhode Island and managed by the director for the purposes stated at the time of original
26 acquisition by the trust. Any trust assets or interests other than land or rights in land accruing to
27 the state under such circumstances will be held and managed as a separate fund for the benefit of
28 the designated trust lands.

29 (dd) Consistent with federal standards, issue and enforce such rules, regulations and
30 orders as may be necessary to establish requirements for maintaining evidence of financial
31 responsibility for taking corrective action and compensating third parties for bodily injury and
32 property damage caused by sudden and non-sudden accidental releases arising from operating
33 underground storage tanks.

34 (ee) To enforce, by such means as provided by law, the standards for the quality of air,

1 and water, and the location, design, construction and operation of all underground storage
2 facilities used for storing petroleum products or hazardous materials; any order or notice issued
3 by the director relating to the location, design construction, operation or maintenance of an
4 underground storage facility used for storing petroleum products or hazardous materials shall be
5 eligible for recordation under chapter 13 of title 34. The director shall forward the order or notice
6 to the city or town wherein the subject facility is located, and the order or notice shall be recorded
7 in the general index by the appropriate municipal officer in the land evidence records in the city
8 or town wherein the subject facility is located. Any subsequent transferee of that facility shall be
9 responsible for complying with the requirements of the order or notice. Upon satisfactory
10 completion of the requirements of the order or notice, the director shall provide written notice of
11 the same, which notice shall be eligible for recordation. The original written notice shall be
12 forwarded to the city or town wherein the subject facility is located, and the notice of satisfactory
13 completion shall be recorded in the general index by the appropriate municipal official in the land
14 evidence records in the city or town wherein the subject facility is located. A copy of the written
15 notice shall be forwarded to the owner of the subject facility within five (5) days of a request for
16 it, and, in any event, shall be forwarded to the owner of the subject facility within thirty (30) days
17 after correction.

18 SECTION 11. Section 42-17.4-7 of the General Laws in Chapter 42-17.4 entitled
19 “Wastewater Treatment Plants” is hereby amended to read as follows:

20 **42-17.4-7. Applications.** -- (a) Application for certification shall be made on forms
21 supplied by the board.

22 (b) The application shall be accompanied by a fee of ~~ten dollars (\$10.00)~~ twenty-five
23 dollars (\$25.00). The annual renewal fee will be five dollars (\$5.00).

24 (c) The board shall review applications and supporting documents, determine the
25 eligibility of the applicant for examination, and notify the applicant of the same.

26 (d) The fee will not be returned upon failure to pass the examination.

27 SECTION 12. Section 46-22.1-4 of the General Laws in Chapter 46-22.1 entitled
28 “Uniform Boat Title Act” is hereby amended to read as follows:

29 **46-22.1-4. Fees – Duplicates.** -- (a) The department shall charge a ~~ten dollar (\$10.00)~~
30 twenty-five (\$25.00) fee to issue a certificate of title, and a five dollar (\$5.00) fee to transfer a
31 title, or issue a corrected and duplicate certificate of title. A fifteen dollar (\$15.00) late fee shall
32 be charged to any owner not timely filing an application for a title certificate under § 46-22.1-3.

33 (b) If a certificate of title is lost, stolen, mutilated, destroyed, or becomes illegible, the
34 first lien holder or, if there is none, the owner named in the certificate, as shown by the

1 departments' records shall, within thirty (30) days, obtain a duplicate by applying to the
2 department. The applicant shall furnish information concerning the original certificate and the
3 circumstances of its loss, disappearance, mutilation, or destruction as the department may require.
4 Mutilated or illegible certificates shall be returned to the department with the application for a
5 duplicate and required fee.

6 (c) The duplicate certificate of title shall be marked plainly "duplicate" across the face,
7 and may be mailed or delivered to the applicant.

8 (d) If a lost or stolen original certificate of title for which a duplicate has been issued is
9 recovered, the original shall be surrendered promptly to the department for cancellation.

10 SECTION 13. Section 46-8-5 of the General Laws in Chapter 46-8 entitled
11 "Registration of Outboard Motors" is hereby amended to read as follows:

12 **46-8-5. Registration fees.** -- A fee of ~~five dollars (\$5.00)~~ twenty dollars (\$20.00) shall
13 be charged for the registration certificate; provided, however, that registrations obtained for use
14 by the United States or any agency thereof or the state of Rhode Island or any city or town shall
15 be exempt from payment of any fee.

16 SECTION 14. This article shall take effect as of July 1, 2004.

17 ARTICLE 34

18 RELATING TO SETOFF OF REFUND OF PERSONAL INCOME TAX

19 SECTION 1. Section 44-30.1.1 of the General Laws in Chapter 44-30.1 entitled "Setoff
20 of Refund of Personal Income Tax" is hereby amended to read as follows:

21 **44-30.1-1. Definitions.** -- (a) "Claimant agency" means either:

22 (1) The department of human services, with respect to past-due support which has been
23 assigned to the department of human services by public assistance and medical assistance
24 recipients or by the department for children, youth and families, and with respect to past-due
25 support which it is attempting to collect on behalf of any individual not eligible as a public
26 assistance recipient; or

27 (2)(i) The Rhode Island higher education assistance authority (RIHEAA), with respect to
28 obligations owed to that agency or to the state of Rhode Island by reason of default or failure to
29 pay student loans, health professions contract advances or scholarships or grant overawards, or to
30 pay student loans, health professions contract advances or scholarships or grant overawards, or

31 (ii) The Rhode Island higher education assistance authority (RIHEAA), acting as agent
32 for the United States department of education or other student loan guarantee agencies in other
33 states which have negotiated a reciprocal arrangement with the RIHEAA for the setoff of refunds
34 of personal income taxes against defaulted loan obligations.

1 (3) The Rhode Island court administrative office, with respect to court costs, fines, and
2 restitution owed; or

3 (4) The department of labor and training with respect to benefit overpayments and
4 interest owed in excess of five hundred dollars (\$500).

5 (b) "Court costs owed" means any ~~amount~~ finer, fees, and/or court costs which ~~has~~ have
6 been assessed pursuant to a criminal disposition by a judge of the district, family and superior
7 courts, including but not limited to those amounts assessed pursuant to chapters 20 and 25 of title
8 12 and those amounts assessed pursuant to title 31, including also those fines, fees, and/or court
9 costs assessed by the traffic tribunal or municipal court associated with motor vehicle violations
10 which ~~has~~ have not been paid and which ~~has~~ have been declared delinquent by the administrative
11 judge of the court making the assessment.

12 (c) "Debtor" means:

13 (1) any individual who owes past-due support which has been assigned to the department
14 of human services by public assistance and medical assistance recipients or by the department for
15 children and their families, or owes past due support to any individual not eligible as a public
16 assistance recipient;

17 (2) any individual who has obligations owed to RIHEAA or the state of Rhode Island, the
18 United States department of education or other states and agencies as have negotiated reciprocal
19 agreements with RIHEAA;

20 (3) any individual who owes finer, fees, and/or court costs ~~or fines~~ to the Superior,
21 Family, ~~and~~ District Courts; and the traffic tribunal and municipal court associated with motor
22 vehicle violations;

23 (4) any individual who owes restitution to any victim of any offense which has been
24 ordered by a Judge of the District, Family and Superior Courts pursuant to a disposition in a
25 criminal case and which has been made payable through the administrative office of state courts
26 pursuant to § 12-19-34 except that obligations discharged in bankruptcy shall not be included;
27 and

28 (5) any individual who owes any sum in excess of five hundred dollars (\$500) for benefit
29 overpayments and interest to the department of labor and training determined to be recoverable
30 under the provisions of chapters 39-44 of title 28.

31 (d) "Division" means the department of administration, division of taxation.

32 (e) "Fines owed" means any ~~amount~~ finer, fees, and/or court costs which ~~has~~ have been
33 ordered paid as a penalty in a criminal case by a judge of the District, Family and Superior Courts
34 and those fines, fees, and/or court costs ordered paid by the traffic tribunal or municipal court for

1 [motor vehicle violations as described in §31-41.1-4](#) which ~~has~~have not been declared delinquent
2 by the administrative judge of the court making the assessment.

3 (f) "Obligation owed" means the total amount owed by any individual on:

4 (1) Any guaranteed student loan or parent loan for undergraduate students for which
5 RIHEAA has had to pay the guarantee, or for which RIHEAA is acting as agent on behalf of the
6 United States department of education or other state cooperating agencies which have had to pay
7 a guarantee,

8 (2) Any contract fee advanced by either RIHEAA or the state of Rhode Island on behalf
9 of any individual participating in a health professions educational program for which payment has
10 not been made according to the terms of the contract, and

11 (3) Any amount of scholarship or grant funds which constitutes an overaward, whether
12 due to error or to the submission of false information, and for which repayment has been
13 demanded by the agency, but which has not been paid.

14 (g) "Past-due support" means the amount of court-ordered child support or maintenance,
15 child medical support or a spousal support order for a custodial parent having custody of a minor
16 child, which is overdue or otherwise in arrears, regardless of whether there is an outstanding
17 judgment for that amount, and whether the order for the support or maintenance has been
18 established by a court or by an administrative process authorized under the laws of any state.

19 (h) "Refund" means the Rhode Island income tax refund which the division determines to
20 be due to a taxpayer.

21 (i) "Restitution owed" means any amount which has been ordered paid pursuant to a
22 criminal case disposition by a judge of the district, family and superior courts pursuant to chapter
23 19 of title 12, which has not been paid and which has been declared delinquent by the
24 administrative judge of the court making the assessment.

25 (j) "Benefit overpayments and interest owed" means any amount in excess of five
26 hundred dollars (\$500) determined to be recoverable under the provisions of chapters 39-44 of
27 title 28.

28 SECTION 2. This article shall take effect upon passage.

29 ARTICLE 35

30 RELATING TO PUBLIC UTILITIES AND CARRIERS

31 SECTION 1. Section 39-2-1.4 of the General Laws in Chapter 39.2 entitled "Duties of
32 Utilities and Carriers" is hereby amended to read as follows:

33 **39-2-1.4. Reasonable backup or supplemental rates.** -- (a) Electricity produced by
34 cogeneration and small power production can be of benefit to the public as part of the total energy

1 supply of the entire electric grid of the state or consumed by a cogenerator or small power
2 producer. Subject to compliance with applicable rules governing such service, public utilities
3 shall provide transmission or distribution service to enable a retail customer to transmit electrical
4 power generated by the customer at one location to the customer's facilities at another location, if
5 the commission finds that the provision of this service, and the charges, terms, and other
6 conditions associated with the provision of this service, are not likely to result in higher cost
7 electric service to the utility's general body of retail and wholesale customers or adversely affect
8 the adequacy or reliability of electric service to all customers.

9 (b) Each electric distribution company shall provide backup and supplemental service to
10 any customer who is self-generating electricity and meets reasonable interconnection
11 requirements designed to protect the distribution and transmission system. The commission shall
12 ensure that backup and supplemental rates made, exacted, demanded or collected by any public
13 utility from a customer who is self-generating shall be just and reasonable and may not be unduly
14 discriminatory. Any backup and supplemental rate tariffs in effect as of May 2002 may remain in
15 effect as designed through December 31, 2004. Commencing January 1, 2005, the backup and
16 supplemental rates shall be cost based but may be discounted as provided for in subsection (c) of
17 this section. Provided, however, that the John O. Pastore Center power plant shall be exempt
18 from said backup or supplemental rates. ~~from July 1, 2003 to June 30, 2004.~~

19 (c) Notwithstanding the rate design criteria set forth in subsection (b) of this section, the
20 commission may permit or require discounted backup distribution service rates in order to
21 encourage economically efficient cogeneration or small power production projects if it finds these
22 discounts to be in the public interest, provided, however, that any revenue not recovered by the
23 electric distribution company as a result of these discounted distribution rates shall be accounted
24 for and recovered in the rates assessed on all customers. The commission shall, in determining the
25 public interest in distributed generating facilities, consider reduced environmental impacts,
26 increased energy efficiency, reduced transmission losses and congestion, effects on electric
27 system reliability and other factors the commission may deem relevant.

28 (d) The provisions of this section shall be effective as of January 1, 2005.

29 SECTION 2. This article shall take effect upon passage.

30 ARTICLE 36

31 RELATING TO LICENSING OF NURSING FACILITIES

32 SECTION 1. Section 23-17-38 of the General Laws in Chapter 23-17 entitled "Licensing
33 of Health Care Facilities" is hereby amended to read as follows:

34 **23-17-38. Establishment of fees.** -- The director shall establish fees for licensure

1 application, licensure renewal, inspection, and administrative actions under this chapter. Annual
2 inspection fees for hospitals and rehabilitation hospital centers shall be thirteen thousand dollars
3 (\$13,000) per facility plus an additional fee of ninety dollars (\$90.00) per bed. Annual licensure
4 fees for health maintenance organizations and for profit end stage renal dialysis facilities shall be
5 three thousand dollars (\$3,000) per facility. Annual licensure fees for home nursing care
6 providers and home care providers shall be five hundred dollars (\$500) per facility; however, no
7 additional license fee shall be charged when a home nursing care provider or home care provider
8 changes location during any calendar year for which an annual license fee has already been paid
9 for that home nursing care provider or home care provider. Annual licensure fees for organized
10 ambulatory care facilities shall be five hundred dollars (\$500), provided that not-for-profit entities
11 operating more than one ambulatory care facility shall be subject to a single annual licensure fee
12 for all such licenses; provided, further, that nonprofit charitable community health centers, school
13 based health centers and nonprofit hospice programs with a current home nursing care provider
14 license shall be exempt from the fee. Annual licensure fees for nursing facilities shall be five
15 hundred dollars (\$500) and the fee per bed, ninety dollars (\$90) per licensee. The annual renewal
16 licensure fees shall be based upon the number of licensed beds per licensee and are as follows: 2-
17 99 beds, two hundred dollars (\$200); 100-174 beds, three hundred dollars (\$300); and greater
18 than 175 beds, five hundred dollars (\$500). In addition, there shall be an annual per bed renewal
19 fee based upon the number of licensed beds per licensee as follows: 2-99 beds, thirty-five dollars
20 (\$35) per bed; 100-174 beds, fifty-five dollars (\$55) per bed; and greater than 175 beds, ninety
21 dollars (\$90) per bed. All annual and renewal licensure fees not otherwise designated shall be
22 established in regulation and shall be collected and deposited as general revenues of the state.

23 SECTION 2. Section 23-17.4-31 of the General Laws in Chapter 23-17.4 entitled
24 “Assisted Living Residence Licensing Act” is hereby amended to read as follows:

25 **23-17.4-31. Establishment of fees.** -- The director may establish reasonable fees for the
26 licensure application, licensure renewal, and administrative actions under this chapter. Annual
27 licensure fees shall be ~~two hundred and fifty dollars (\$250)~~ five hundred dollars (\$500) and the
28 fee per bed, ninety dollars (\$90) per licensee ~~plus an additional fee of fifty dollars (50.00) per~~
29 ~~licensed bed, where applicable.~~ The annual renewal licensure fees shall be based upon the
30 number of licensed beds per licensee as follows: 2-39 beds, two hundred dollars (\$200); 40-69
31 beds, three hundred dollars (\$300); and greater than 70 beds, five hundred dollars (\$500). In
32 addition, there shall be an annual per bed renewal fees based upon the number of licensed beds
33 per licensee as follows: 2-39 beds, fifty dollars (\$50) per bed; 40 – 69 beds, seventy-five dollars
34 (\$75) per bed; and greater than 70 beds, ninety dollars (\$90) per bed.

1 SECTION 3. This article shall take effect as of July 1, 2004.

2 ARTICLE 37

3 RELATING TO RESOURCE RECOVERY CORPORATION

4 SECTION 1. Section 39-3-11.2 of the General Laws in Chapter 39-3 entitled
5 “Regulatory Powers of Administration” is hereby to read as follows:

6 **39-3-11.2. Interim rates.** -- Notwithstanding the provisions of titles 23 and 39, the
7 municipal tipping fee charged by the resource recovery corporation shall be thirty-two dollars
8 (\$32.00) per ton from July 1, ~~2003-2004~~ to June 30, ~~2004-2005~~.

9 SECTION 2. This article shall take effect as of July 1, 2004.

10 ARTICLE 38

11 RELATING TO ADMINISTRATIVE PROCEDURES

12 SECTION 1. Section 42-35-3 of the General Laws in Chapter 42-35 entitled
13 “Administrative Procedures” is hereby amended to read as follows:

14 **42-35-3. Procedures for adoption of rules.** -- (a) Prior to the adoption, amendment, or
15 repeal of any rule the agency shall:

16 (1) Give at least thirty (30) days notice of its intended action. The notice shall include a
17 statement of either the terms or substance of the intended action or a description of the subjects
18 and issues involved, and of the time when, the place where, and the manner in which interested
19 persons may present their views thereon. The notice shall be mailed to all persons who have made
20 timely request of the agency for advance notice of its rule-making proceedings, and published in a
21 newspaper or newspapers having aggregate general circulation throughout the state, provided,
22 however, that if the action is limited in its applicability to a particular area, then the publication
23 may be in a newspaper having general circulation in the area. Notwithstanding the above
24 requirements, in lieu of newspaper publication, advance notice of proposed rulemaking by the
25 Department of Health may be provided via electronic media on a website maintained by the
26 office of the secretary of state. Authorization for such electronic notice shall commence on July
27 1, 2004 and shall expire on June 30, 2005. Copies of proposed rules shall be available at the
28 agency and by mail to any member of the public upon request.

29 (2) Afford all interested persons reasonable opportunity to submit data, views, or
30 arguments, orally or in writing. In the case of rules, opportunity for oral hearing must be granted
31 if requested by twenty-five (25) persons, or by a governmental subdivision or agency, or by an
32 association having not less than twenty-five (25) members. The agency shall consider fully all
33 written and oral submissions respecting the proposed rule. Upon adoption of a rule, the agency, if
34 requested to do so by an interested person, either prior to adoption or within thirty (30) days

1 thereafter, shall issue a concise statement of the principal reasons for and against its adoption,
2 incorporating therein its reasons for overruling the considerations urged against its adoption.

3 (3) Demonstrate the need for the adoption, amendment, or repeal of any rule in the record
4 of the rulemaking proceeding. The agency shall demonstrate that there is no alternative approach
5 among the alternatives considered during the rulemaking proceeding which would be as effective
6 and less burdensome to affected private persons as another regulation. This standard requires that
7 an agency proposing to adopt any new regulation must identify any other state regulation which is
8 overlapped or duplicated by the proposed regulation and justify any overlap or duplication.

9 (4) Determine whether such action would have a significant adverse economic impact on
10 small business or any city or town. If a significant adverse economic impact on small business or
11 any city or town may result from the proposed action, the notice of proposed action shall identify
12 the types of small businesses that would be affected and the kind of adverse economic impact on
13 small business that may result, or the adverse fiscal impact on cities and towns which may result
14 and shall request comments on proposals as to how the proposed action can be changed so that
15 the adverse economic impact on small business or cities and towns can be minimized or
16 eliminated.

17 (5) Ensure that any proposed additions, deletions or other amendments to the rules and
18 regulations be clearly marked. An agency's lawful promulgation of amendments to an existing
19 rule shall be deemed to supersede and repeal the previous enactments of that rule, provided that
20 the public notice required under subsection (a)(1) of this section indicated such an intent.

21 (b) If an agency finds that an imminent peril to the public health, safety, or welfare
22 requires adoption of a rule upon less than thirty (30) days' notice, and states in writing its reasons
23 for that finding, it may proceed without prior notice or hearing or upon any abbreviated notice
24 and hearing that it finds practicable, to adopt an emergency rule. The rule so adopted may be
25 effective for a period of not longer than one hundred twenty (120) days renewable once for a
26 period not exceeding ninety (90) days, but the adoption of an identical rule under subsections
27 (a)(1) and (a)(2) is not precluded.

28 (c) No rule hereafter adopted is valid unless adopted in substantial compliance with this
29 section, but no contest of any rule on the ground of noncompliance with the procedural
30 requirements of this section may be commenced after two (2) years from its effective date.

31 SECTION 2. This article shall take effect retroactive to July 1,2003.

32 ARTICLE 39

33 RELATING TO COMPENSATION OF BOARD MEMBERS

34 SECTION 1. For the fiscal year ending June 30, 2005, the compensation paid to

1 commissioners and board members for attendance at board meetings of the following state
 2 agencies and autonomous and semi-autonomous boards and commissions authorized under the
 3 general laws of this state is suspended. Reimbursement for travel costs to said meetings will
 4 continue to be allowable in accordance with existing state travel regulations.

5		R.I.G.L.	Compensation
6	<u>Board/Commission Title</u>	<u>Reference</u>	<u>(per Meeting)</u>
7	Accountancy	5-3.1-4	30.00
8	Electricians	5-6-27	25.00
9	Engineers	5-8-5	25.00
10	Land Surveyors	5-8.1-6	25.00
11	Hairdressers, Cosmeticians		
12	and Manicurists	5-10-4	25.00
13	Real Estate Appraisers	5-20.7-4	75.00
14	Real Estate Commission	5-20.5-12	25.00
15	Plumbing Examiners	5-20-7	25.00
16	Professional Regulation	5-26-5	20.00/40.00
17	Barber Examiners	5-10-4	25.00
18	Chiropractics	5-30-15	10.00
19	Examiners in Dentistry	5-31.1-2	100.00
20	Nursing 5-34-8		50.00
21	Health Services Council	23-17-14.2	50.00
22	Optometrists	5-35-3	30.00
23	Medical Licensure & Discipline	5-37-1.1	100.00
24	Hearing Aid Dealers & Fitters	5-49-15	25.00
25	Landscape Architects	5-51-2	25.00
26	Board of Governors for		
27	Higher Education	16-59-1	50.00/75.00
28	Board of Regents	16-60-1	75.00
29	Public Telecommunications		
30	Authority	16-61-4	50.00/75.00
31	Legislative Oversight	22-14-1	50.00
32	Building Code Commission	23-27.3-108.2.2	50.00/75.00
33	Fire Appeal and Review	23-28.3-4	50.00/75.00
34	Pipefitters and		

1	Refrigeration Technicians	28-27-3	25.00
2	Apprenticeship Training	28-45-2	45.00
3	Commission for Human Rights	28-5-11	50.00
4	Motor Dealers License	31-5-2.1	40.00
5	Medical Advisory -- Motor		
6	Vehicles	31-10-44	50.00
7	Investment	35-10-7	75.00
8	Ethics 36-14-8		100.00
9	Racing and Athletics	41-2-2	25.00
10	Pilotage	46-9.1-3	50.00
11	Water Resources Board	46-15.1-2.4	50.00/75.00
12	Coastal Resources Management	46-23-5	50.00/75.00
13	Narragansett Bay Water		
14	Quality Distributors	46-25-8	50.00
15	Vehicle Value Commission	44-34-11	50.00
16	Police and Fire Relief	45-19-6	25.00

17 SECTION 2. Notwithstanding the boards and commissions identified in Section 1, it is
18 the intent of this article to suspend the compensation paid to members of all state agencies and
19 autonomous and semi-autonomous boards and commissions authorized compensation under the
20 general laws of Rhode Island, except for the Medical Advisory Board of the Workers'
21 Compensation Court pursuant to section 28-30-22 of the general laws.

22 SECTION 3. This article shall take effect as of July 1, 2004.

23 ARTICLE 40

24 RELATING TO LIMITED SERVICE POSITIONS

25 SECTION 1. Title 36 of the General Laws entitled "Public Officers and Employees" is
26 hereby amended by adding thereto the following chapter:

27 CHAPTER 36-17

28 LIMITED SERVICE POSITIONS

29 **36-17-1. Legislative findings. -- It is hereby found and declared as follows:**

30 (a) state agencies have an opportunity to obtain additional private foundation grants and
31 federal funds in order to hire additional individuals to perform discrete projects of a time limited
32 nature;

33 (b) because of the specialized nature of these projects and because of the restrictions upon
34 the number of available Full Time Equivalent Positions (FTE's), state agencies are often unable

1 to perform such projects with existing staff but must obtain additional staff to do so;

2 (c) the establishment of a category of positions that would be exclusively funded by non-
3 general revenue funds, would have a limited duration and would otherwise not be included within
4 the FTE cap of a state agency would help promote economic development, employment, and
5 research within the state.

6 **36-17-2. Establishment of Limited Service Positions.** -- Positions known as “Limited
7 Service Positions” are hereby established. Such positions shall be funded by non-general
8 revenue funds, have a limited duration, and shall not be included within any FTE restrictions
9 assigned to a state agency.

10 **36-17-3. Definitions.** -- (a) A “Limited Service Position” is an at will position in state
11 service that is not included in the classified, unclassified or non-classified service. A Limited
12 Service Position shall be funded, exclusively, by non-general revenue funds such as private
13 foundation grants or federal funds. A Limited Service Position shall have a limited duration not to
14 exceed one year. A person who works in a Limited Service Position is not considered an
15 employee of the State of Rhode Island.

16 (b) An “incumbent”, as referred to in this chapter, is a person working in a Limited
17 Service Position under a written contract with a state agency.

18 (c) “State” means the State of Rhode Island.

19 (d) “State agency” means and includes any state department, agency, authority, board,
20 corporation, commission, or any other body corporate and politic, excepting the board of
21 governors for higher education and cities and towns.

22 (e) “State employee” means an employee of the state who has been assigned a position in
23 the classified, unclassified or non-classified service.

24 **36-17-4. Benefits – limitations.** -- (a) The state will pay FICA on behalf of an
25 incumbent in a Limited Service Position, and will process an incumbent’s withholding taxes for
26 state and federal income tax purposes.

27 (b) Workers’ compensation coverage for an incumbent for injuries sustained in the
28 performance of duties related to the incumbent’s work in a Limited Service Position shall be
29 governed by the provisions of Title 27 and Title 28 of the Rhode Island General Laws.

30 (c) Notwithstanding the above, incumbents are not entitled to nor shall they receive any
31 retirement benefits, health insurance, or any other benefit ordinarily provided to state employees.

32 (d) Incumbents shall not accrue nor otherwise earn credit for longevity, seniority,
33 vacation leave, sick leave or any other form of leave ordinarily provided to state employees.
34 Furthermore, incumbents are not entitled to be paid for state holidays.

1 **36-17-5. Termination.** --(a) An incumbent shall be terminated by the end of the one year
2 contract period.

3 (b) An incumbent may be terminated prior to the expiration of his or her contract, with or
4 without cause. The decision to terminate such a contract shall be at the discretion of the
5 appointing authority and shall not be reviewable.

6 **36-17-6. Creation of a Limited Service Position.** -- (a) In order to create a Limited
7 Service Position, a state agency must first submit a request to the State Budget Officer describing
8 why the position is needed, how the position would be funded and what would be the duration of
9 the position, if filled.

10 (b) The State Budget Officer shall notify the agency whether funds are available to create
11 such a Limited Service Position and shall in turn notify the Personnel Administrator.

12 (c) The Personnel Administrator shall establish the parameters for Limited Service
13 Positions in order to assure the use of common standards. Furthermore, the Personnel
14 Administrator, in conjunction with the Division of Purchases, shall develop standard contractual
15 language to be used in the hiring of individuals to Limited Service Positions.

16 **36-17-7. Collective Bargaining.** -- Incumbents in Limited Service Positions shall not be
17 considered employees for the purposes of collective bargaining pursuant to the provisions of
18 Chapter 36-11 of the Rhode Island General Laws, nor may they be assigned functions which are
19 exclusively reserved by a labor contract to a collective bargaining unit.

20 **36-17-8. Reporting of Limited Service Positions.** -- Limited Service Positions that are
21 filled during a fiscal year shall be reported by the Personnel Administrator on a biweekly basis in
22 a like manner to that used in the reporting of statewide filled FTE positions.

23 SECTION 2. Section 28-42-8 of the General Laws in Chapter 28-42 entitled
24 “Employment Security – General Provisions” is hereby amended to read as follows:

25 **28-42-8. Exemptions from "employment".** -- The term "employment" does not include:

26 (1) Domestic service in a private home performed for a person who did not pay cash
27 remuneration of one thousand dollars (\$1,000) or more in any calendar quarter after December
28 31, 1977, in the current calendar year or the preceding calendar year to individuals employed in
29 that domestic service in a private home;

30 (2) Service performed by an individual in the employ of his or her son, daughter, or
31 spouse, and service performed by a child under the age of eighteen (18) in the employ of his or
32 her father or mother;

33 (3) Service performed in the employ of any other state or any political subdivision of it,
34 the United States government, an instrumentality of any other state or states or their political

1 subdivisions, or of an instrumentality of the United States, except that if the congress of the
2 United States permits states to require any instrumentalities of the United States to make
3 payments into an unemployment fund under a state unemployment compensation act, then, to the
4 extent permitted by congress, and from and after the date as of which permission becomes
5 effective, all of the provisions of chapters 42 – 44 of this title will be applicable to those
6 instrumentalities and to services performed for those instrumentalities, in the same manner, to the
7 same extent, and on the same terms as to all other employers, employing units, individuals, and
8 services; provided, that if this state should not be certified by the secretary of labor under 26
9 U.S.C. § 3304 for any year, then the payments required of those instrumentalities with respect to
10 that year shall be deemed to have been erroneously collected within the meaning of § 28-43-12
11 and will be refunded by the director from the fund in accordance with § 28-43-12;

12 (4) Service performed:

13 (i) In the employ of:

14 (A) A church or convention or association of churches; or

15 (B) An organization which is operated primarily for religious purposes and which is
16 operated, supervised, controlled, or principally supported by a church or convention or
17 association of churches;

18 (ii) By a duly ordained, commissioned, or licensed minister of a church in the exercise of
19 his or her ministry or by a member of a religious order in the exercise of duties required by that
20 order;

21 (iii) In a facility conducted for the purpose of carrying out a program of rehabilitation for
22 individuals whose earning capacity is impaired by age, physical or mental deficiency, or injury or
23 providing remunerative work for individuals, who because of their impaired physical or mental
24 capacity, cannot be readily absorbed in the competitive labor market, by an individual receiving
25 that rehabilitation or remunerative work;

26 (iv) As part of an unemployment work-relief or work-training program assisted or
27 financed in whole or in part by any federal agency or an agency of a state or political subdivision
28 of a state, by an individual receiving that work relief or work training;

29 (v) In the employ of a hospital by a patient of the hospital; or

30 (vi) By an inmate of a custodial or penal institution;

31 (5) Service with respect to which unemployment compensation is payable under an
32 unemployment compensation system established by an act of congress. The director is authorized
33 and directed to enter into agreements with the proper agencies under that act of congress, which
34 agreements shall become effective ten (10) days after their publication as in the manner provided

1 in § 28-42-34 to provide reciprocal treatment to individuals who have, after acquiring potential
2 rights to benefits under chapters 42 – 44 of this title acquired rights to unemployment
3 compensation under that act of congress, or who have, after acquiring potential rights to
4 unemployment compensation under that act of congress, acquired rights to benefits under those
5 chapters;

6 (6) Service covered by an election duly approved by the agency charged with the
7 administration of any other state or federal employment security law in accordance with an
8 arrangement pursuant to § 28-42-58 during the effective period of that election, except as
9 provided in § 28-42-3(15)(i);

10 (7) Services performed by an individual in any calendar quarter on or after January 1,
11 1972, in the employ of any organization exempt from income tax under 26 U.S.C. § 501(a) (other
12 than services performed for an organization defined in § 28-42-3(24) or for any organization
13 described in 26 U.S.C. § 401(a) or under 26 U.S.C. § 521) if the remuneration for that service is
14 less than fifty dollars (\$50.00);

15 (8) Service which is occasional, incidental, and occurs irregularly, and is not in the course
16 of the employing unit's trade or business. Service for a corporation is not excluded;

17 (9) Service as a golf caddy, except as to service performed solely for a club with respect
18 to which the club alone bears the expense. A golf caddy, except as in this specifically provided
19 subdivision, shall not be construed to be an "employee" as defined in § 28-42-3(14);

20 (10) Notwithstanding any provisions of titles 5 and 27, service performed by an
21 individual as a real estate salesperson if all the service performed by that individual is performed
22 for remuneration solely by way of commission;

23 (11) Notwithstanding any provisions of titles 5 and 27, service performed by an
24 individual as an insurance broker, agent, or subagent if all the service performed by that
25 individual is performed for remuneration solely by way of commission. This exemption shall not
26 apply to service performed as industrial and debit insurance agents;

27 (12) Service performed by an individual who is enrolled at a nonprofit or public
28 educational institution which normally maintains a regular faculty and curriculum and normally
29 has a regular organized body of students in attendance at the place where its educational activities
30 are carried on, as a student in a full-time program, taken for credit at that institution which
31 combine academic instruction with work experience, if that service is an integral part of that
32 program, and that institution has so certified to the employer, except that this subdivision does not
33 apply to service performed in a program established for or on behalf of an employer or group of
34 employers;

1 (13) Service performed by an individual on a boat engaged in catching fish or other forms
2 of aquatic animal life under an arrangement with the owner or operator of that boat pursuant to
3 which:

4 (i) That individual does not receive any cash remuneration other than a share of the boat's
5 catch of fish or other forms of aquatic animal life or a share of the proceeds from the sale of that
6 catch; and

7 (ii) The operating crew of that boat is normally made up of fewer than ten (10)
8 individuals- ;

9 (14) Services performed by a member of an Americorp program- ; and

10 (15) Services performed by an individual who is working in a Limited Service Position,
11 as provided in section 36-17-1, et seq.

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

13 ARTICLE 41

14 RELATING TO ISSUANCE OF LICENSES UPON PAYMENT OF TAXES

15 SECTION 1. Title 5 of the General Laws entitled "Businesses and Professions"

16 is hereby amended by adding thereto the following chapter:

17 CHAPTER 75

18 ISSUANCE OF LICENSE UPON PAYMENT OF TAXES

19 **5-75-1. Application for license to conduct business upon certification of taxes paid. -**

20 -(a) Any person applying to any department, board, commission, division, authority, or other
21 agency of this state for any license or other authority to conduct a profession, trade or business,
22 shall certify upon such application, under penalties of perjury that such person has filed all
23 required tax returns and paid all taxes due the state from such person. Such license shall not be
24 issued unless such certification is made.

25 (b) "Person" shall mean and include any individual, corporation, limited liability
26 company, partnership, association, joint venture or other entity.

27 (c) "License" shall mean any license or other certificate of authority, including the
28 periodic registration of attorneys, required to conduct a profession, trade or business in this state.

29 (d) For purposes of this chapter, "authority" shall also refer to the Rhode Island Supreme
30 Court relating to the periodic registration of attorneys.

31 **5-75-2. Information to be furnished to the tax administrator. --** Every department,
32 board, commission, division, authority, or other agency of this state which issues or renews a
33 license or other authority to conduct a profession, trade or business on an annual basis shall,
34 ninety (90) days prior to the renewal date of any license or on June 30 if such licenses are issued

1 intermittently, annually furnish to the tax administrator, in such form as the tax administrator may
2 determine, a list containing the following information for all licensees:

- 3 (a) name;
- 4 (b) address;
- 5 (c) federal identification number and/or social security number;
- 6 (d) type of license issued;
- 7 (e) effective date of initial license;
- 8 (f) expiration date of license; and
- 9 (g) status of license (active/inactive).

10 **5-75-3. Notice of intent to inform agency.** -- (a) If within ninety (90) days prior to the
11 renewal date of a license the tax administrator determines from the information furnished
12 pursuant to § 5-75-2, or otherwise, that any person who holds a license issued by any agency has
13 neglected or refused to file any tax returns or to pay any tax administered by the tax administrator
14 and that such tax matter is not pending administrative or appellate review, the tax administrator
15 shall send a written notice to such person informing him/her of the tax administrator's intention to
16 request such agency or authority not to renew such license upon expiration thereof.

17 (b) Within twenty-one (21) days from the date of such notice, the licensee may request in
18 writing a conference with the tax administrator or his/her designee, in order to show proof of
19 payment of all taxes or for the purpose of entering into a time payment agreement for the
20 delinquent taxes that is satisfactory to the tax administrator.

21 (c) If upon the expiration of twenty-one (21) days from the date of the notice to the
22 licensee, the licensee has not demonstrated to the satisfaction of the tax administrator that he/she
23 has filed all required returns and paid all required taxes, or that the licensee has not entered into
24 time payment arrangement satisfactory to the tax administrator, the tax administrator shall notify
25 the agency or authority in writing that the licensee is delinquent in filing tax returns and/or
26 remitting taxes due. The tax administrator shall send a copy of the notification to the licensee.

27 **5-75-4. Action by agency regarding renewal of license.** -- (a) If after opportunity for
28 conference pursuant to § 5-75-3(b), an agency, or authority has been notified by the tax
29 administrator that a licensee is delinquent in filing returns and/or remitting taxes due, the agency
30 or authority shall refuse to re-issue, renew or extend such license until the agency or authority
31 receives a certificate issued by the tax administrator that the person is in good standing or has
32 entered into a satisfactory time payment agreement with respect to any and all returns due and
33 taxes payable to the tax administrator as of the date of issuance of said certificate.

34 **5-75-5. Payment of tax not an admission.** -- If the licensee files an overdue return

1 and/or remits past due taxes in order to apply for or renew a license, said late filing and/or
2 payment shall not be an admission of a violation of any criminal tax statute regarding late filing
3 and/or late payment. Tax administrator shall not refer such person to the Attorney General for
4 prosecution based solely upon said late filing and/or payment of past due taxes.

5 **5-75-6. Provisions not applicable.** -- The provisions of this chapter shall not apply to
6 the certification of liquor license renewal governed by section 3-7-24 of the Rhode Island General
7 Laws, as amended, or the certification of employee leasing and payroll companies governed by
8 section 44-30-71.4 of the Rhode Island General Laws, as amended.

9 SECTION 2. Chapter 31-3 of the General Laws entitled “Registration of Motor
10 Vehicles” is hereby amended by adding thereto the following section:

11 **31-3-6.1. List of vehicles and licenses on which taxes delinquent—Denial of renewal**
12 **of registration and licenses.** -- (a) The Administrator/Registry of Motor Vehicles shall furnish to
13 the Tax Administrator a listing showing the names, addresses and social security numbers of
14 persons whose operator’s license and/or motor vehicle registration is subject to renewal within
15 ninety (90) days. If within ninety (90) days prior to the renewal date the tax administrator
16 determines that any person seeking to renew his/her operator’s license and/or registration has
17 neglected or refused to file any tax returns or to pay any tax administered by the tax administrator
18 and that such tax matter is not pending administrative or appellate review, the tax administrator
19 shall send a written notice to such person informing him/her of the tax administrator’s intention to
20 inform the Registry of Motor Vehicles not to renew the person’s operator license and/or motor
21 vehicle registration.

22 (b) Within twenty-one (21) days from the date of such notice, the licensee or registrant
23 may request, in writing, a conference with the tax administrator or his/her designee, in order to
24 show proof of payment of all taxes or for the purpose of entering into a time payment agreement
25 for the delinquent taxes satisfactory to the tax administrator.

26 (c) If upon the expiration of twenty-one (21) days from the date of the notice to the
27 licensee or registrant, the licensee or registrant has not demonstrated to the satisfaction of the tax
28 administrator that he/she has filed all required returns and paid all required taxes, or that the
29 licensee or registrant has not entered into time payment arrangement satisfactory to the tax
30 administrator, the tax administrator shall notify the Administrator/Registry of Motor Vehicles that
31 the licensee or registrant is delinquent in filing tax returns and/or remitting taxes due. The tax
32 administrator shall send a copy of the notification to the licensee or registrant.

33 (d) The Administrator/Registry of Motor Vehicles shall not renew any operator’s license
34 or registration upon expiration thereof until all state taxes, interest and attendant penalties have

1 been paid in full or the licensee or registrant has entered into a time payment agreement
2 satisfactory to the tax administrator.

3 (e) Payment of tax not an admission.—If the licensee or registrant files an overdue return
4 and/or remits past due taxes in order to apply for or renew a license or registration, said late filing
5 and/or payment shall not be an admission of a violation of any criminal tax statute regarding late
6 filing and/or late payment. The tax administrator shall not refer such person to the Attorney
7 General for prosecution based solely upon said late filing and/or payment of past due taxes.

8 SECTION 3. Chapter 31-3 of the General Laws entitled “Registration of Motor
9 Vehicles” is hereby amended by adding thereto the following section:

10 **31-3-6.2. List of vehicles and licenses on which court costs owed delinquent—Denial**
11 **of renewal of registration and licenses. -- (a) The Administrator/Registry of Motor Vehicles**
12 **shall furnish to the State Court Administrator a listing showing the names, addresses and social**
13 **security numbers of persons whose operator’s license and/or motor vehicle registration is subject**
14 **to renewal within ninety (90) days. If within ninety (90) days prior to the renewal date the state**
15 **court administrator determines that any person seeking to renew his/her operator’s license and/or**
16 **registration has neglected or refused to pay any court costs owed, as defined in §44-30.1-1(b), the**
17 **state court administrator shall send a written notice to such person informing him/her of the state**
18 **court administrator’s intention to inform the Registry of Motor Vehicles not to renew the person’s**
19 **operator license and/or motor vehicle registration.**

20 (b) Within twenty-one (21) days from the date of such notice, the licensee or registrant
21 may request, in writing, a conference with the state court administrator or his/her designee, in
22 order to show proof of payment of all court costs owed, as defined in §44-30.1-1(b), or for the
23 purpose of entering into a time payment agreement for the delinquent court costs owed
24 satisfactory to the state court administrator.

25 (c) If upon the expiration of twenty-one (21) days from the date of the notice to the
26 licensee or registrant, the licensee or registrant has not demonstrated to the satisfaction of the
27 state court administrator that he/she has paid all required court costs owed, as defined in §44-
28 30.1-1(b), or that the licensee or registrant has not entered into time payment arrangement
29 satisfactory to the state court administrator, the state court administrator shall notify the
30 Administrator/Registry of Motor Vehicles that the licensee or registrant is delinquent in paying
31 court costs owed, as defined in §44-30.1-1(b). The state court administrator shall send a copy of
32 the notification to the licensee or registrant.

33 (d) The Administrator/Registry of Motor Vehicles shall not renew any operator’s license
34 or registration upon expiration thereof until all state court costs owed, as defined in §44-30.1-

1 [1\(b\), have been paid in full or the licensee or registrant has entered into a time payment](#)
2 [agreement satisfactory to the state court administrator.](#)

3 SECTION 4. This article shall take effect as of January 1, 2005.

4 ARTICLE 42

5 RELATING TO MUNICIPAL COURT COLLECTIONS

6 SECTION 1. Section 8-18-5 of the General Laws in Chapter 8-18 entitled “State and
7 Municipal Court Compact” is hereby amended as to read follows:

8 **8-18-5. Administration of funds.** – The cities and towns and the state shall enter into an
9 agreement which will authorize the transfer of funds and guarantee against misuse, misdirection,
10 and nontransference of funds owed to the appropriate jurisdiction by means of a financial
11 institution compact. [It shall further be required that each municipality which operates a municipal](#)
12 [court shall remit that portion of fines, penalties and court costs due the state by the end of the](#)
13 [month after the month in which such fines, penalties, and costs were collected.](#)

14 SECTION 2. Section 45-13-1.1 of the General Laws in Chapter 45-13 entitled “State
15 Aid” is hereby amended to read as follows:

16 **45-13-1.1. Aid reduced by amounts owed state entities.** – If any city or town fails to
17 pay any assessment, bill, or charge levied, presented, or imposed by any public or quasi-public
18 board, commission, corporation, council, authority, agency, department, committee or other
19 similar body organized under the laws of this state, within one hundred eighty (180) days of the
20 presentment for payment of the assessment, bill, or charge to the city or town, then there shall be
21 deducted from any state aid, determined to be due under the provisions of this chapter, an amount
22 equal to that due and owing any or all of those commissions; provided, that the amount of any
23 deduction shall be reduced by the amount of any bill or charge presented for payment by city or
24 town to the state, which bill or charge has not been paid by the state within one hundred eighty
25 (180) days of presentment. [If any city or town fails to pay the state’s share of municipal court](#)
26 [fines, penalties, or costs collected by a municipal court within the time periods required by](#)
27 [Section 8-18-5 of the General Laws, there shall be deducted from any state aid, determined to be](#)
28 [due under the provisions of this chapter, an amount estimated to be that due and owing to the](#)
29 [state. Such estimate of the amounts due and owing to the state shall be determined by the State](#)
30 [Court Administrator based upon prior years collection history and such other information](#)
31 [provided by the traffic tribunal. Such estimates shall be forwarded to the Department of](#)
32 [Administration by December 31 of each year and state aid shall be withheld from subsequent](#)
33 [state aid payments.](#)

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

1 ARTICLE 43

2 RELATING TO PHARMACEUTICAL ASSISTANCE

3 SECTION 1. Sections 42-66.2-3, 42-66.2-5, and 42-66.2-6 of the General Laws in
4 Chapter 42-66.2 entitled "Pharmaceutical Assistance to the Elderly Act" are hereby amended to
5 read as follows:

6 **42-66.2-3. Definitions.** – As used in this chapter, unless the context requires otherwise:

7 (1) "Consumer" means any full-time resident of the state who fulfills the eligibility
8 requirements set forth in § 42-66.2-5. Residence for purposes of this chapter shall be in
9 accordance with the definitions and evidence standards set forth in § 17-1-3.1.

10 (2) "Contractor" means a third party or private vendor capable of administering a
11 program of reimbursement for prescription drugs, and drug program eligibility administrative
12 support as required by the director, the vendor to be determined through a competitive bid process
13 in which the director awards a three (3) year contract for services.

14 (3) "Department" means the department of elderly affairs.

15 (4) "Director" means the director of the department of elderly affairs.

16 (5) "Eligible drugs" means insulin and shall mean noninjectable drugs which require a
17 physician's prescription according to federal law and which are contained in the following
18 American Hospital Formulary Service pharmacologic-therapeutic classifications categories that
19 have not been determined by the federal "Drug Efficacy and Safety Implementation (DESI)
20 Commission" to lack substantial evidence of effectiveness. Eligible drugs are limited to the
21 following classification categories: cardiac drugs, hypotensive drugs, diuretics, anti-diabetic
22 agents, insulin, disposable insulin syringes, vasodilators (cardiac indications only),
23 anticoagulants, hemorreologic agents, glaucoma drugs, drugs for the treatment of Parkinson's
24 disease, antilipemic drugs and oral antineoplastic drugs and drugs for the treatment of asthma and
25 other chronic respiratory diseases and prescription vitamin and mineral supplements for renal
26 patients, and drugs approved for the treatment of alzheimer's disease, drugs used for the treatment
27 of depression, those drugs approved for the treatment of urinary incontinence, anti infectives,
28 drugs used for the treatment of arthritis, drugs approved for the treatment of osteoporosis, and
29 neuraminidase inhibiting drugs indicated for the treatment of influenza A and B.

30 (ii) "Additional drugs" means noninjectable drugs which require a physician's
31 prescription according to federal law and which are contained in the American Hospital
32 Formulary Service pharmacologic-therapeutic classifications categories that have not been
33 determined by the federal "Drug Efficacy and Safety Implementation (DESI) Commission" to
34 lack substantial evidence of effectiveness, which are not included in the definition of drugs as

1 defined in this subdivision. However, this shall not include prescription drugs used for cosmetic
2 purposes.

3 (6) "Income" for the purposes of this chapter means the sum of federal adjusted gross
4 income as defined in the Internal Revenue Code of the United States [26 U.S.C. § 1 et seq.], and
5 all nontaxable income including but not limited to, the amount of capital gains excluded from
6 adjusted gross income, alimony, support money, nontaxable strike benefits, cash public assistance
7 and relief (not including relief granted under this chapter), the gross amount of any pension or
8 annuity (including Railroad Retirement Act benefits [45 U.S.C. § 231 et seq.], all payments
9 received under the federal Social Security Act [42 U.S.C. § 301 et seq.], state unemployment
10 insurance laws, and veterans' disability pensions), nontaxable interest received from the federal
11 government or any of its instrumentalities, workers' compensation, and the gross amount of "loss
12 of time" insurance. It does not include gifts from nongovernmental sources, or surplus foods or
13 other relief in kind supplied by a public or private agency.

14 (7) "Pharmaceutical manufacturer" means any entity holding legal title to or possession
15 of a national drug code number issued by the federal food and drug administration.

16 (8) "Pharmacy" means a pharmacy licensed by the state of Rhode Island ~~and whose place~~
17 ~~of business is physically located within the state.~~

18 (9) "Pilot program contractor" means Blue Cross and Blue Shield of Rhode Island.

19 **42-66.2-5. Persons eligible.** – (a) Persons eligible for assistance under the provisions of
20 this chapter include any resident of the state who is at least sixty-five (65) years of age or at least
21 fifty-five (55) years of age and receiving social security disability benefits. State and consumer
22 co-payment shares for these persons shall be determined as follows:

23 (1) For unmarried persons or married persons living separate and apart whose income for
24 the calendar year immediately preceding the year in which assistance is sought is:

25 (i) Less than fifteen thousand nine hundred and thirty-two dollars (\$15,932) the state shall
26 pay sixty percent (60%) of the cost of the prescriptions and the consumer shall pay forty percent
27 (40%) of the cost of the prescriptions;

28 (ii) More than fifteen thousand nine hundred and thirty-two dollars (\$15,932) and less
29 than twenty thousand dollars (\$20,000), the state shall pay thirty percent (30%) of the cost of the
30 prescriptions and the consumer shall pay seventy percent (70%) of the cost of the prescriptions;
31 and

32 (iii) More than twenty thousand dollars (\$20,000) and less than thirty-five thousand
33 dollars (\$35,000), the state shall pay fifteen percent (15%) of the cost of prescriptions and the
34 consumer shall pay eighty-five percent (85%) of the cost of prescriptions.

1 (2) For married persons whose income for the calendar year immediately preceding the
2 year in which assistance is sought hereunder when combined with any income of the person's
3 spouse in the same year is:

4 (i) Nineteen thousand nine hundred and sixteen dollars (\$19,916) or less, the state shall
5 pay sixty percent (60%) of the cost of the prescriptions and the consumer shall pay forty percent
6 (40%) of the cost of the prescriptions;

7 (ii) More than nineteen thousand nine hundred and sixteen dollars (\$19,916) and less than
8 twenty-five thousand dollars (\$25,000), the state shall pay thirty percent (30%) of the cost of the
9 prescriptions and the consumer shall pay seventy percent (70%) of the cost of prescriptions; and

10 (iii) More than twenty-five thousand dollars (\$25,000) and less than forty thousand
11 dollars (\$40,000), the state shall pay fifteen percent (15%) of the cost of prescriptions and the
12 consumer shall pay eighty-five percent (85%) of the cost of prescriptions.

13 (3) Eligibility may also be determined by using income data for the ninety (90) days prior
14 to application for benefits and projecting that income on an annual basis. The income levels shall
15 not include those sums of money expended for medical and pharmaceutical that exceed three
16 percent (3%) of the applicant's annual income or three percent (3%) of the applicant's preceding
17 ninety (90) day income computed on an annual basis.

18 (4) For persons on social security disability benefits who are: (i) unmarried or married
19 and living separate and apart with income for the calendar year immediately preceding the year in
20 which assistance is sought that is less than thirty-seven thousand one hundred and sixty-seven
21 dollars (\$37,167); or (ii) married with income that is less than forty-two thousand four hundred
22 seventy-six dollars (\$42,476), the state shall pay fifteen percent (15%) of the cost of prescriptions
23 and the consumer shall pay eighty-five percent (85%) of the cost.

24 (b) On July 1 of each year, the maximum amount of allowable income for both unmarried
25 and married residents set forth in subsection (a) shall be increased by a percentage equal to the
26 percentage of the cost of living adjustment provided for social security recipients.

27 (c) Notwithstanding the foregoing provisions of this section, no person whose
28 prescription drug expenses are paid or reimbursable, either in whole or in part, by any other plan
29 of assistance or insurance is eligible for assistance under this section, until the person's
30 prescription drug coverage is exhausted during a benefit year, and as provided in subsection (d).

31 (d) The fact that some of a person's prescription drug expenses are paid or reimbursable
32 under the provisions of medicare, part B, shall not disqualify that person, if he or she is otherwise
33 eligible, to receive assistance under this chapter. In those cases, the state shall pay sixty percent
34 (60%) of the cost of those prescriptions for qualified drugs for which no payment or

1 reimbursement is made by the federal government.

2 (e) Eligibility for receipt of any other benefit under any other provisions of the Rhode
3 Island general laws as a result of eligibility for the pharmaceutical assistance program authorized
4 under this section shall be limited to those persons whose income qualify them for a sixty percent
5 (60%) state co-payment share of the cost of prescriptions.

6 (f) For all additional drugs, the consumer shall pay one hundred percent (100%) of the
7 cost of prescriptions as set forth in § 42-66.2-4.

8 (g) After July 1, 2004, new enrollees to the program whose income qualifies them for a
9 sixty percent (60%) state co-payment share of the cost of prescriptions, and for the Medicare
10 Prescription Discount Card, shall make application for said discount card in order to receive
11 benefits under this chapter. Enrollees who joined the program prior to July 1, 2004, and who
12 qualify for a sixty percent (60%) state co-payment share of the cost of prescriptions shall also
13 make application for the Medicare Prescription Discount Card by September 30, 2004 in order to
14 maintain eligibility in the state program. The department shall adopt a procedure as part of the
15 rules and regulations for program eligibility as described in § 42-66.2-6, to assist new and
16 existing enrollees with determination of eligibility for the drug discount card.

17 **42-66.2-6. Responsibilities of department of elderly affairs.** – (a) *Determination of*
18 *eligibility.* The department shall adopt regulations relating to the determination of eligibility of
19 prospective consumers and the determination and elimination of program abuse. The department
20 has the power to declare ineligible any consumer who abuses or misuses the established
21 prescription plan. The department has the power to investigate cases of suspected provider or
22 consumer fraud.

23 (b) *Rebates for expenses prohibited.* (1) A system of rebates or reimbursements to the
24 consumer for pharmaceutical expenses shall be prohibited.

25 (2) Subdivision (1) shall not be interpreted to exclude other consumers not participating
26 in the pharmaceutical assistance to the elderly program from receiving financial offers or
27 redeemable coupons that are available to only those who have paid for the service or product
28 through direct cash payment, insurance premiums, or cost sharing with an employer.

29 (c) *Program criteria.* The program includes the following criteria:

30 (1) Collection of the co-payment by pharmacies is mandatory;

31 (2) Senior citizens participating in the program are not required to maintain records of
32 each transaction but shall sign a receipt for eligible and additional drugs;

33 (3)(i) A system of rebates or reimbursements to the consumer for pharmaceutical
34 expenses is prohibited;

1 (ii) This subdivision shall not be interpreted to exclude other consumers from receiving
2 financial offers or redeemable coupons that are available to only those who have paid for the
3 service or product through direct cash payment, insurance premiums, or cost sharing with an
4 employer.

5 (4) Prescription benefits for any single prescription may be dispensed in the amounts
6 authorized by the physician, and agreed to by the consumer, up to a maximum of a one hundred
7 (100) day supply or two hundred (200) doses, whichever is less and/or a one hundred (100) day
8 supply or one quart of liquid, whichever is less; provided, however, that disposable insulin
9 syringes are dispensed in a quantity of one hundred (100);

10 (5) Experimental drugs are excluded from the program.

11 (6) A system of mail order delivery for prescriptions is ~~prohibited~~allowed under this
12 program; and

13 (7) Eligible and additional drugs must be dispensed within one year of the original
14 prescription order.

15 (d) The director shall issue an eligibility card containing a program ID number and the
16 time period for which the card is valid.

17 (e) The director shall institute and conduct an educational outreach program and shall
18 provide a mechanism, within the department, to handle all public inquiries concerning the
19 program.

20 (f) The director shall establish a process, in accordance with the Administrative
21 Procedures Act, chapter 35 of this title, to provide an appeals hearing on the determination of
22 eligibility.

23 (g) The director shall forward to the contractor a list of all eligible consumers.

24 SECTION 2. This article shall take effect as of July 1, 2004.

25 ARTICLE 44

26 RELATING TO BRISTOL COUNTY WATER SUPPLY

27 SECTION 1. Sections 46-15.5-2, 46-15.5-3, 46-15.5-6 of the General Laws in Chapter
28 46-15.5 entitled "Bristol County Water Supply" are hereby amended to read as follows:

29 **46-15.5-2. Legislative declaration.** – Recognizing the importance of protecting,
30 maintaining and utilizing all sources of potable water and recognizing that with the continued
31 demands on the Scituate Reservoir, the existing Bristol County water supplies will remain an
32 important source of water for Bristol County in the future (there being no other logical recipient
33 of this water), it is the intent of the legislature that the existing sources, transmission lines and
34 treatment facilities be maintained and/or upgraded to conform to federal Safe Drinking Water Act

1 standards, 42 U.S.C. § 300f et seq., irrespective of whether ownership and control is maintained
2 by the Bristol County water authority or is turned over to the state water resources board or its
3 successor. Accordingly, this general assembly hereby finds and declares that:

4 (1) The citizens of Bristol County lack an adequate and secure supply of potable water;

5 (2) Heretofore acting through the Bristol County Water Authority, the citizens of Bristol
6 County have presented a proposal for the construction to bring water from the Scituate Reservoir
7 to Bristol County;

8 (3) The state and its citizens would be better served and the environment enhanced by the
9 construction of an additional connection connecting Bristol County to the Scituate Reservoir and

10 (4) The need for water in Bristol County is critical and requires immediate and prompt
11 action on the part of the state, its agencies, boards and commissions.

12 (5) Bristol County will require an alternate source of supply in order to construct the
13 improvements to its existing system of reservoirs, wells, and treatment plants,

14 (6) The alternatives authorized by this chapter will be less expensive than the East
15 Providence connection, so-called, and

16 (7) Reliance by citizens of East Providence and Bristol County on a single connection
17 would create a hazard to the health, safety and welfare of the citizens of East Providence and
18 Bristol County, and, therefore, the construction of an emergency connection which shall permit
19 water to flow in either direction is a public necessity.

20 (8) The state [and the Bristol County water authority are](#) ~~is~~ mandated to upgrade the
21 current Bristol County water system of reservoirs, wells, treatment plant, and transmission lines,
22 with the first priority being given to the construction of a new raw water transmission line.

23 **46-15.5-3. Pipeline connection.** – (a) The Bristol County water authority shall design,
24 plan, permit, and construct an additional connection to the City of Providence water supply
25 system and to construct a new water transmission line to its existing reservoirs. The additional
26 connection to Providence will be constructed north of Fields Point across the Providence River
27 through subterranean excavation, directional drilling or micro tunneling for a pipe not to exceed
28 thirty (30) inches in diameter and without any excavation of the river bed and to extend its
29 transmission mains into and through the city of East Providence to connect with the distribution
30 system of the Bristol County water authority to effect a regular and emergency connection at such
31 places and on such terms and pursuant to such plans as the water resources board shall approve
32 pursuant to the provisions of § 46-15-7. In addition, the Bristol County water authority shall
33 design, plan, permit, and construct an emergency connection to the City of East Providence water
34 supply system at such point and upon such terms and conditions as the authority, the city and the

1 water resources board shall agree upon. It is hereby being determined that such connections are
2 just and equitable to all the municipalities affected thereby and that such connections are justified
3 by public necessity and are desirable, and will not adversely affect present and future necessities
4 for sources of water supply, including an adequate flow to the Pawtuxet River. The Providence
5 water supply board shall release a minimum of nine million (9,000,000) gallons of water per day
6 into the Pawtuxet River from the Scituate Reservoir, thereby assisting the cities of Cranston and
7 Warwick and the towns of Coventry and West Warwick to achieve its wastewater treatment plan
8 permit limits and enable the Pawtuxet River to meet EPA Class C water quality standards. The
9 water resources board shall give priority consideration to the application, when and if filed by the
10 Bristol County water authority pursuant to the provisions of § ~~46-15-7~~ [46-15.5-7](#), but the
11 application need only address the plans and specifications for the connections and the means by
12 which the connections will be effected. There shall be no requirement that the Bristol County
13 water authority demonstrate public necessity, or whether the plans and specifications give
14 consideration to present and future necessities for the sources of water supply. The design
15 contained in the plans and specifications shall afford Bristol County water authority a capacity
16 not to exceed 7.5 million (7,500,000) gallons per day maximum day demand. ~~None of the~~ [The](#)
17 provisions of § 46-15.4-10 or chapter 15.4 of this title shall not apply to any approval of the
18 connection.

19 (b) The design, of both the new raw water transmission line and the additional
20 connections to the City of Providence water supply system including the emergency connection
21 to the City of East Providence water supply system shall be commenced simultaneously, and such
22 projects shall be simultaneously pursued to completion with all reasonable diligence.

23 **46-15.5-6. Existing facilities of the Bristol County water authority.** – The Bristol
24 County water authority will continue to maintain its reservoirs, wells and well sites, transmission
25 lines and water treatment plants in good, sound and safe condition in accordance with its past
26 practices. The Bristol County water authority shall continue to take all steps necessary to protect
27 its legal right to withdraw water from its existing reservoirs, wells and well sites, and shall protect
28 the watershed surrounding said reservoirs to the extent it has legal authority to do so and shall
29 maintain its transmission lines from its existing reservoirs, wells, well sites and water treatment
30 facilities; provided, however, that if in order to protect its legal authority to withdraw water from
31 the existing reservoirs, the Bristol County water authority shall be required to maintain all or part
32 of its facilities in accordance with federal Safe Drinking Water Act standards, 42 U.S.C. § 300f et
33 seq., the capital cost thereof shall be paid for by the ~~state water resources board~~ [Bristol County](#)
34 [water authority to the extent state funds are not available from previously authorized general](#)

1 obligation bonds. The Bristol County water authority in co-operation with the water resources
2 board shall prepare a plan to protect, enhance and improve its existing reservoirs, wells, well
3 sites, transmission lines and treatment plants. Upon approval of such plan, the authority shall
4 cause to be prepared definitive construction plans and drawings and shall apply for and prosecute
5 to completion all federal, state and local permits necessary to permit such construction to be
6 lawfully undertaken. ~~; provided, however, if at any time, the Bristol County water authority shall~~
7 ~~have satisfied the limitation on its financial commitment as set forth in § 46-15.5-6.1, then it~~
8 ~~shall no longer be required to undertake such planning, design and permitting unless the water~~
9 ~~resources board shall lawfully provide one hundred percent (100%) of the cost thereof.~~ Upon
10 completion of the construction authorized by such plan, the Bristol County water authority shall
11 utilize the existing system as so improved in the overall management of its water supply and
12 distribution system in compliance with its water supply management plan approved pursuant to
13 chapter 15.4 of this title. ~~If, after all permits for such improvements and enhancements have been~~
14 ~~received the water resources board shall determine to purchase such existing reservoirs, wells,~~
15 ~~well sites, transmission lines, and distribution of water treatment facilities, the Bristol County~~
16 ~~water authority is authorized to sell or lease any one or more of such reservoirs, wells, well sites,~~
17 ~~transmission lines, or treatment facilities to the board pursuant to the provision of § 46-15.1-7 and~~
18 ~~the board is authorized to the extent not otherwise permitted by law to acquire such facilities and~~
19 ~~improve such facilities under the provisions of chapter 15.3 of this title except as specifically~~
20 ~~provided for in this section. From and after the date of the activation of the additional and~~
21 ~~emergency connection, the Bristol County water authority shall have no further obligation to~~
22 ~~expend funds for improvements to its reservoirs, pipelines connecting any one or more of such~~
23 ~~reservoirs and water treatment facilities unless and to the extent that such funds shall be provided~~
24 ~~by the water resources board pursuant to existing provisions of the general laws or such~~
25 ~~provisions as may be hereinafter enacted.~~ The state water resources board commitment shall be
26 limited to the amount of bond proceeds available from the general obligation bonds authorized by
27 chapter 419 of P.L. 1986 and the Bristol County water authority shall provide any additional
28 funding necessary to maintain the reservoirs, wells and well sites and pipelines connecting any
29 one or more of such reservoirs, wells and well sites, and water treatment facilities of the Bristol
30 County water authority system so as to meet all federal standards related to safe drinking water.
31 The Authority is hereby granted any approvals which may be required by the General Assembly
32 for debt issuance up to \$2,000,000 to finance the aforementioned costs. ~~Notwithstanding any~~
33 ~~other provision of law, any amounts so expended by the state water resources board shall be~~
34 ~~deemed eligible expenditures within the meaning of § 46-15.3-4(4).~~

1 SECTION 2. This article shall take effect upon passage.

2 ARTICLE 45

3 RELATING TO AUTHORIZATIONS UNDER PUBLIC

4 CORPORATION DEBT MANAGEMENT ACT

5 SECTION 1. This article shall serve as joint resolutions required pursuant to Rhode
6 Island General Laws § 35-18-1, et seq.

7 SECTION 2. *Rhode Island Training School Project*

8 WHEREAS, The Rhode Island Training School for Youth (the “Training School”) was
9 established for the detention of children by order of the Family Court and for the confinement,
10 instruction and reformation of children found delinquent by the Family Court; and

11 WHEREAS, the Training School is a secure, 24 hour/365 day residential program for
12 both male and female adjudicated delinquents, and youth detained and awaiting trial. The
13 program provides for the protection of Rhode Island residents through the supervision and
14 housing of youth, educational, medical, recreational, religious and rehabilitative services, and
15 proper placement for youth upon release; and

16 WHEREAS, Since 1973, the Training School has been the subject of a Federal District
17 Court Order to improve physical conditions, programming, services, policies and procedures; and

18 WHEREAS, A Consent Decree, entered by the Federal District Court in October 2000,
19 includes the requirement that the department construct a new facility or renovate the existing
20 facility to provide adequate and sufficient housing, education and programming to training school
21 residents; and

22 WHEREAS, The present capacity of the Training School is 180 beds and does not
23 accommodate the number of residents which need to be housed. The resultant overcrowding
24 creates an unsafe environment for both residents and staff and the current housing configuration
25 results in high supervision costs; and

26 WHEREAS, The buildings are not in compliance with the Americans with Disabilities
27 Act; and

28 WHEREAS, The buildings lack electrical security and life safety systems, have
29 deteriorated bathroom and shower areas, inadequate HVAC systems, interior doors and hardware,
30 and poor electrical lighting; and

31 WHEREAS, In the last decade, a new school building was constructed and three modular
32 buildings were constructed, and renovations and improvements were made to Buildings 9, 5 and
33 6; and

34 WHEREAS, Notwithstanding the improvements made to the facility, the physical plant

1 of the facility is not capable of meeting American Correctional Association accreditation as
2 required by the Federal Court and therefore has prevented full compliance with the Court Order
3 necessitating the need for Judicial oversight; and

4 WHEREAS, These and related problems require the construction and furnishing of a new
5 facility on existing state property on Power Road in Cranston to the south of Route 37; and

6 WHEREAS, The new facility would have a total of 214 beds, with options for future
7 expansion should it become necessary, and would provide safe housing and education and
8 programming opportunities for training school residents; and

9 WHEREAS, The design and construction of the project would be financed through
10 Certificates of Participation, with an expected payback period of twenty (20) years, the Rhode
11 Island Capital Plan, federal funds, and with proceeds from the 1994 sale of the Sockanosett
12 property. Financing for the operation and maintenance of the facility will be included in the
13 annual operating budgets of the Department of Children, Youth and Families; and

14 WHEREAS, The capital costs associated with this project are estimated to be
15 \$69,300,000. This includes \$9,500,000 from the Rhode Island Capital Plan Fund, \$645,364 in
16 federal funds, proceeds of \$1,900,000 from the 1994 sale of the Sockanosett property and
17 \$57,200,000 from the issuance of Certificates of Participation. The total issuance would be
18 approximately \$57,800,000, with \$57,200,000 deposited in the construction fund and \$555,000
19 available to pay the associated costs of issuance. Total lease payments over twenty (20) years on
20 the \$57,800,000 issuance are projected to be \$92,600,000, assuming an average coupon of 5.03%.
21 The lease payments would be financed within the Department of Administration from general
22 revenue appropriations and any other sources available to the department.

23 NOW, THEREFORE, BE IT RESOLVED,

24 THAT, A new training school is critical for the State to comply with the Federal Court
25 Consent Decree and would provide secure, humane living conditions and rehabilitative
26 opportunities for training school residents.

27 THAT, This General Assembly hereby approves the issuance of certificates of
28 participation in an amount not to exceed \$57,800,000 for the construction of a new Training
29 School for Youth.

30 SECTION 3. Residence Hall Renovation Project

31 WHEREAS, The State of Rhode Island and the Board of Governors for Higher Education
32 had approved a \$65,000,000 Residence Hall Renovation Project after developing and exercising a
33 30 year business plan to examine the capacity of fees to support the maximum share of the
34 \$65,000,000 renovation program; and

1 WHEREAS, The business plan derived a financing capacity of \$20,000,000 in revenue
2 bonds and \$3,000,000 in fund balance; and

3 WHEREAS, The authorization of \$22,000,000 in General Obligation Bonds was
4 approved by the voters in 2002 and the Capital Plan contained \$20,000,000 in Rhode Island
5 Capital Plan Funds; and

6 WHEREAS, Because the State of Rhode Island faces an estimated \$190,000,000 deficit
7 in FY2005, and the State requires a reallocation of project funds within the Rhode Island Capital
8 Plan Funds to provide budgetary relief; and

9 WHEREAS, Interest rates are at historically low rates and provide an opportunity to
10 finance these long term capital improvements at low costs; and

11 WHEREAS, In order to complete the projects the Board of Governors would be required
12 to incur additional debt or use current resources of \$6,000,000 in Fiscal Year 2005, \$8,000,000
13 in Fiscal Year 2006 and \$6,000,000 in Fiscal Year 2007; and

14 WHEREAS, It is the intent of this article to authorize the Board of Governors to issue
15 additional debt to fund the \$20,000,000 previously approved in the business plan; and

16 WHEREAS, This additional borrowing of \$20,000,000 by the Board of Governors to
17 complete the Residence Hall renovation project is to be funded with student fees; and

18 WHEREAS, The Rhode Island Public Corporation Debt Management Act (R.I. Gen.
19 Laws § 35-18-1, et seq.) requires the General Assembly to provide its consent to the issuance or
20 incurring by the State of Rhode Island and other public agencies of certain obligations including
21 financing guarantees or other agreements which exceed \$4,000,000; and

22 WHEREAS, The project costs associated with completion of the renovation project and
23 the proposed financing method is \$22,700,000. The total financing obligation of Board of
24 Governors would be approximately \$49,200,000, with \$20,000,000 deposited in the construction
25 fund, \$2,400,000 deposited in the debt service reserve fund, and \$300,000 available to pay the
26 associated costs of financing. Total payments on the Board's obligation over thirty (30) years on
27 the \$22,700,000 issuance are projected to be \$49,200,000, assuming an average effective interest
28 rate of 6%. The financing is anticipated to be a tax exempt issue;

29 NOW, THEREFORE, BE IT RESOLVED,

30 THAT, This General Assembly hereby authorizes the Board of Governors, to enter into a
31 financial obligation, guarantee, or other agreement, or agreements evidencing the financing
32 obligation of the Board of Governors for the term of the Financing in an amount not to exceed
33 \$49,200,000 for the provision of funds for the completion of renovation of residence halls at the
34 University of Rhode Island.

1 SECTION 4. Brown & Sharpe Project

2 WHEREAS, The Rhode Island Economic Development Corporation (the "EDC") is a
3 public instrumentality of the State of Rhode Island (the "State"), created by the General Assembly
4 pursuant to Rhode Island General Laws Section 42-64-1 et seq. (as enacted, reenacted and
5 amended, the "Act"); and

6 WHEREAS, It is the policy of the State to retain existing industries and to induce,
7 encourage and attract new industries through the acquisition, construction, reconstruction and
8 rehabilitation of industrial, manufacturing, recreational, and commercial facilities, as well as
9 transportation, residential, environmental, utility, public service, institutional and civic and
10 community facilities, and to develop sites for such facilities; and

11 WHEREAS, The Act provides that the EDC shall have the power to purchase, take,
12 receive, lease or otherwise acquire, own, hold, improve, use and otherwise deal in and with, real
13 or personal property, or any interest therein, wherever situated; and

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

23 WHEREAS, The Act authorizes the EDC to borrow money and issue bonds for any of its
24 corporate purposes; and

25 WHEREAS, Pursuant to Rhode Island General Laws Sections 35-18-3 and 35-18-4,
26 approval of the General Assembly is sought for EDC's issuance of not more than \$15,000,000 in
27 Taxable Economic Development Revenue Bonds (the "Bonds") for the purpose of providing
28 funds to finance the acquisition of land and the development and construction of a manufacturing
29 facility for use by Brown & Sharpe to be located in the Town of North Kingstown (the "Town");
30 and

31 WHEREAS, The Brown & Sharpe Project will directly benefit the Town and Brown &
32 Sharpe; and

33 WHEREAS, The cost of the Brown & Sharpe Project is anticipated to be \$15,000,000;
34 and

1 WHEREAS, The EDC is authorized pursuant to Section 42-64-18 of the Act to create
2 and establish one or more special reserve funds ("capital reserve funds") which fund shall be used
3 solely for the payment of debt service on any bonds; and

4 WHEREAS, Such capital reserve funds create a moral obligation of the State; and

5 WHEREAS, The financing of the Brown & Sharpe Project will be accomplished through
6 a bond financing by the EDC supported by a capital reserve fund pursuant to Section 42-64-18 of
7 the Act; and

8 WHEREAS, Brown & Sharpe plans to continue its present Rhode Island payroll of
9 approximately \$13,500,000 annually over the period of the Bond issue which results in
10 approximately \$306,000 in Rhode Island income tax revenue per year; and

11 WHEREAS, EDC proposes to enter into a triple net lease with Brown & Sharpe pursuant
12 to which Brown & Sharpe will be obligated to make lease payments to EDC equal to debt service
13 on the Bonds; and

14 WHEREAS, The lease will be for a period of ten years and will provide Brown & Sharpe
15 with an option to purchase for the outstanding principal balance of the Bonds at the end of year 5
16 and at any time thereafter up to and including the end of year 14; after the end of year 14 there
17 will be no option to purchase; and

18 WHEREAS, The lease will also grant an option to Brown & Sharpe to extend the lease
19 for 5 years at the end of year 10 and at the end of each five-year period thereafter; and

20 WHEREAS, The EDC, through the use of the capital reserve fund mechanism under the
21 Act, will pay debt service on the Bonds to the extent amounts received from Brown & Sharpe are
22 insufficient to pay debt service on the Bonds. Therefore, the maximum fiscal year obligation of
23 EDC and the State is the total debt service which is approximately \$1,650,000; and

24 WHEREAS, In the event that not all of the Bond proceeds are used to carry out the
25 specified Project, the EDC will use any remaining funds to pay debt service on the Bonds;

26 NOW, THEREFORE, BE IT RESOLVED,

27 THAT, This General Assembly hereby approves the EDC's issuance of not more than
28 \$15,000,000 Bonds and the issue of the capital reserve fund mechanism for the purposes outlined
29 herein;

30 THAT, The Bonds will be special obligations of the EDC payable from funds received by
31 the EDC under the lease agreement and the capital reserve fund. The EDC's and the State's
32 maximum liability will be the total debt service on the Bonds, estimated to be \$1,650,000 per
33 year or \$29,954,450 in the aggregate based on level debt service, an average interest rate of
34 7.00% and a 20 year maturity;

1 THAT, The Bonds will not constitute indebtedness of the State or any of its subdivisions
2 or a debt for which the full faith and credit of the State or any of its subdivisions is pledged
3 except to the extent that the State funds any deficiency in the capital reserve fund in amount not
4 to exceed \$1,650,000 per year subject to annual budget appropriations.

5 SECTION 5. Travelers Aid Project

6 WHEREAS, The State of Rhode Island has a significant need for transitional housing;
7 and

8 WHEREAS, The Neighborhood Opportunities Program and the relocation of Travelers
9 Aid in Providence will increase the amount of affordable housing and transitional housing
10 services available in the State to its citizens; and

11 WHEREAS, In 2002, the State developed a program that allowed the Neighborhood
12 Opportunities Program and the State's contribution to the Travelers Aid project to be financed
13 through bonds issued by the Rhode Island Housing and Mortgage Finance Corporation, insured,
14 secured, or otherwise credit-enhanced or purchased by a major financial institution, to be repaid
15 by the state over a period of approximately ten (10) years; and

16 WHEREAS, Pursuant to Resolution 132 of the 2002 Rhode Island Acts and Resolves (H
17 6626 Substitute A) the State entered into a financing agreement in the amount of \$12,550,000 to
18 finance the Neighborhood Opportunities Program and the State's contribution to the Travelers
19 Aid Project; and

20 WHEREAS, \$2,200,000 of additional funding in 2004 for the Travelers Aid project will
21 satisfy the State's commitment to the Travelers Aid project improving both transitional housing
22 and related service capabilities; and

23 WHEREAS, The State seeks to continue the program that would allow the state's
24 contribution to the Travelers Aid project to be financed through bonds issued by the Rhode Island
25 Housing and Mortgage Finance Corporation, insured, secured or otherwise credit-enhanced or
26 purchased by a major financial institution, to be repaid by the State over a period of
27 approximately five (5) years (the "Financing"); and

28 WHEREAS, Providing transitional housing services to the State's population is a priority
29 of this General Assembly.

30 NOW, THEREFORE, BE IT RESOLVED,

31 THAT, The General Assembly hereby authorizes the Governor, the Director of the
32 Department of Administration or other appropriate state officials to enter into a financial
33 obligation, guarantee, or other agreement, or agreements evidencing the financing obligation of
34 the State of Rhode Island for the term of the Financing in an amount not to exceed \$2,250,000 for

1 the additional state contribution to the Travelers Aid Right Moves project.

2 THAT, The project costs associated with the Travelers Aid Right Moves project are
3 \$16,000,000, of which the state committed \$2,500,000 through a previous financing, \$300,000
4 though a state appropriation, and is committing an additional \$2,200,000. The total financing
5 obligation of the State of Rhode Island would be approximately \$2,250,000, with \$2,200,000
6 deposited in the construction fund to be disbursed to Travelers Aid, and \$50,000 available to pay
7 the associated costs of financing, if required. Total payments on the state's obligation over five
8 (5) years on the \$2,250,000 issuance are projected to be \$2,257,055, assuming an average
9 effective interest rate of 4.0%. The payments would be financed within the Department of
10 Administration from general revenue appropriations.

11 SECTION 6. 2003 Airport Project

12 WHEREAS, the Rhode Island Economic Development Corporation and the Rhode Island
13 Airport Corporation received approval pursuant to Rhode Island General Laws Section 35-18-1 et
14 seq. for the issuance of debt not to exceed \$55,150,000 for the 2003 Airport Project; and

15 WHEREAS, The Bonds have not yet been issued; and

16 WHEREAS, The Rhode Island Economic Development Corporation and the Rhode
17 Island Airport Corporation desire the general assembly to extend such approval;

18 NOW, THEREFORE, BE IT RESOLVED,

19 THAT, Section 7 of Article 36 of Chapter 376 of the Public Laws of 2003 entitled "An
20 Act Relating to Making Appropriations for the Support of the State for the Fiscal Year Ending
21 June 30, 2004" is hereby reenacted.

22 SECTION 7. 2004 Airport Project

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

27 WHEREAS, The Act declares, in part, that new industrial, manufacturing, recreational,
28 and commercial facilities are required to attract and house new industries and thereby reduce the
29 hazards of unemployment; and that unaided efforts of private enterprises have not met and cannot
30 meet the needs of providing those facilities due to problems encountered in assembling suitable
31 building sites, lack of adequate public service, unavailability of private capital for development,
32 and the inability of private enterprise alone to plan, finance, and coordinate industrial,
33 recreational, and commercial development; and

34 WHEREAS, The Act further declares it to be the public policy of the state to furnish

1 proper and adequate airport facilities within the state and to encourage the integration of these
2 facilities so far as practicable; and

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

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

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

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

28 WHEREAS, The Act authorizes the Rhode Island Economic Development Corporation
29 to borrow money and issue bonds for any of its corporate purposes; and

30 WHEREAS, Pursuant to Rhode Island General Laws Sections 35-18-3 and 35-18-4, the
31 Rhode Island Economic Development Corporation has requested the approval of the General
32 Assembly of the Rhode Island Economic Development Corporation's issuance of airport revenue
33 bonds (the "Bonds") for the purpose of providing funds to the Rhode Island Airport Corporation
34 for financing the various capital projects including but not limited to security checkpoint

1 renovations, glycol facilities, runway improvements, obstruction removal, land acquisition,
2 facility demolition at Quonset, airfield maintenance facility renovations, north and south
3 concourse escalators and costs of environmental impact statements (the "2004 Airport Project")
4 funding capitalized interest, costs of issuing the Bonds and related costs, and the establishment
5 reserves for the project and the Bonds, including a debt service reserve fund; and

6 WHEREAS, The financing of the 2004 Airport Project will be accomplished through one
7 or more loan agreements having the Rhode Island Airport Corporation as borrower, such
8 agreement or agreements to require that the Rhode Island Airport Corporation make loan
9 payments in an amount equal to the debt service on the Bonds.

10 NOW, THEREFORE, BE IT RESOLVED,

11 THAT, The General Assembly hereby approves the Rhode Island Economic
12 Development Corporation's issuance of the Bonds. The Bonds will be special obligations of the
13 Rhode Island Economic Development Corporation payable exclusively from loan repayments
14 under a loan agreement with the Rhode Island Airport Corporation and from Bond proceeds,
15 funds, accounts, and properties and the proceeds thereof pledged therefor, and thus the Rhode
16 Island Economic Development Corporation's maximum liability will be limited to loan
17 repayments received under the loan agreement and the aggregate amount of such other funds,
18 accounts, properties, and proceeds.

19 THAT, The total amount of debt approved to be issued in the aggregate shall be limited
20 to not more than \$49,135,000. Total debt service on the Bonds is not expected to exceed
21 \$4,084,000 annually and \$95,700,000 in the aggregate based on an average interest rate of 6.00%
22 and a 25-year maturity.

23 THAT, None of the Bonds or the loan agreements shall constitute indebtedness of the
24 State or a debt for which the full faith and credit of the State is pledged or a moral obligation
25 thereof.

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

30 SECTION 8. Warwick Intermodal Train Station Project

31 WHEREAS, The Rhode Island economic development corporation is a public
32 instrumentality of the State of Rhode Island (the "State"), created by the General Assembly
33 pursuant to Rhode Island General Laws §§ 42-64-1 et seq. (as enacted, reenacted and amended,
34 the "Act"); and

1 WHEREAS, The Act declares, in part, that new industrial, manufacturing, recreational,
2 and commercial facilities are required to attract and house new industries and thereby reduce the
3 hazards of unemployment; and that unaided efforts of private enterprises have not met and cannot
4 meet the needs of providing those facilities due to problems encountered in assembling suitable
5 building sites, lack of adequate public service, unavailability of private capital for development,
6 and the inability of private enterprise alone to plan, finance, and coordinate industrial,
7 recreational, and commercial development; and

8 WHEREAS, The Act further declares it to be the public policy of the state to furnish
9 proper and adequate airport facilities within the state and to encourage the integration of these
10 facilities so far as practicable; and

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

16 WHEREAS, The Act has empowered the Rhode Island economic development
17 corporation to establish subsidiary corporations to exercise its powers and functions, or any of
18 them, and, pursuant to such power, the Rhode Island economic development corporation has
19 established the Rhode Island airport corporation to plan, develop, construct, finance, manage, and
20 operate airport facilities in the state; and

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

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

1 corporation shall determine; and

2 WHEREAS, The Act authorizes the Rhode Island economic development corporation to
3 borrow money and issue bonds for any of its corporate purposes; and

4 WHEREAS, Pursuant to Rhode Island General Laws Sections 35-18-3 and 35-18-4, the
5 Rhode Island economic development corporation has requested the approval of the General
6 Assembly of the Rhode Island economic development corporation's issuance of special purpose
7 revenue bonds (the "Bonds") for the purpose of providing funds to the Rhode Island airport
8 corporation for financing the acquisition, construction, furnishing and equipping of the Warwick
9 Station project, as defined below, funding capitalized interest, costs of issuing the Bonds and
10 related costs, and the establishment reserves for the project and the Bonds, including a debt
11 service reserve fund; and

12 WHEREAS, The Warwick Station project will be erected on land owned or to be owned
13 by the state and leased to the Rhode Island airport corporation and the project will therefore be
14 subject to the terms and provisions of the lease agreement between the state and the Rhode Island
15 airport corporation; and

16 WHEREAS, The Rhode Island airport corporation has entered or will enter into
17 agreements with rental car companies, and it expects that receipts from such agreements and from
18 a customer facility charge will provide adequate revenues so that the full faith and credit of the
19 state, the Rhode Island economic development corporation, and the Rhode Island airport
20 corporation will be unnecessary in order to issue and market the Bonds; and

21 WHEREAS, The state has established the Rhode Island department of transportation to
22 have responsibility for preparing short-range plans, project plans, and implementation programs
23 for transportation and for maintaining an adequate level of rail passenger and freight services,
24 including the administration of any financial or technical assistance which may be made available
25 to operators of railroad transportation facilities and for carrying out the supervision of the state
26 airport at Warwick (to the extent such responsibility has not heretofore been delegated to the
27 Rhode Island airport corporation); and

28 WHEREAS, The Rhode Island department of transportation is authorized to cooperate
29 with the appropriate agencies of the federal government, this state, other states, and regional
30 agencies in the planning, design, construction, operation, and maintenance of transportation
31 facilities and programs; and

32 WHEREAS, The Rhode Island department of transportation is authorized to apply for
33 and accept funds from federal and regional agencies to carry out any of its functions, and to
34 contract with the federal government and regional agencies concerning the use and disposition of

1 those funds; and

2 WHEREAS, Pursuant to Rhode Island General Laws Sections 35-18-3 and 35-18-4, the
3 governor has requested, on behalf of the Rhode Island airport corporation, the approval of the
4 General Assembly of the Rhode Island airport corporation's obtaining a loan under the
5 Transportation Infrastructure Finance and Innovation Act (hereinafter referred to as the TIFIA
6 Loan) for the purpose of reducing the amount of Bonds that must be issued or held outstanding;
7 and

8 WHEREAS, The hard and soft construction costs of the project are anticipated to be not
9 more than \$170,000,000, of which approximately \$25,000,000 has been earmarked from the
10 Transportation Equity Act for the 21st Century (herein after referred to as TEA-21), and the
11 aggregate amount of the Bonds and TIFIA Loan therefor is requested in a principal amount not to
12 exceed \$123,000,000; and

13 WHEREAS, The financing of the project will be accomplished through one or more loan
14 agreements having the Rhode Island airport corporation as borrower, such agreement or
15 agreements to require that the Rhode Island airport corporation make loan payments (but only
16 from project revenues and such other funds and assets as the Rhode Island airport corporation
17 may designate) in an amount equal to the debt service on the Bonds, the TIFIA Loan, or both, as
18 the case may be.

19 WHEREAS, For purposes of this resolution,

20 (a) "Additional TIFIA elements" shall mean the freight rail improvement project and the
21 acquisition and construction of rolling stock and commuter rail facilities and equipment;

22 (b) "Bonds" shall mean special purpose revenue bonds issued by the Rhode Island
23 economic development corporation for the purpose of financing the acquisition, construction,
24 furnishing and equipping of the project, funding capitalized interest, costs of issuing the Bonds
25 and related costs, and the establishment reserves for the project and the Bonds, including a debt
26 service reserve fund;

27 (c) "TIFIA Loan" means any loan granted by or at the direction of the Federal Highway
28 Administration to a participating agency for the benefit of the project or the additional TIFIA
29 elements under the Transportation Infrastructure Finance and Innovation Act;

30 (d) "Warwick Station project" or "project" shall mean an intermodal ground
31 transportation facility located within one-half mile of the Bruce Sundlun terminal of T.F. Green
32 state airport, which facility may include one or more of the following elements: a train and bus
33 station, a commuter parking facility, and a consolidated rental car facility, an automated people
34 mover system to connect that facility to the Bruce Sundlun terminal of the T.F. Green state

1 airport; and related roadway improvements.

2 NOW, THEREFORE, BE IT RESOLVED,

3 THAT, The General Assembly hereby approves the Rhode Island economic development
4 corporation's issuance of the Bonds. The Bonds will be special obligations of the Rhode Island
5 economic development corporation payable exclusively from loan repayments under a loan
6 agreement with the Rhode Island airport corporation and from Bond proceeds, funds, accounts,
7 and properties and the proceeds thereof pledged therefor, and thus the Rhode Island economic
8 development corporation's maximum liability will be limited to loan repayments received under
9 the loan agreement and the aggregate amount of such other funds, accounts, properties, and
10 proceeds.

11 THAT, The General Assembly hereby approves the taking by the Rhode Island airport
12 corporation of a TIFIA Loan for the purposes outlined herein. The TIFIA Loan will be payable
13 from project revenues and from proceeds, funds, accounts, and properties and the proceeds
14 thereof pledged therefor.

15 THAT, The total amount of debt approved to be issued in the aggregate as Bonds or as a
16 TIFIA Loan be limited to not more than \$123,000,000 at any one time. (The principal amount of
17 any Bonds or TIFIA Loan that has been legally or economically defeased shall not be counted
18 against the limit of outstanding Bonds or TIFIA Loan.) Total debt service on the Bonds and
19 TIFIA Loan is not expected to exceed \$230,000,000 based on an average interest rate of 6.00%
20 for any Bonds issued on a federally tax-exempt basis, 7.00% for any federally taxable Bonds, and
21 6.00% for any amount borrowed through a TIFIA Loan, and a 30-year maturity.

22 THAT, That it is the intention of the State of Rhode Island to finance any costs of the
23 project in excess of \$115,215,000 with federally earmarked transit or highway grants or other
24 funds appropriated for the project.

25 THAT, The General Assembly hereby approves the Rhode Island airport corporation's
26 entering into the loan agreements described above. Payments under the loan agreements shall be
27 derived exclusively from project revenues and such other proceeds, funds, accounts, projects and
28 the proceeds thereof as the Rhode Island airport corporation may pledge therefor.

29 THAT, None of the Bonds, the TIFIA Loan, or the loan agreements shall constitute
30 indebtedness of the State or a debt for which the full faith and credit of the State is pledged or a
31 moral obligation thereof.

32 SECTION 9. Vehicles, Heavy Equipment, and Truck Financing Project

33 WHEREAS, The State of Rhode Island finds that it is cost effective to use the State's tax-
34 exempt borrowing capacity to finance vehicle, trucks, and heavy equipment, and

1 WHEREAS, The State of Rhode Island finds that it is cost effective when such
2 borrowings are consolidated into a one borrowing package rather than executed on a individual
3 basis with financing companies, and

4 WHEREAS, The Rhode Island Public Corporation Debt Management Act (The Rhode
5 Island Public Corporation Debt Management Act (R.I. Gen. Laws § 35-18-1, et seq.) requires the
6 General Assembly to provide its consent to the issuance or incurring by the State of Rhode Island
7 and other public agencies of certain obligations including financing guarantees or other
8 agreements which exceed \$4,000,000; and

9 WHEREAS, This methodology has been approved in past years by the General Assembly
10 when the issuance amount exceeds the amount allowed under The Rhode Island Public
11 Corporation Debt Management Act (R.I. Gen. Laws § 35-18-1, et seq.); and

12 WHEREAS, The State of Rhode Island Department of Administration desires to combine
13 the Fiscal Year 2003 borrowing and the Fiscal Year 2004 borrowing into one consolidated issue,
14 resulting in an estimated \$6,300,000 issuance, with \$6,280,000 deposited in the construction fund
15 and an estimated \$20,000 available to pay the associated costs of issuance. Total lease payments
16 over a period no longer than seven (7) years on the \$6,300,000 issuance are projected to be
17 \$7,300,000, assuming an average coupon of 4.0%. The lease payments would be financed within
18 the various from general revenue appropriations or any other, federal, and restricted sources
19 available to the department.

20 NOW, THEREFORE, BE IT RESOLVED,

21 THAT, It is cost effective when such borrowings are consolidated into a one borrowing
22 package.

23 THAT, This General Assembly hereby approves financing in an amount not to exceed
24 \$6,300,000 for the purchase of vehicles, heavy equipment and trucks.

25 SECTION 10. Rehabilitation of State-Owned Property Project

26 WHEREAS, The State of Rhode Island has recently assessed the inventory of unused or
27 underutilized state buildings and land; and

28 WHEREAS, Some state departments and agencies have leased expensive office space
29 while there is state-owned vacant or underutilized property that will accommodate these agencies
30 if the property is renovated and/or new facilities constructed on state-owned land; and

31 WHEREAS, Certain state-owned buildings are not in compliance with the Americans
32 with Disabilities Act or fire code standards; and

33 WHEREAS, Numerous state-owned buildings of significant fiscal and/or historical value
34 must be demolished because they have deteriorated beyond repair due to lack of routine

1 maintenance; and

2 WHEREAS, Once renovated and/or constructed, the rehabilitated or new facilities will
3 make available in excess of 350,000 square feet of usable space; and

4 WHEREAS, Moving agencies into this newly renovated space will save the state the cost
5 of lease payments that will at least equal the projected debt service costs on a new debt issuance;
6 and

7 WHEREAS, The design and construction of the project are to be financed through
8 Certificates of Participation, with an expected payback period of twenty (20) years, and funds
9 allocated from the Rhode Island Capital Plan Fund. Financing for the operation and maintenance
10 of the facilities will be included in the annual operating budgets of the agencies occupying the
11 property in order to maximize third-party reimbursement; and

12 WHEREAS, The capital costs associated with this project are estimated to be
13 \$62,580,000. This includes \$4,580,000 from the Rhode Island Capital Plan Fund, and
14 \$58,000,000 from the issuance of Certificates of Participation. The total issuance would be
15 approximately \$58,000,000, with \$57,600,000 deposited in the construction fund and \$400,000
16 available to pay the associated costs of issuance. Total lease payments over twenty (20) years on
17 the \$58,000,000 issuance are projected to be \$89,200,000, assuming an average coupon of 4.5%.
18 The lease payments would be budgeted in the Department of Administration and financed by
19 general revenues and any other funds available to the agencies occupying the property in order to
20 maximize third-party reimbursement.

21 NOW, THEREFORE, BE IT RESOLVED,

22 THAT, A program of rehabilitation, reconstruction and new construction is approved in
23 order to utilize the full potential of state-owned property.

24 THAT, This General Assembly hereby approves financing in an amount not to exceed
25 \$58,000,000 for such purpose.

26 SECTION 11. This article shall take effect upon passage.

27 ARTICLE 46

28 RELATING TO EDUCATION AID

29 SECTION 1. Section 16-7.1-15 of the General Laws in Chapter 16-7.1 entitled "The
30 Rhode Island Student Investment Initiative" is hereby amended to read as follows:

31 **16-7.1-15. The Rhode Island student investment initiative.** – (a) Each locally or
32 regionally operated school district shall receive as a base the same amount of school aid as each
33 district received in fiscal year 1997-1998, adjusted to reflect the increases or decreases in aid
34 enacted to meet the minimum and maximum funding levels established for FY 2000 through FY

1 ~~2003~~ 2004. For FY 2005, however, this base amount will be reduced statewide to a total of four
2 hundred forty eight million five hundred sixty three thousand seven hundred seventy five dollars
3 (\$448,563,775). The reduction for each district shall be based on each district's proportion of
4 total aid received relative to total aid distributed statewide pursuant to 16-7.1-8, 16-7.1-9, 16-7.1-
5 10, 16-7.1-11, 16-7.1-11.1, 16-7.1-12, 16-7.1-15, 16-7.1-16, 16-7.1-19, 16-77.1-2(b), and 16-64-
6 1.1. Each school district shall also receive school aid through each investment fund for which
7 that district qualifies pursuant to §§ 16-7.1-8, 16-7.1-9, 16-7.1-10, 16-7.1-11, 16-7.1-12, 16-7.1-
8 16 and 16-7.1-19. These sums shall be in addition to the base amount described in this section.
9 ~~For FY 2004 total school aid distributed under the investment funds enumerated above shall~~
10 ~~constitute not less than a one percent (1.0%) increase in aid received in FY 2003 under §§ 16-7.1-~~
11 ~~6, 16-7.1-8, 16-7.1-9, 16-7.1-10, 16-7.1-11, 16-7.1-12, 16-7.1-15(d), 16-7.1-16, and 16-7.1-19.~~
12 Calculation and distribution of education aid under §§ 16-5-31, 16-5-32, 16-7-20, 16-7-20.5, 16-
13 7-34.2, 16-7-34.3, 16-24-6, 16-54-4, and 16-67-4 is hereby suspended. The funding of the
14 purposes and activities of chapter 67 of this title, the Rhode Island Literacy and Dropout
15 Prevention Act of 1967, shall be the same amount of the base amount of each district funded for
16 that purpose in fiscal year 1997-1998. In addition each district shall expend three percent (3%) of
17 its student equity and early childhood funds under the provisions of chapter 67 of this title.

18 (b) Funding for full day kindergarten programs in accordance with § 16-7.1-11.1 shall be
19 in addition to funding received under this section.

20 (c) Funding distributed under §§ 16-77.1-2(b) and 16-64-1.1 shall be in addition to
21 funding distributed under this section.

22 ~~(d) There shall be an appropriation to ensure that total aid distributed to communities in~~
23 ~~FY 2004 under this section and §§ 16-7.1-11.1, 16-64-1.1 and 16-77.1-2(b) shall be at least a one~~
24 ~~and three quarter percent (1.75%) increase over aid received in FY 2003.~~

25 ~~(e)~~ (d) *Children with disabilities.* (1) Based on its review of special education within the
26 context of Rhode Island school reform, the general assembly recommends addressing the needs of
27 all children and preventing disability through scientific research based, as described in the No
28 Child Left Behind Act of 2001, Title 1, Part B, Section 1208 [20 U.S.C. § 6368], reading
29 instruction and the development of Personal Literacy Programs for students in the early grades
30 performing below grade level in reading and implement a system of student accountability that
31 will enable the state to track individual students over time. Additionally, the department of
32 elementary and secondary education must provide districts with rigorous criteria and procedures
33 for identifying students with learning disabilities and speech/language impairments. Additional
34 study is required of factors that influence programming for students with low incidence

1 disabilities; those with disabilities that severely compromise life functions; and programming for
2 students with disabilities through urban special education. Alternatives for funding special
3 education require examination.

4 (2) All departments and agencies of the state shall furnish any advice and information,
5 documentary and otherwise, to the general assembly and its agents that is deemed necessary or
6 desirable by the study to facilitate the purposes of this section.

7 SECTION 2. This article shall take effect as of July 1, 2004.

8 ARTICLE 47
9 RELATING TO CORRECTIONS

10 SECTION 1. Section 28-12-4.3 of the General Laws in Chapter 28-12 entitled
11 "Minimum Wages" is hereby amended to read as follows:

12 **28-12-4.3. Exemptions.** – (a) The provisions of §§ 28-12-4.1 and 28-12-4.2 do not apply
13 to the following employees:

14 (1) Any employee of a summer camp when it is open no more than six (6) months of the
15 year.

16 (2) Police officers, firefighters, [correctional officers employed by the Rhode Island](#)
17 [Department of Corrections](#), and rescue service personnel employed by the cities and towns.

18 (3) Employees of the state or political subdivision of the state who may elect through a
19 collective bargaining agreement, memorandum of understanding, or any other agreement between
20 the employer and representatives of the employees, or if the employees are not represented by an
21 exclusive bargaining agent, through an agreement or understanding arrived at between the
22 employer and the employee prior to the performance of work, to receive compensatory time off
23 for hours worked in excess of forty (40) in a week. The compensatory hours shall at least equal
24 one and one half (1 1/2) times the hours worked over forty (40) in a week. If compensation is paid
25 to an employee for accrued compensatory time, the compensation shall be paid at the regular rate
26 earned by the employee at the time of payment. At the time of termination, unused accrued
27 compensatory time shall be paid at a rate not less than:

28 (i) The average regular rate received by the employee during the last three (3) years of the
29 employee's employment, or

30 (ii) The final regular rate received by the employee, whichever is higher.

31 (4) Any employee employed in a bona fide executive, administrative, or professional
32 capacity, as defined by the Fair Labor Standards Act of 1938, 29 U.S.C. § 201 et seq.,
33 compensated for services on a salary basis of not less than two hundred dollars (\$200) per week.

34 (5) Any employee as defined in subparagraph (a)(4) of this section unless the wages of

1 the employee, if computed on an hourly basis, would violate the applicable minimum wage law.

2 (6) Any salaried employee of a nonprofit national voluntary health agency who elects to
3 receive compensatory time off for hours worked in excess of forty (40) hours per week.

4 (7) Any employee, including drivers, driver's helpers, mechanics, and loaders of any
5 motor carrier, including private carriers, with respect to whom the U.S. secretary of transportation
6 has power to establish qualifications and maximum hours of service pursuant to the provisions of
7 49 U.S.C. § 3102.

8 (8) Any employee who is a salesperson, partsperson, or mechanic primarily engaged in the
9 sale and/or servicing of automobiles, trucks or farm implements, and is employed by a
10 nonmanufacturing employer primarily engaged in the business of selling vehicles or farm
11 implements to ultimate purchasers, to the extent that the employers are exempt under the federal
12 Wage-Hour and Equal Pay Act, 29 U.S.C. § 201 et seq. and 29 U.S.C. § 213(b)(10); provided that
13 the employee's weekly, bi-weekly, or monthly actual earnings exceed an amount equal to the
14 employee's basic contractual hourly rate of pay times the number of hours actually worked plus
15 the employee's basic contractual hourly rate of pay times one-half (1/2) the number of hours
16 actually worked in excess of forty (40) hours per week.

17 (9) Any employee employed in agriculture; however, this exemption applies to all
18 agricultural enterprises that produce greenhouse crops, fruit and vegetable crops, herbaceous
19 crops, sod crops, viticulture, viniculture, floriculture, feed for livestock, forestry, dairy farming,
20 aquaculture, the raising of livestock, furbearing animals, poultry and eggs, bees and honey,
21 mushrooms, and nursery stock. This exemption also applies to nursery workers.

22 (b) Nothing in this section exempts any employee who under applicable federal law is
23 entitled to overtime pay or benefits related to overtime pay.

24 SECTION 2. This article shall take effect upon passage.

25 ARTICLE 48

26 RELATING TO HUMAN SERVICES – HEALTH CARE

27 ASSISTANCE FOR WORKING PEOPLE WITH DISABILITIES

28 SECTION 1. Title 40 of the General Laws entitled “Human Services” is hereby amended
29 by adding thereto the following chapter:

30 CHAPTER 8.7

31 HEALTH CARE ASSISTANCE FOR WORKING PEOPLE WITH DISABILITIES

32 **40-8.7-1. Medicaid Buy-In Program.** -- The department of human services is hereby
33 authorized to establish a medicaid buy-in program pursuant to the “Balanced Budget Act of
34 1997” [42 U.S.C. sections 1396a(a)(10)(ii)(XIII)].

1 **40-8.7-2. Purpose.** -- The purpose of the medicaid buy-in program is to:

2 (1) enable individuals with disabilities to enter and reenter the work force as soon as
3 possible;

4 (2) provide health care and social services to individuals with disabilities that will enable
5 those individuals to reduce their dependency on cash benefit programs;

6 (3) allow individuals with disabilities the option to purchase medicaid coverage that is
7 necessary to enable such individuals to obtain and/or maintain employment; and

8 (4) authorize the department of human services to amend the state plan for personal care
9 services limited to employment-related personal care services for the individuals with disabilities
10 to continue their employment activity.

11 **40-8.7-3. Definitions.** -- As used in this chapter, the term:

12 (1) "Individual with a disability" shall mean a person who has been designated, but
13 without regard to his or her ability to engage in substantial gainful activity, as specified in the
14 social security act [42 U.S.C. 423 (d) (4)], as a totally and permanently disabled individual by
15 Social Security Administration or the Rhode Island medicaid program pursuant to an application
16 for benefits under Title II, Title XVI or Title XIX of the social security act, regardless of current
17 receipt of cash benefits under the social security act.

18 (2) "Employed" shall mean the individual with disabilities is engaged in a work effort
19 that meets substantial and reasonable threshold criteria for hours of work, wages, or other
20 measures, as defined by the department of human services and as permitted by federal law.

21 **40-8.7-4. Authorization for the medicaid buy-in program.** -- The department of human
22 services is hereby authorized and directed to amend its title XIX state plan to initiate a medicaid
23 buy-in program for employed individuals with disabilities.

24 **40-8.7-5. Eligibility.** -- In order to be eligible for benefits under the medicaid buy-in
25 program, a person must meet all of the following requirements:

26 (1) The person must be an individual with disabilities as defined in section 40-8.7-3, but
27 without regard to his or her ability to engage in substantial gainful activity, as specified in the
28 social security act [42 U.S.C. 423 (d) (4)];

29 (2) the person is employed as defined in section 40-8.7-3;

30 (3) net countable income not in excess of 250% federal poverty level taking into account
31 the SSI program disregards and impairment-related work expenses as defined in 42 U.S.C.
32 Section 1396a(r)(2);

33 (4) a maximum of ten thousand dollars of available resources for an individual and
34 twenty thousand dollars for a couple shall be disregarded and any additional resources held in a

1 retirement account, in a medical savings account, or any other account, relating to enhancing the
2 independence of the individual, approved under rules to be adopted by the department; and

3 (5) the person is a current medical assistance recipient under section 40-8.5-1 [CNIL] or
4 40-8-3(v) [MNIL]; or meets income, assets, and eligibility requirements for the medical assistance
5 program under sections 40-8.5-1 [CNIL] or 40-8-3(v) [MNIL], as such requirements are modified
6 and extended by this chapter.

7 **40-8.7-6. Premiums and Cost Sharing.** -- (a) The department of human services is

8 authorized and directed to promulgate such rules to establish the monthly premium payments for
9 employed individuals with disabilities who opt to participate directly in the medicaid buy-in
10 program. To participate in the medicaid buy-in program, the employed individual with disabilities
11 shall be required to make payment for coverage in accordance with a monthly payment formula
12 to be established by the department which shall count the individual's monthly-earned income
13 in excess of the medically needy income limit [MNIL], and shall count a portion of their earned
14 income on a sliding scale basis, in accordance with rules to be established by the department.

15 (b) The department is further authorized and directed to promulgate such rules to allow
16 employed individuals with disabilities who have access to employer-based health insurance and
17 who are determined eligible by the department pursuant to this chapter, to either:

18 (1) Enroll themselves and/or their family in the employer-based health insurance plan as
19 a condition of participation in the medicaid buy-in program under this chapter, provided this also
20 complies with the requirements of 40-5.1, 40-8.1, 40-8.4, 40-8.5, 42-12, 42-12.1, 42-12.2 and 42-
21 12.3 as they relate to eligibility for the medical assistance program, and provided further that
22 enrollment in the employer-based health insurance plan is cost-effective and its benefits are
23 comparable with the benefits provided by the medicaid program; or

24 (2) Enroll in the RI medicaid buy-in program with employer / employee premium
25 payments for coverage under the medicaid buy-in program provided that these premium
26 payments are not greater than the employer's and employee's premiums in the existing employer-
27 based health insurance.

28 **40-8.7-7. Work-Related Protections.** -- (a) Medicaid buy-in participants shall continue

29 on the medicaid buy-in program for up to four months after loss of employment due to a medical
30 condition. If the loss of employment is not due to a medical condition the individual may
31 continue to be eligible for up to four months but must pay a monthly premium equal to their
32 monthly-earned income in excess of the medically needy income limit.

33 (b) Medicaid buy-in participants who return to other medicaid eligibility categories shall
34 have their accrued savings in a retirement account and/or a medical savings account excluded

1 from countable assets.

2 (c) The department shall promulgate rules or regulations necessary to institute the work-
3 related protections of this section.

4 **40-8.7-8. Regulations and commencement of program. --** The department of human
5 services shall promulgate the rules or regulations necessary to implement the provisions of this
6 chapter by January 1, 2005, and enrollment of individuals with disabilities in the medicaid buy-in
7 program shall commence on January 1, 2006.

8 SECTION 2. This article shall take effect as of July 1, 2004.

9 ARTICLE 49
10 RELATING TO STATE AFFAIRS AND GOVERNMENT –
11 EDC CAPITAL

12 SECTION 1. Section 42-35-1 of the General Laws in Chapter 42-35 entitled
13 "Administrative Procedures" is hereby amended to read as follows:

14 **42-35-1. Definitions. – As used in this chapter: . --** (a) "Agency" includes each state
15 board, commission, department, or officer, other than the legislature or the courts, authorized by
16 law to make rules or to determine contested cases, and all authorities, as that term is defined
17 below;

18 (b) "Authorities" includes the following: the Rhode Island industrial building authority,
19 the Rhode Island recreational building authority, the Rhode Island ~~port authority and~~ economic
20 development corporation, ~~the Rhode Island industrial facilities corporation,~~ EDC Capital the
21 Rhode Island refunding bond authority, the Rhode Island housing and mortgage finance
22 corporation, the Rhode Island solid waste management corporation, the Rhode Island public
23 transit authority, the Rhode Island student loan authority, the Howard development corporation,
24 the water resources board, the Rhode Island health and educational building corporation, the
25 Rhode Island higher education assistance authority, the Rhode Island turnpike and bridge
26 authority, the Blackstone Valley district commission, the Narragansett Bay water quality
27 management district commission, their successors and assigns, and any body corporate and politic
28 with the power to issue bonds and notes, which are direct, guaranteed, contingent, or moral
29 obligations of the state, which is hereinafter created or established in this state.

30 (c) "Contested case" means a proceeding, including but not restricted to ratemaking, price
31 fixing, and licensing, in which the legal rights, duties, or privileges of a specific party are required
32 by law to be determined by an agency after an opportunity for hearing;

33 (d) "License" includes the whole or part of any agency permit, certificate, approval,
34 registration, charter, or similar form of permission required by law, but it does not include a

1 license required solely for revenue purposes;

2 (e) "Licensing" includes the agency process respecting the grant, denial, renewal,
3 revocation, suspension, annulment, withdrawal, or amendment of a license;

4 (f) "Party" means each person or agency named or admitted as a party, or properly
5 seeking and entitled as of right to be admitted as a party;

6 (g) "Person" means any individual, partnership, corporation, association, governmental
7 subdivision, or public or private organization of any character other than an agency;

8 (h) "Rule" means each agency statement of general applicability that implements,
9 interprets, or prescribes law or policy or describes the organization, procedure, or practice
10 requirements of any agency. The term includes the amendment or repeal of a prior rule, but does
11 not include (1) statements concerning only the internal management of an agency and not
12 affecting private rights or procedures available to the public, or (2) declaratory rulings issued
13 pursuant to § 42-35-8, (3) intra-agency memoranda, or (4) an order.

14 (i) "Small business" shall mean a business activity, that complies with all of the
15 following:

16 (A) Independently owned and operated.

17 (B) Not dominant in its field of operation.

18 (C) Not exceeding the following annual gross receipts in the categories of:

19 (i) Agricultural, one million dollars (\$1,000,000).

20 (ii) General construction, nine million five hundred thousand dollars (\$9,500,000).

21 (iii) Special trade construction, five million dollars (\$5,000,000).

22 (iv) Retail trade, two million dollars (\$2,000,000).

23 (v) Wholesale trade, nine million five hundred thousand dollars (\$9,500,000).

24 (vi) Services, two million dollars (\$2,000,000).

25 (vii) Transportation and warehousing, one million five hundred thousand dollars
26 (\$1,500,000).

27 (D) If a manufacturing enterprise, not exceeding two hundred fifty (250) employees.

28 (E) If a health care facility, not exceeding one hundred fifty (150) beds or one million
29 five hundred thousand dollars (\$1,500,000) in annual gross receipts.

30 (F) If a generating or transmitting facility, generating and/or transmitting electric power
31 not exceeding four million five hundred thousand (4,500,000) kilowatts.

32 (2) The following professional and business activities shall not be considered a small
33 business for purposes of this section:

34 (A) Financial institutions including banks, trusts, savings and loan associations, thrift

1 institutions, consumer and industrial finance companies, credit unions, mortgage and investment
2 bankers, and stock and bond brokers.

3 (B) Insurance companies, both stock and mutual.

4 (C) Mineral, oil and gas brokers; subdividers and developers.

5 (D) Landscape architects, architects, and building designers.

6 (E) Entities organized as nonprofit institutions.

7 (F) Entertainment activities and productions including motion pictures, stage
8 performances, television and radio stations, and production companies.

9 (G) All utilities, water companies, and power transmission companies, except electrical
10 power generating transmission companies providing less than 4.5 kilowatts.

11 (H) All petroleum and natural gas producers, refiners, and pipelines.

12 (j) "Order" means the whole or a part of a final disposition, whether affirmative, negative,
13 injunctive or declaratory in form, of a contested case.

14 SECTION 2. Section 42-64-13.1 of the General Laws in Chapter 42-64 entitled "Rhode
15 Island Economic Development Corporation" is hereby amended to read as follows:

16 **42-64-13.1. Assistance to urban communities for economic revitalization.** -- (a) The
17 ~~corporation shall, in furtherance of its responsibility to assist urban communities, provide for the~~
18 ~~establishment of an urban enterprise equity fund, the establishment of an urban business~~
19 ~~incubator, and such other programs and activities as the corporation may deem appropriate to~~
20 ~~assist with urban revitalization.~~

21 ~~(b) For purposes of this section, the following words and terms shall have the following~~
22 ~~meanings:~~

23 ~~(1) The "Fund" shall mean a revolving loan fund used to provide equity to assist start-up~~
24 ~~and existing businesses in securing resources from lenders including but not limited to private~~
25 ~~sector lending institutions, and federal and non-federal public sector lenders.~~

26 ~~(2) "Equity" shall mean cash or cash equivalents, through personal or other assets that are~~
27 ~~either pledged to or become part of a small business venture. Equity constitutes resources that are~~
28 ~~considered part of the balance sheet of the small business.~~

29 ~~(3) "Equity Financing" shall be a loan from an institution, bank, non-bank or any other~~
30 ~~resource, by which terms and conditions are established for repayment of the debt. For the~~
31 ~~purposes of this legislation, "Equity Financing" shall be deeply subordinated on the balance sheet~~
32 ~~of the business, and by this deep subordination is converted to equity on the balance sheet.~~
33 ~~"Equity Financing" by virtue of its subordination shall be the last loan to be paid out of the cash~~
34 ~~flow of the business.~~

1 ~~(4) "Small business" shall mean any corporation, partnership, sole proprietorship, or other~~
2 ~~business entity qualifying as "small" under the standards contained in 13 CFR § 121.~~

3 ~~(5) "Urban" shall mean any community which exceeds two thousand (2000) persons per~~
4 ~~square mile as established by the most recent federal census.~~

5 ~~(c) Establishment of an Urban Enterprise Equity Fund.~~

6 ~~(1) In order to provide "Equity Financing", commonly referred to as either "Equity" or~~
7 ~~"Equity Debt", to assist small businesses finance investments, the general assembly establishes~~
8 ~~the urban enterprise fund.~~

9 ~~This fund will be located at and administered by the economic development corporation,~~
10 ~~referred to as the corporation, hereinafter for the purposes of providing equity financing to assist~~
11 ~~small businesses in obtaining additional resources for capital investments. Seventy five percent~~
12 ~~(75%) of the fund financing shall be targeted to urban small businesses located in enterprise~~
13 ~~zones established pursuant to chapter 64.3 of title 42. The corporation shall be responsible for the~~
14 ~~establishment of "the urban enterprise fund" and for the adoption of rules and standards and~~
15 ~~guidelines, eligibility qualifications, and performance measures for the fund. Such rules shall~~
16 ~~limit the amount of equity financing from the fund in any small business to an amount not to~~
17 ~~exceed one hundred thousand (\$100,000) dollars and shall provide, inter alia that the corporation~~
18 ~~be allowed to take stock, stock options, stock warrants, equity or other ownership interests in the~~
19 ~~small business to which it is providing such Equity Financing.~~

20 ~~(2) Nothing herein provided with regard to equity and Equity Financing shall be deemed~~
21 ~~to prevent or restrict the corporation or other private lenders from providing additional financing~~
22 ~~to the small business under traditional methods, conventional financing with or without credit~~
23 ~~enhancements for the purposes of fulfilling the necessary instruments to finance the small~~
24 ~~business.~~

25 ~~(3) In the implementation of the provisions of this paragraph, the corporation is~~
26 ~~encouraged to utilize credit enhancements such as the US Small Business Administration's (SBA)~~
27 ~~Guaranteed Loan Program in conjunction with SBA's participating lenders to make the small~~
28 ~~business financing transactions in the best interest of the Small Business.~~

29 ~~(4) The corporation will annually report the status and performance of the Urban~~
30 ~~Enterprise Equity Fund to the General Assembly on or before the first Tuesday of November.~~

31 ~~(d) Establishment of an Urban Business Incubator.~~ There is hereby authorized,
32 established, and created an urban business incubator to be located in an enterprise zone, as
33 defined in chapter 64.3 of this title. The incubator shall be designed to foster the growth of
34 businesses through a multi-tenant, mixed- use facility serving companies in a variety of industries

1 including, but not limited to: services, distribution, light manufacturing, or technology-based
2 businesses. The incubator shall provide a range of services designed to assist these new
3 businesses, including, but not limited to: flexible leases, shared office equipment, use of common
4 areas such as conference rooms, and will provide (directly or indirectly) easily accessible
5 business management, training, financial, legal, accounting, and marketing services. The
6 incubator shall be established as a non-business corporation, and shall have tax exempt status
7 under U.S. Internal Revenue Code § 501(c)(3), 26 U.S.C. § 501(c)(3), and shall have an
8 independent board of directors. The board of directors, in consultation with the corporations, shall
9 adopt guidelines and performance measures for the purposes of operating and monitoring the
10 incubator.

11 ~~(e) The general assembly shall annually appropriate the sums it deems necessary to carry~~
12 ~~out the provisions of subsections (c) and (d) of this section.~~

13 SECTION 3. Chapter 42-64 of the General Laws entitled "Rhode Island Economic
14 Development Corporation" is hereby amended by adding thereto the following sections:

15 **42-64-34.1. EDC Capital.** -- There is hereby created and established a body corporate
16 and politic, EDC Capital, a subsidiary public corporation of the Rhode Island economic
17 development corporation, which shall establish and administer EDC Capital pursuant to the
18 requirements of section 42-64-7.1 of the general laws and in a manner which is consistent with
19 and complementary to its mission and objectives. EDC Capital is constituted a public
20 instrumentality of the state, and the exercise by the authority of the powers conferred by the
21 provisions of this chapter shall be deemed and held to be the performance of essential
22 governmental functions.

23 **42-64-34.2. Organization.** -- (a) EDC Capital shall be administered by a board of
24 directors which shall consist of five (5) members, appointed by the governor as herein provided:

25 (i) One (1) shall be the executive director of the economic development corporation;

26 (ii) Three (3) shall be members of the general public with experience in banking or
27 finance; and

28 (iii) One (1) shall be a member of the general public with expertise in matters relating to
29 small business.

30 (b) Directors other than the executive director of the economic development corporation
31 shall serve one year terms, but in no case shall any person other than the executive director of the
32 economic development corporation serve as a director for more than five (5) years. A vacancy in
33 the office of a member, other than by expiration, shall be filled in like manner as an original
34 appointment. Directors may be removed by the governor for cause.

1 (c) EDC Capital may elect such officers, who need not be members of the board, as may
2 be required to conduct the business of EDC Capital. The director of the economic development
3 corporation, or his or her designee, shall serve as manager and chief executive officer, ex officio,
4 of EDC Capital. Three (3) members of the board shall constitute a quorum and the affirmative
5 vote of a majority of the members, present and voting, shall be necessary for any action taken by
6 EDC Capital; except that, in no case shall any action taken by EDC Capital be taken by an
7 affirmative vote of less than three (3) members. Board members shall receive no compensation.

8 (d) The manager shall be the chief administrative officer for EDC Capital and as such
9 shall direct and supervise the administrative affairs and technical activities of EDC Capital in
10 accordance with rules, regulations, and policies set forth by the board. It shall be the duty of the
11 manager among other things:

12 (1) To attend all meetings of the board, and to act as its secretary and keep minutes of all
13 its proceedings.

14 (2) To approve all accounts for salaries, per diems, allowable expenses of EDC Capital or
15 of any employee or consultant thereof, and expenses incidental to the operation of EDC Capital.

16 (3) To provide assistance to the various divisions of the economic development
17 corporation to facilitate the planning and financing of economic development projects.

18 (4) To perform such other duties as may be directed by the board in the carrying out of
19 the purposes of this chapter.

20 (e) No board member or employee of EDC Capital shall participate in any decision on the
21 issuance or execution of any loan, note, contract of debt, guarantee, policy of insurance, or any
22 other financial instrument if he or she has any interests, direct or indirect, including acting as a
23 director or officer, in any firm, partnership, corporation, local development corporation, business
24 entity or association which would be the debtor, obligor, guarantor, mortgagee, insured, tenant,
25 lessee, or otherwise receive financial benefit from the project.

26 **42-64-34.3. Definitions.** -- As used in this chapter, the following words and terms shall
27 have the following meanings unless the context shall indicate another or different meaning or
28 intent:

29 (a) "Cost of project" shall mean the cost or fair market value of acquisition of an
30 economic development project, whichever is lower, or the cost of construction, alteration,
31 reconstruction, expansion or rehabilitation of an economic development project by a local
32 economic development corporation or by a project owner. There may be included in cost of
33 project the costs of all financing charges, existing encumbrances, interest during construction
34 period, working capital, engineering, architectural and legal services, plans, specifications,

1 surveys, cost estimates, studies, and other expenses as may be necessary or incident to the
2 development, construction, financing, and placing in operation of an economic development
3 project.

4 (b) "Cost of project" shall, in the case of a recreational project described in subdivision
5 (f) mean the cost or fair market value of new construction (including renovations or remodeling
6 of existing structures if such renovation or remodeling adds fifty percent (50%) or more to the fair
7 market value of the structure exclusive of the value of the land upon which it rests), lands,
8 property rights, machinery, easements, franchises, fixtures, financing charges, interest,
9 engineering and legal services, plans, specifications, surveys, cost estimates, studies, and other
10 expenses as may be necessary or incident to the development, construction, financing, and
11 placing in operation of a recreational project; provided, however, that in the expense of any
12 renovations or remodeling of existing structures shall not be included in "cost of project" to the
13 extent that expense exceeds the fair market value of the structure (exclusive of the land upon
14 which it rests) as so renovated or remodeled.

15 (c) "Federal agency" shall mean and include the United States of America, the president
16 of the United States of America, and any department of, or corporation, agency, or
17 instrumentality heretofore or hereafter created, designated, or established by the United States of
18 America.

19 (d) "Economic development project" shall mean lands or buildings or other real estate
20 improvements in Rhode Island, or any interest therein, acquired and constructed, reconstructed,
21 improved, expanded, renovated, or rehabilitated by the economic development corporation, a
22 local development corporation, or by a project owner, together with all easements and other
23 interests in the property, provided that the economic development project is to be used:

24 (i) by any industry for the manufacturing, processing, or assembling of raw materials or
25 manufactured products; or

26 (ii) for the providing of research or warehousing facilities for the benefit of any such
27 industry; or

28 (iii) an office facility; and provided further that the authority has determined that the
29 economic development project or other real estate improvement will tend to provide gainful
30 employment for the people of Rhode Island, or to prevent, eliminate, or reduce unemployment in
31 Rhode Island, increase the tax base of the economy, diversify and expand industry so that periods
32 of large scale unemployment and distressed times may be avoided, and generally benefit
33 economic development in Rhode Island. An economic development project as defined herein may
34 be located on leased land provided the term of the lease extends at least until the maturity date, as

1 defined in this section.

2 (e) "Economic development project" shall also mean any machinery and equipment
3 provided:

4 (i) the machinery and equipment has been acquired for use in connection with any
5 building new or otherwise, or other real estate improvement in Rhode Island, used for the
6 manufacturing, processing, or assembling of raw materials or manufactured products, for
7 pollution control or prevention in connection therewith, for the providing of research facilities in
8 connection therewith, or furniture, fixtures, or other items of personal property used in ancillary
9 offices or common areas;

10 (ii) EDC Capital has determined that the machinery and equipment will tend to provide
11 gainful employment for the people of Rhode Island or to prevent, eliminate, or reduce
12 unemployment in Rhode Island, increase the tax base of the economy and diversify and expand
13 industry so that periods of large scale unemployment and distressed times may be avoided, and
14 generally benefit economic development in Rhode Island;

15 (iii) the owner thereof has agreed not to remove the machinery and equipment from the
16 building or real estate improvement until the principal obligation of any mortgage on the
17 machinery and equipment, or mortgage or lease payments which are insured by EDC Capital,
18 have been paid in full, except that the machinery and equipment may be removed from the
19 building or real estate improvement with the prior written consent of EDC Capital if such owner
20 has agreed to substitute in place thereof other machinery and equipment within a reasonable
21 period of time as the authority shall prescribe.

22 (f) " Economic development project" shall also mean any building, facility, development,
23 or improvement in Rhode Island and the interest of the owner of such building, facility,
24 development, or improvement in and to the land upon which it may be located, provided that the
25 owner's interest be in fee simple or be a leasehold interest in land owned by the state of Rhode
26 Island having a term expiring not less than ten (10) years after the date of recording the mortgage
27 hereinafter defined, and provided the building, facility, development, or improvement is designed
28 in whole or in part to attract tourists to this state and including, without limiting in any way the
29 generality of the foregoing, marinas, beaches, bathing facilities, ski facilities, convention
30 facilities, hotels, motels, golf courses, camp grounds, arenas, theaters, lodges, guest cottages, and
31 all types of facilities, and furniture and/or fixtures, related thereto as may be determined from
32 time to time by EDC Capital and which EDC Capital has determined will contribute to the health
33 and welfare of the people or will tend to improve the economy of the state, increase employment,
34 or provide a wider tax base. A recreational project as defined herein shall cost more than five

1 hundred thousand dollars (\$500,000).

2 (g) "Equity Financing" shall be an investment or loan from EDC Capital, which shall be
3 secured by a state in the business receiving the funding, either through an ownership interest,
4 convertible debt, or any other equity instrument deemed appropriate by EDC Capital. For the
5 purposes of this section, equity financing may be subordinated on the balance sheet of the
6 business, in order to allow conversion to equity on the balance sheet of the entity receiving the
7 equity financing, and therefore may be the last secured loan or instrument to be paid out of the
8 cash flow of the business.

9 (h) "Industrial facility" means any land, any building, or other improvement, and all real
10 and personal properties, including, but not limited to, machinery and equipment deemed
11 necessary in connection therewith, whether or not now in existence, which are suitable for use for
12 manufacturing, warehousing, or other industrial or commercial purposes, but does not include
13 raw materials, work in process, or stock in trade.

14 (i) "Local development corporation" shall mean any corporation or foundation, including
15 the economic development corporation, organized and operated primarily for the purposes of
16 fostering, encouraging, and assisting the improvement of the physical location, of commercial,
17 industrial, and manufacturing enterprises within the state or generally promoting the economic
18 growth of the state, no part of the net earnings of which inures to the benefit of any private
19 shareholder or individual.

20 (j) "Maturity date" shall mean the date on which any indebtedness would be extinguished
21 if paid in accordance with periodic payments provided in its terms.

22 (k) "Mortgage" shall mean a mortgage or security agreement on an economic
23 development project creating and constituting a lien of record, together with bonds, notes,
24 evidences of indebtedness, or other credit instruments issued by a mortgagor to finance such
25 project and secured thereby.

26 (l) "Mortgage payments" shall mean periodic payments by the mortgagor to the
27 mortgagee required by the mortgage, and may include interest, installments of principal, taxes
28 and assessments, land lease rentals, mortgage insurance premiums and hazard insurance
29 premiums, or any of them as the authority may prescribe.

30 (m) "Mortgagee" shall mean the original lender approved by EDC Capital under a
31 mortgage, and its successors and assigns and may include all insurance companies, trust
32 companies, banks, building and loan associations, credit unions, savings and loan associations,
33 investment companies, savings banks, local development corporations, individuals, executors,
34 administrators, guardians, conservators, trustees, and other fiduciaries; including pension,

1 retirement and profit-sharing funds; provided, however, that where there has been appointed a
2 trustee under an indenture of trust or other similar document for the benefit of the holders of
3 bonds or notes issued to finance an industrial project secured by a mortgage, "mortgagee" shall
4 mean such trustee.

5 (n) "Mortgagor" shall mean a local development corporation as defined herein.

6 (o) "Municipality" means any city or town in the state.

7 (p) "Project owner" shall mean any business entity, other than a local development
8 corporation, that owns an economic development project.

9 (q) "Small business" shall mean any corporation, partnership, sole proprietorship, or
10 other business entity qualifying as "small" under the standards contained in 13 CFR § 121.

11 (r) "Urban" shall mean any community in which the population density exceeds two
12 thousand (2000) persons per square mile as established by the most recent federal census.

13 **42-64-34.4. Powers. -- EDC Capital is authorized and empowered:**

14 (a) To adopt bylaws for the regulation of its affairs and the conduct of its business;

15 (b) To adopt an official seal and alter it at pleasure;

16 (c) To maintain an office at such place or places within the state as it may designate;

17 (d) To sue and be sued in its own name, plead and be impleaded; service of process in
18 any action shall be made by service upon the manager of EDC Capital either in hand or by
19 leaving a copy of the process at the office of the manager with some person having charge
20 thereof;

21 (e) To employ such assistants, agents and other employees as may be necessary or
22 desirable for its purposes, to contract for and engage consultants; and to utilize the services of
23 governmental agencies;

24 (f) To have all the general powers of the economic development corporation as specified
25 in sections 42-64-6(3) through (12), sections 42-64-7(6) through (12), and section 42-64-7(22)
26 through (25) of this chapter.

27 (g) To accept from a federal agency, loans or grants for use in carrying out its purposes,
28 and to enter into agreements with that agency respecting any such loans or grants;

29 (h) To manage and administer the small business loan fund, the urban enterprise equity
30 fund, and all related funds previously administered by the economic development corporation;

31 (i) To utilize credit enhancements, including the U.S. Small Business Administration
32 (SBA) Guaranteed Loan Program, in conjunction with participating lenders, in order to promote
33 small business financing transactions;

34 (j) In connection with the insuring of payments of any mortgage, to request for its

1 guidance a finding of the planning board of the municipality, or if there is no planning board, a
2 finding of the municipal officers of the municipality, in which the economic development project
3 is proposed to be located, or of the regional planning board of which the municipality is a
4 member, as to the expediency and advisability of the project;

5 (k) To enter into agreements with prospective debtors, lenders, mortgagees, and
6 mortgagors, for the purpose of planning, designing, constructing, acquiring, altering, and
7 financing economic development projects;

8 (l) To acquire, purchase, manage and operate, and hold and dispose of real and personal
9 property, to take assignments of rentals and leases, and make and enter into all contracts, leases,
10 agreements, and arrangements necessary or incidental to the performance of its duties;

11 (m) To enter into agreements with a mortgagee or debtor as to the manner of pursuing
12 remedies in the event of a default and the application of any proceeds derived from those
13 remedies against obligations incurred hereunder, after determining that the agreements will, in the
14 opinion of the authority, further the purposes of this chapter or protect the assets and funds of
15 EDC Capital. Any such agreement shall not operate so as to make any mortgage insurance issued
16 by EDC Capital void or voidable;

17 (n) When it is necessary or advisable, in order to further the purposes of this chapter or
18 to safeguard the various funds or assets of EDC Capital, to purchase, acquire, take assignments of
19 notes, mortgages, and other forms of security and evidences of indebtedness, to purchase, acquire,
20 attach, seize, accept, or take title to any economic development project or portion thereof by
21 conveyance, or when a mortgage or security instrument thereon is clearly in default, by
22 foreclosure, and to sell, lease, or rent an economic development project or a portion thereof for
23 any productive use;

24 (o) To exercise all of the powers which a private insurance company engaged in the
25 business of insuring mortgages would have, to the extent that those powers are not inconsistent
26 with the provisions or purposes of this chapter;

27 (p) To grant, for the purpose of maintaining income from the project on which mortgage
28 payments have been insured and for the purpose of safeguarding the assets and funds of EDC
29 Capital, a local development corporation or project owner permission to lease or rent a property
30 to a tenant for a use other than that specified in this chapter, such lease or rental to be subject to
31 such conditions as EDC Capital may prescribe, and only when the local development corporation
32 or project owner is not meeting or has not met mortgage payments insured by EDC Capital by
33 reason of vacancy of its economic development project; the foregoing provision being in addition
34 to any other provisions contained in this chapter empowering EDC Capital to act in the event of a

1 default.

2 (q) To determine whether or not a building facility, development, or improvement and
3 the land upon which it is located is or will constitute an economic development project and to
4 determine whether or not such a project will tend to accomplish the purposes of this chapter. Any
5 determinations made by EDC Capital under this subdivision of this section shall be deemed final
6 and conclusive and not subject to review directly or indirectly;

7 (r) To do all acts and things necessary or convenient to carry out the powers expressly
8 granted in this chapter; and

9 (s) To report annually to the governor and the general assembly as to the activities of
10 EDC Capital for the previous fiscal year. EDC Capital shall in its annual report specifically
11 distinguish and report on the effectiveness of its individual programs, including the urban
12 enterprise fund, the small business loan fund, the industrial facilities program, the mortgage
13 insurance fund, and any other segregated account or fund managed by EDC Capital.

14 **42-64-34.5. Project insurance fund – Credit of state pledged. --** (a) EDC Capital is
15 authorized to insure the payment of loans secured by economic development projects, and to this
16 end the faith and credit of the state is hereby pledged, consistent with the terms and limitations of
17 the terms of this chapter. The state of Rhode Island does hereby pledge to and agree with the
18 holders of insurance issued by the authority under this chapter that the state of Rhode Island will
19 not limit or alter the rights hereby vested in the authority to fulfill the terms of any agreements
20 made with the insureds relating to that insurance until the agreements have been performed in
21 full.

22 (b) There is hereby created an economic development project insurance fund, hereinafter
23 in this chapter referred to as the "fund" which shall be used by EDC Capital as a nonlapsing,
24 revolving fund for carrying out the provisions of this chapter. To this fund shall be charged any
25 and all expenses of EDC Capital, including mortgage or other payments required by loan defaults,
26 and to the fund shall be credited all receipts of EDC Capital from project insurance premiums and
27 proceeds from the sale, disposal, lease, or rental of real or personal property which EDC Capital
28 may receive from defaulted economic development projects for which EDC Capital had provided
29 project insurance. EDC Capital may in its discretion expend out of the fund such moneys as may
30 be necessary for any expenses, including administrative, legal, actuarial, and other services.
31 Moneys in the fund not needed currently to meet the expenses and obligations of EDC Capital
32 may be deposited with the general treasurer to the credit of the fund, or may be invested in such
33 manner as is provided for by statute.

34 (c) EDC Capital shall become subrogated to the extent that payments have been paid by

1 EDC Capital to the holder of an insured instrument, notwithstanding that EDC Capital has not
2 paid all of the required or anticipated payments under the instrument, and EDC Capital shall have
3 the right to bring a separate cause of action by way of subrogation with respect to each payment
4 which it has paid to the holder. All recoveries by way of subrogation shall be credited to the
5 fund.

6 (d) EDC Capital is authorized to insure payments required by a mortgage or other debt
7 instrument on any economic development project, upon such terms and conditions as EDC
8 Capital may prescribe, provided the aggregate amount of the unpaid principal balance of all
9 obligations of all instruments so insured outstanding at any one time shall not exceed eighty
10 million dollars (\$80,000,000). Further, the aggregate amount of the unpaid principal balance
11 outstanding at any one time of all obligations arising from the insurance of financial instruments
12 not otherwise backed by a mortgage on real or personal property by EDC Capital shall not exceed
13 fifteen million dollars (\$15,000,000). To be eligible for insurance under the provisions of this
14 chapter a mortgage or financial instrument shall, as each term shall be satisfactory to EDC
15 Capital:

16 (i) Be one which is made to and held by a person or entity approved by EDC Capital;

17 (ii) Involve a principal obligation, including initial service charges and appraisal,
18 inspection and other fees approved by EDC Capital, not to exceed five million dollars
19 (\$5,000,000) and not to exceed ninety percent (90%) of the cost of any project described in § 42-
20 64-34.3(d), not to exceed five million dollars (\$5,000,000) and not to exceed eighty percent
21 (80%) of the cost of any project described in § 42-64-34.3(e), not to exceed five million dollars
22 (\$5,000,000) not to exceed seventy-five percent (75%) of the cost of any project described in §
23 34.3(f), and not to exceed fifteen million dollars (\$15,000,000) for any other approved project;

24 (iii) Have a maturity date no later than twenty-five (25) years from the date of the
25 mortgage for any project described in § 42-64-34.3(d) and (e) and twenty (20) years from the date
26 of the mortgage for any project described in § 42-64-34.3(f);

27 (iv) Contain complete amortization provisions requiring periodic payments, costs of
28 local property taxes and assessments, land lease rentals, if any, management fees, if any, hazard
29 insurance on the property, and insurance premiums, all as EDC Capital shall from time to time
30 prescribe or approve;

31 (v) Be in such form and contain such terms and provisions, with respect to property,
32 insurance, repairs, alterations, payment of taxes and assessments, restrictions as to location of
33 machinery and equipment, default reserves, delinquency charges, default remedies, anticipation
34 of maturity, additional and secondary liens, and other matters as EDC Capital may prescribe; and

1 (vi) If not otherwise subject to approval under the provisions of the Public Corporations
2 Debt Management Act, be approved by the governor.

3 (e) EDC Capital is authorized to fix project insurance premiums for the insurance of
4 payments under the provisions of this chapter, such premiums to be computed as a percentage,
5 which shall not exceed three percent (3%) per annum, of the principal obligation of the financial
6 instrument in such manner in each case as EDC Capital shall determine on the basis of all
7 pertinent available data. The premiums shall be payable in such manner as shall be prescribed by
8 EDC Capital. The amount of premium need not be uniform among the various financial
9 instruments insured.

10 (f) Financial instruments insured by EDC Capital under this chapter and participations
11 therein are hereby made legal investments for all public officers and bodies of this state and all
12 municipalities and municipal subdivisions, all insurance companies and associations, and other
13 persons carrying on an insurance business, all banks, bankers, trust companies, savings banks and
14 savings associations, including savings and loan associations, building and loan associations,
15 investment companies and other persons carrying on a banking business, all credit unions, all
16 administrators, guardians, executors, trustees, conservators, and other fiduciaries, pension, profit-
17 sharing and retirement funds and all other persons whatsoever who are now or may hereafter be
18 authorized to invest in obligations of the state, may properly and legally invest funds, including
19 capital, in their control or belonging to them.

20 (g) Additions to project insurance fund. – (i) If from time to time in the opinion of the
21 board of EDC Capital the addition of moneys to the project insurance fund is required to meet
22 obligations, EDC Capital, with the authorization of the board of directors of the economic
23 development corporation, shall in writing request the governor to provide sufficient moneys by a
24 day specified for that purpose. The governor shall request the general assembly, if in session, to
25 appropriate moneys, in the treasury, not otherwise appropriated, for that purpose. If the general
26 assembly is not meeting in session or will not be meeting in session within sixty (60) days of the
27 date specified in the request, or, if the general assembly has not provided the moneys requested
28 within thirty (30) days of that date, the governor shall direct the general treasurer to issue bonds
29 in an amount at least equal to the amount requested by the authority and as shall be necessary to
30 carry out the purposes of this chapter in serial form in the name and behalf of the state to be
31 signed by the general treasurer and countersigned by the secretary of state under the seal of the
32 state to be designated "the Rhode Island EDC Capital project insurance loan". The bonds shall be
33 of the denomination of one thousand dollars (\$1,000) or any multiple thereof, shall be in coupon
34 or registered form, shall bear interest at such rate or rates of interest as may be fixed in

1 accordance with the provisions of this section, payable semi-annually, and the principal thereof
2 and interest thereon shall be payable in any coin or currency of the United States which at the
3 time of payment shall be legal tender for public and private debts. The date of maturity of the
4 bonds shall be fixed by the general treasurer, but shall not in any case be later than twenty-five
5 (25) years from the date of issue.

6 (ii) The bonds so issued shall be deemed a pledge of the faith and credit of the state and
7 shall be exempt from taxation in this state. Whenever the governor shall approve the issuance of
8 the bonds, he or she shall certify the approval to the secretary of state and that approval shall also
9 be endorsed on each bond so approved with a facsimile of the signature of the governor.

10 (iii) The bonds shall be sold from time to time at not less than par, at public auction, or in
11 such other mode and at such times, in such amounts and at such rate or rates of interest as the
12 general treasurer, with the advice of the governor, shall deem for the best interests of the state;
13 provided, however, that the general treasurer with the approval of the governor may from time to
14 time sell any of the bonds to the sinking fund commission as provided by law instead of selling
15 them at public auction or in some other mode as above provided; provided, further, however, that
16 in the solicitation of bids, the general treasurer shall require all bidders to state the lowest interest
17 rate, expressed in multiples of one tenth of one percent (.1%), at which the bidders will purchase
18 the bonds for not less than par.

19 (h) For the purpose of establishing the project insurance fund and carrying out the intent
20 of this chapter and the provisions thereof, the general assembly annually shall appropriate out of
21 any money in the treasury not otherwise appropriated, such sums as it may deem necessary. Any
22 unexpended balance of any or all such appropriations shall be carried forward to succeeding fiscal
23 years for the purposes aforesaid. The state controller is hereby authorized and directed to draw
24 his or her orders upon the general treasurer for the payment of the sums or so much thereof as
25 shall be required from time to time upon receipt by him or her of vouchers approved by EDC
26 Capital.

27 **42-64-34.6. Urban enterprise equity fund.** -- (a) EDC Capital shall administer and
28 manage the urban enterprise equity fund, which shall be a revolving fund used to provide equity
29 to assist start-up, early stage, and existing businesses in securing resources from lenders including
30 both private and public sector lending and investment institutions.

31 (b) The urban enterprise equity fund will be administered for the purposes of providing
32 equity financing to assist small businesses in obtaining additional resources for capital
33 investments. EDC Capital shall be allowed to take stock, stock options, stock warrants, equity or
34 other ownership interests in the small business to which it is providing equity financing. In no

1 case shall EDC Capital have equity investments outstanding which represent in excess of Ten
2 Million Dollars (\$10,000,000) in initial investment, nor shall EDC Capital make any initial equity
3 investment that represents more than a ten percent (10%) of the ownership interest of the
4 company receiving the investment.

5 (c) Nothing herein provided with regard to the program of equity financing shall be
6 deemed to prevent or restrict EDC Capital or other participating lenders from providing
7 concurrent or subsequent additional financing of any type or nature to the small business.

8 **42-64-34.7. Industrial Facilities Program.** -- (a) It is the purpose of this section to
9 transfer all functions, funds, obligations, real property, personal property, assets, and liabilities of
10 the Rhode Island Industrial Facilities Corporation (“RIIFC”) to EDC Capital in order to establish
11 an Industrial Facilities Program within EDC Capital. RIIFC and its board are hereby dissolved
12 and shall immediately cease to operate, and EDC Capital shall hereby assume all administrative,
13 contractual and fiduciary responsibility in its stead. Such transfer shall in no way eliminate,
14 create, reduce, expand, alter, or otherwise legally impact any contractual or statutory obligations
15 of RIIFC or the state as to holders or beneficiaries of guarantees, policies of mortgage insurance,
16 debt, or any other existing obligations of the RIIFC existing prior to such transfer, and all such
17 holders or beneficiaries of obligations existing prior to the transfer shall be treated for all intents
18 and purposes as if the transfer of functions, funds, obligations, property, assets, and liabilities of
19 RIIFC was a transfer in name only. EDC Capital shall be authorized to take all necessary legal
20 measures, including but not limited to refinancing, refunding, re-insurance, or other
21 accommodation, to ensure, under their respective terms, the continued effectiveness and stability
22 of the financial instruments, contracts, and obligations issued or entered into by RIIFC prior to
23 the transfer.

24 (b) EDC Capital shall have the power to acquire title by gift to one or more industrial
25 facilities which are located within this state and to lease or sell those facilities to any person, firm,
26 partnership, or corporation, public or private, so as to furnish an additional means for the
27 development of industrial facilities without the use of public funds. It is further declared that the
28 acquisition of title to those facilities and the lease or sale of those facilities, as provided under this
29 chapter, is a public purpose and shall be regarded as performing an essential governmental
30 function in carrying out the provisions of this chapter. However, such acquisition must be
31 preceded by a finding of the EDC Capital board that (i) the acquisition, construction, proposed
32 leasing, operation, and use, as each may apply, of the industrial facility and its acquisition by
33 EDC Capital, serves a public use and provides a public benefit, and that the acquisition is within
34 the policy of, and the authority conferred, by this chapter; (ii) the acquisition and construction of

1 the industrial facility will eliminate or prevent unemployment, either in whole or in part, in the
2 area in which the industrial facility is located; and (iii) the industrial facility will consist of a
3 building or buildings which are suitable for industrial, manufacturing, commercial, or
4 warehousing purposes.

5 (c) EDC Capital may lease to any person, firm, partnership, or corporation, either public
6 or private, any or all of its industrial facilities for rentals and upon terms and conditions and for a
7 period or periods as the board of EDC Capital may deem advisable; provided, that the lease or
8 leases require that the payment of all costs of operation, maintenance, and upkeep of the
9 industrial facilities be paid by the lessee, sublessee, or occupant, and that under no circumstances
10 will the state be obligated, directly or indirectly, for the payment of those costs.

11 (d) EDC Capital may sell and convey all or any part of any industrial facility owned by it
12 at public or private sale with or without advertisement, and to do all acts necessary to accomplish
13 that sale or conveyance.

14 (e) EDC Capital may not operate an industrial facility owned by it as a business or in any
15 manner except as its lessor.

16 (f) Any industrial facility owned by EDC Capital is declared to be public property and is
17 exempt from all taxes and special assessments of any municipality. However, in lieu of
18 municipal taxes and special assessments, EDC Capital shall require any lessee, sublessee, or
19 occupant of the industrial facility to make payments annually to the municipality in which an
20 industrial facility is located for its just share of the public expense, including, but not limited to,
21 highway maintenance, fire and police protection, and other similar public expenses and
22 governmental services. The amount of such municipal payments shall be determined by the
23 board of EDC Capital after a hearing at which if is found that the payments constitute a just share
24 of the public expense. Notwithstanding the foregoing, an industrial facility shall not be exempt
25 from payment of state sales tax on materials used in construction of such a facility solely by
26 virtue of its designation as an industrial facility.

27 **42-64-34.8. Regulatory Authority.** -- EDC Capital is hereby authorized to and shall be
28 responsible for the adoption of rules, regulations, and performance measures for its operations.

29 **42-64-34.9. Severability.** -- The provisions of sections 42-64-34.1 through 42-64-34.9 of
30 these general laws are severable, and if any of their provisions shall be held unconstitutional by
31 any court of competent jurisdiction, the decision of that court shall not affect or impair any of the
32 remaining provisions.

33 SECTION 4. Chapter 45-37 of the General Laws in Title 45 entitled "Gifts of Industrial
34 Facilities" is hereby repealed in its entirety:

1 ~~**45-37-1. Declaration of need and purpose.** — It is declared that there is a need for the~~
2 ~~development of industrial, manufacturing, commercial, and warehouse facilities to insure the~~
3 ~~continued growth and prosperity of the state, and of the cities and towns within the state. It is the~~
4 ~~purpose of this chapter to provide the state and its cities and towns with the power to acquire title~~
5 ~~by gift to one or more industrial facilities and to lease or sell those facilities to any person, firm,~~
6 ~~partnership, or corporation, public or private, so as to furnish an additional means for the~~
7 ~~development of industrial facilities without the use of public funds. It is further declared that the~~
8 ~~acquisition of title to those facilities and the lease or sale of those facilities, as provided under this~~
9 ~~chapter, is a public purpose and shall be regarded as performing an essential governmental~~
10 ~~function in carrying out the provisions of this chapter. However, competition between~~
11 ~~communities in this state merely for the purpose of seeking relocation of industrial facilities~~
12 ~~located in this state is contrary to the policy of this chapter.~~

13 ~~**45-37-2. Definitions.** — As used in this chapter, unless the context otherwise requires,~~
14 ~~the following words and terms have the following meanings:~~

15 ~~(1) "Governing body" means the board or body in which the general legislative powers of~~
16 ~~a municipality are vested.~~

17 ~~(2) "Industrial facility" means any land, any building, or other improvement, and all real~~
18 ~~and personal properties, including, but not limited to, machinery and equipment deemed~~
19 ~~necessary in connection therewith, whether or not now in existence, which are suitable for use for~~
20 ~~manufacturing, warehousing, or other industrial or commercial purposes, but does not include~~
21 ~~raw materials, work in process, or stock in trade.~~

22 ~~(3) "Municipality" means any city or town in the state.~~

23 ~~**45-37-3. Powers.** — In addition to any other powers which it may now have, and~~
24 ~~notwithstanding any law to the contrary, the state and any municipality have, without any other~~
25 ~~authority, the following powers:~~

26 ~~(1) To acquire by gift, from a nonbusiness corporation formed under the provisions of~~
27 ~~chapter 6 of title 7, one or more industrial facilities, which are located within this state and which~~
28 ~~may be located within or partially within the municipality.~~

29 ~~(2) To lease to any person, firm, partnership, or corporation, either public or private, any~~
30 ~~or all of its industrial facilities for rentals and upon terms and conditions and for a period or~~
31 ~~periods as the governing body of the appropriate municipality may deem advisable or, in respect~~
32 ~~of the state, or a department, board, body, or commission of the state, as the governor may deem~~
33 ~~advisable; provided, that the lease or leases require that the payment of all costs of operation,~~
34 ~~maintenance, and upkeep of the industrial facilities be paid by the lessee, sublessee, or occupant,~~

1 ~~and that under no circumstances will the state or municipality be obligated, directly or indirectly,~~
2 ~~for the payment of those costs.~~

3 ~~(3) To sell and convey all or any part of any industrial facility owned by it at public or~~
4 ~~private sale with or without advertisement, and to do all acts necessary to the accomplishment of~~
5 ~~that sale or conveyance.~~

6 ~~**45-37-4. Acquisition by state.** In the exercise of the powers conferred upon the state~~
7 ~~by § 45-37-3, title to any industrial facility may be vested in the state or in a department, board,~~
8 ~~body, or commission of the state as shall be designated by the governor.~~

9 ~~**45-37-5. Procedure before acquisition.** Notwithstanding any other provision of law,~~
10 ~~neither the state, nor any municipality, have the power to acquire title to an industrial facility,~~
11 ~~pursuant to the provisions of this chapter, by gift, unless prior to the issuance of obligations to~~
12 ~~finance the acquisition and construction of an industrial facility by a nonbusiness corporation~~
13 ~~formed under the provisions of chapter 6 of title 7, the governor, or the governor's designee, in~~
14 ~~respect of the state, or the governing body in respect of a municipality, have found, after a hearing~~
15 ~~on the acquisition and construction, that the acquisition and construction, proposed leasing,~~
16 ~~operation and use of the industrial facility and its acquisition, by the state or municipality so~~
17 ~~acquiring, serves a public use and provides a public benefit, and that the acquisition is within the~~
18 ~~policy of, and the authority conferred, by this chapter. The determination may be made by the~~
19 ~~governor, or the governor's designee, or appropriate governing body if supported by~~
20 ~~documentation and information that the governor, or the governor's designee, or appropriate~~
21 ~~governing body may request as a basis for the determination, and if it is found that:~~

22 ~~(1) The acquisition and construction of the industrial facility will eliminate or prevent~~
23 ~~unemployment, either in whole or in part in the area in which the industrial facility is located;~~

24 ~~(2) The industrial facility will consist of a building or buildings which are suitable for~~
25 ~~industrial, manufacturing, commercial, or warehousing purposes;~~

26 ~~**45-37-6. No authority to operate as a business.** Neither the state nor any~~
27 ~~municipality has the power to operate an industrial facility owned by it as a business or in any~~
28 ~~manner except as its lessor.~~

29 ~~**45-37-7. Tax exemption and payment for services in lieu of taxes.** Any industrial~~
30 ~~facility owned by the state or a municipality, as provided in § 45-37-3, is declared to be public~~
31 ~~property and is exempt from all taxes and special assessments of any municipality; provided, that~~
32 ~~in lieu of taxes and special assessments, the state or the municipality shall require any lessee,~~
33 ~~sublessee, or occupant of the industrial facility to make payments annually to the municipality in~~
34 ~~which an industrial facility is located for its just share of the public expense, including, but not~~

1 ~~limited to, education, highway maintenance, fire and police protection and other similar public~~
2 ~~expenses and governmental services; and provided, further, that the governor, or his or her~~
3 ~~designee, or the governing body of the municipality determines, after a hearing, that these~~
4 ~~payments constitute a just share of the public expense.~~

5 SECTION 5. There shall be submitted to the qualified electors of the state of Rhode
6 Island, at the next general state election, to be held on the Tuesday next after the first Monday in
7 November 2004, the following referendum:

8 “Shall the Article passed by the General Assembly at the January 2004 Session entitled
9 ‘EDC Capital’ and Authorizing the State of Rhode Island to Guarantee Bonds and Notes as a
10 General Obligation of the State in an Amount Not to Exceed Eighty Million Dollars
11 (\$80,000,000) and to Transfer The Existing Function and Financial Capacity of the Industrial and
12 Recreational Building Authority to EDC Capital, Thereby Creating A Unified Financing Agency
13 To Provide Support for Economic Development and Improvement Projects, be approved?”

14 SECTION 6. Chapter 42-34 of the General Laws entitled "Industrial-Recreational
15 Building Authority" is hereby amended by adding thereto the following section:

16 **42-34-19. Transfer of functions and dissolution of authority.** -- (a) Upon approval of
17 a referendum by the qualified electors of the state of Rhode Island in a general state election
18 “Authorizing the State of Rhode Island to Guarantee Bonds and Notes as a General Obligation of
19 the State in an Amount Not to Exceed Eighty Million Dollars (\$80,000,000) and to Transfer The
20 Existing Function and Financial Capacity of the Industrial and Recreational Building Authority to
21 EDC Capital”, the functions, funds, obligations, real property, personal property, assets, and
22 liabilities of the authority shall immediately be transferred to the management of EDC Capital,
23 and the board of the authority shall cease to operate. Immediately upon such transfer EDC
24 Capital shall assume administrative and fiduciary responsibility for the authority and the transfer
25 and subsequent dissolution thereof.

26 (b) Such transfer shall in no way eliminate, create, reduce, expand, alter, or otherwise
27 legally impact any contractual or statutory obligations of the state as to holders or beneficiaries of
28 guarantees, policies of mortgage insurance, debt, or any other existing obligations of the authority
29 existing prior to such transfer, and all such holders or beneficiaries of obligations existing prior to
30 the transfer shall be treated for all intents and purposes as if the transfer of functions, funds,
31 obligations, property, assets, and liabilities of the authority was a transfer in name only.

32 (c) EDC Capital shall be authorized to take all necessary legal measures, including but
33 not limited to refinancing, refunding, re-insurance, or other accommodation, to ensure, under
34 their respective terms, the continued effectiveness and stability of the financial instruments,

1 contracts, and obligations issued or entered into by the authority prior to the transfer.

2 (d) For such time as the authority or its remaining obligations remain extant, EDC Capital
3 shall not enter into further obligations which would cause the combined general obligation of the
4 state under EDC capital and the authority to exceed eighty million dollars (\$80,000,000).

5 (e) Upon certification by the board of directors of EDC Capital to the governor, the
6 speaker of the house of representatives, and the president of the senate that all known obligations
7 of the authority have been transferred, discharged, or otherwise disposed of in a fair and equitable
8 manner, then the function of the authority shall terminate and its existence shall cease.

9 SECTION 7. Upon receipt of the certification of the board of directors of EDC Capital
10 by the governor, the speaker of the house of representatives, and the president of the senate as
11 contemplated in Section 42-34-19(e) of the General Laws, Sections 42-34-1 through 42-34-18 in
12 Chapter 42-34 of the General Laws entitled "Industrial-Recreational Building Authority" shall be
13 repealed in its entirety.

14 ~~**42-34-1. Creation of authority.** -- There is hereby created the Rhode Island industrial~~
15 ~~recreational building authority.~~

16 ~~**42-34-2. Purpose.** -- (a) It is declared that a state wide need exists for industrial~~
17 ~~buildings and the expansion, rehabilitation, renovation, and reconstruction of existing industrial~~
18 ~~buildings and additional machinery and equipment to provide enlarged opportunities for gainful~~
19 ~~employment by the people of Rhode Island and to thus insure the preservation and betterment of~~
20 ~~the economy of the state and its inhabitants. It is also declared that it is in the interest of the~~
21 ~~public welfare and purpose to promote the expansion and diversification of industry to increase~~
22 ~~employment, prevent or reduce unemployment, and to provide a larger taxable base for the~~
23 ~~economy of the state of Rhode Island, and to generally promote economic development in Rhode~~
24 ~~Island. Therefore, the Rhode Island industrial building authority is created to encourage the~~
25 ~~making of mortgage loans for the purpose of furthering industrial expansion in the state, and,~~
26 ~~thus, improve the welfare of the public for the foregoing reasons and, by the stimulation of a~~
27 ~~larger flow of private investment funds from banks, building and loan associations, credit unions,~~
28 ~~savings and loan associations, insurance companies, and other financial institutions, including~~
29 ~~pension, retirement and profit sharing funds, meet the need of new industrial plant expansion, the~~
30 ~~expansion, rehabilitation and renovation of existing industrial plants, and the acquisition of new~~
31 ~~machinery and equipment.~~

32 ~~(b) It is further declared that there is a need for the abatement or control of pollution of~~
33 ~~the environment of the state which is necessary to protect the health and welfare of the inhabitants~~
34 ~~of the state, and in particular the abatement or control of pollution by industries now operating in~~

1 ~~the state or which may in the future operate in the state. The Rhode Island industrial authority~~
2 ~~shall also exist to encourage the making of mortgage loans to enable such industries to abate or~~
3 ~~control pollution.~~

4 ~~(e) It is further declared that a state wide need exists for new recreational buildings,~~
5 ~~facilities, developments, and improvements to preserve the health and welfare of the people and~~
6 ~~to better the economy of the state. It is also declared that it is in the interest of the public welfare~~
7 ~~and purpose to promote the expansion and diversification of our recreational facilities, to increase~~
8 ~~employment, and to provide a wider tax base. Therefore, the Rhode Island industrial recreational~~
9 ~~authority is created to encourage the making of mortgage loans for the purpose of furthering~~
10 ~~recreational expansion in the state, and, thus, improve the welfare of the public for the foregoing~~
11 ~~reasons and, by the stimulation of a larger flow of private investment funds from banks, building~~
12 ~~and loan associations, credit unions, savings and loan associations, insurance companies, and~~
13 ~~other financial institutions, including pension, retirement and profit sharing funds, meet the need~~
14 ~~of recreational plant expansion.~~

15 ~~**42-34-3. Credit of state pledged.** --- The Rhode Island industrial recreational building~~
16 ~~authority is authorized to insure the payment of mortgage loans secured by industrial recreational~~
17 ~~projects, and to this end the faith and credit of the state is hereby pledged, consistent with the~~
18 ~~terms and limitations of the terms of this chapter.~~

19 ~~**42-34-4. Organization of authority.** --- (a) The Rhode Island industrial recreational~~
20 ~~building authority, hereinafter in this chapter called the authority, hereby created and established~~
21 ~~a body corporate and politic, is constituted a public instrumentality of the state, and the exercise~~
22 ~~by the authority of the powers conferred by the provisions of this chapter shall be deemed and~~
23 ~~held to be the performance of essential governmental functions. The authority shall consist of five~~
24 ~~(5) members, appointed by the governor for a period of five (5) years, as herein provided.~~

25 ~~(b) During the month of January, 1959, the governor shall appoint one member to serve~~
26 ~~until the first day of February, 1960, and until his or her successor is appointed and qualified, one~~
27 ~~member to serve until the first day of February, 1961, and until his or her successor is appointed~~
28 ~~and qualified, one member to serve until the first day of February, 1962, and until his or her~~
29 ~~successor is appointed and qualified, one member to serve until the first day of February, 1963,~~
30 ~~and until his or her successor is appointed and qualified, and one member to serve until the first~~
31 ~~day of February, 1964, and until his or her successor is appointed and qualified.~~

32 ~~(c) During the month of January, 1960, and during the month of January annually~~
33 ~~thereafter, the governor shall appoint a member to succeed the member whose term will then next~~
34 ~~expire, to serve for a term of five (5) years commencing on the first day of February then next~~

1 following and until his successor is appointed and qualified. A member shall be eligible to
2 succeed him or herself.

3 (d) A vacancy in the office of a member, other than by expiration, shall be filled in like
4 manner as an original appointment, but only for the remainder of the term of the retiring member.
5 Members may be removed by the governor for cause.

6 (e) The authority may elect such officers, who need not be members of the authority, as
7 may be required to conduct the authority's business. The director of the department of economic
8 development shall serve as executive director and chief executive officer, ex officio, of the
9 authority. Three (3) members of the authority shall constitute a quorum and the affirmative vote
10 of a majority of the members, present and voting, shall be necessary for any action taken by the
11 authority; except that, in no case shall any action taken by the authority be taken by an affirmative
12 vote of less than three (3) members. No vacancy in the membership of the authority or
13 disqualification of a member under § 42-34-16 shall impair the right of the quorum to exercise all
14 rights and perform all the duties of the authority. All of the members of the authority shall be
15 reimbursed for their actual expenses necessarily incurred in the performance of their duties.

16 **42-34-5. Manager.** -- (a) The manager shall be appointed by the authority and his or her
17 tenure of office shall be at the pleasure of the authority. He or she shall be in the unclassified
18 service.

19 (b) The manager shall be the chief administrative officer for the authority and as such
20 shall direct and supervise the administrative affairs and technical activities of the authority in
21 accordance with rules, regulations, and policies set forth by the authority. It shall be the duty of
22 the manager among other things:

23 (1) To attend all meetings of the authority, and to act as its secretary and keep minutes of
24 all its proceedings.

25 (2) To approve all accounts for salaries, per diems, allowable expenses of the authority or
26 of any employee or consultant thereof, and expenses incidental to the operation of the authority.

27 (3) To maintain a close liaison with the department of economic development and
28 provide assistance to the various divisions of the department to facilitate the planning and
29 financing of industrial and/or recreational projects.

30 (4) To make recommendations and reports in cooperation with the department of
31 economic development to the authority on the merits of any proposed industrial and/or
32 recreational project, on the status of local industrial and/or recreational development corporations,
33 and on meritorious industrial and/or recreational locations.

34 (5) To perform such other duties as may be directed by the authority in the carrying out

1 of the purposes of this chapter.

2 ~~**42-34-6. Definitions.** -- As used in this chapter, the following words and terms shall have~~
3 ~~the following meanings unless the context shall indicate another or different meaning or intent:~~

4 ~~(1)(a) "Cost of project" shall mean, in the case of an industrial project described in~~
5 ~~subdivision (3)(a), the cost or fair market value of acquisition, whichever is lower, or the cost of~~
6 ~~construction, alteration, reconstruction, expansion or rehabilitation of an industrial project by a~~
7 ~~local industrial development corporation or by a project owner, and in the case of an industrial~~
8 ~~project described in subdivision (3)(b), the cost of acquisition by a local development corporation~~
9 ~~or by a project owner. There may be included in cost of project the costs of all financing charges,~~
10 ~~existing encumbrances, interest during construction period, engineering, architectural and legal~~
11 ~~services, plans, specifications, surveys, cost estimates, studies, and other expenses as may be~~
12 ~~necessary or incident to the development, construction, financing, and placing in operation of an~~
13 ~~industrial project.~~

14 ~~(b) "Cost of project" shall, in the case of a recreational project described in subdivision~~
15 ~~(3)(e) mean the cost or fair market value of new construction (including renovations or~~
16 ~~remodeling of existing structures if the authority determines that such renovation or remodeling~~
17 ~~adds fifty percent (50%) or more to the fair market value of the structure exclusive of the value of~~
18 ~~the land upon which it rests), lands, property rights, machinery, easements, franchises, fixtures,~~
19 ~~financing charges, interest, engineering and legal services, plans, specifications, surveys, cost~~
20 ~~estimates, studies, and other expenses as may be necessary or incident to the development,~~
21 ~~construction, financing, and placing in operation of a recreational project; provided, however, that~~
22 ~~in the expense of any renovations or remodeling of existing structures shall not be included in~~
23 ~~"cost of project" to the extent that expense exceeds the fair market value of the structure~~
24 ~~(exclusive of the land upon which it rests) as so renovated or remodeled.~~

25 ~~(2) "Federal agency" shall mean and include the United States of America, the president~~
26 ~~of the United States of America, and any department of, or corporation, agency, or~~
27 ~~instrumentality heretofore or hereafter created, designated, or established by the United States of~~
28 ~~America.~~

29 ~~(3)(a) "Industrial project" shall mean lands or buildings or other real estate improvements~~
30 ~~in Rhode Island, or any interest therein, acquired and constructed, reconstructed, improved,~~
31 ~~expanded, renovated, or rehabilitated by a local development corporation or by a project owner,~~
32 ~~together with all easements and other interests in the property, provided that the industrial project~~
33 ~~is to be used:~~

34 ~~(i) by any industry for the manufacturing, processing, or assembling of raw materials or~~

1 ~~manufactured products, or (ii) for the providing of research or warehousing facilities for the~~
2 ~~benefit of any such industry, or (iii) an office and/or wholesale and/or retail facility, which~~
3 ~~facility is to be at least fifty one percent (51%) owner occupied, and provided further that the~~
4 ~~authority has determined that the industrial project or other real estate improvement will tend to~~
5 ~~provide gainful employment for the people of Rhode Island, or to prevent, eliminate, or reduce~~
6 ~~unemployment in Rhode Island, increase the tax base of the economy, diversify and expand~~
7 ~~industry so that periods of large scale unemployment and distressed times may be avoided, and~~
8 ~~generally benefit economic development in Rhode Island. An industrial project as defined herein~~
9 ~~may be located on leased land provided the term of the lease extends at least until the maturity~~
10 ~~date, as defined in this section.~~

11 (b) ~~"Industrial project" shall also mean any machinery and equipment provided:~~

12 (i) ~~the machinery and equipment has been acquired for use in connection with any~~
13 ~~building new or otherwise, or other real estate improvement in Rhode Island, used for the~~
14 ~~manufacturing, processing, or assembling of raw materials or manufactured products or for the~~
15 ~~providing of research facilities in connection therewith, furniture and/or fixtures, or used for~~
16 ~~office and/or wholesale and/or retail purposes in a facility which is at least fifty one percent~~
17 ~~(51%) owner occupied; (ii) the authority has determined that the machinery and equipment will~~
18 ~~tend to provide gainful employment for the people of Rhode Island or to prevent, eliminate, or~~
19 ~~reduce unemployment in Rhode Island, increase the tax base of the economy and diversify and~~
20 ~~expand industry so that periods of large scale unemployment and distressed times may be~~
21 ~~avoided, and generally benefit economic development in Rhode Island; (iii) the owner therefore~~
22 ~~has agreed not to remove the machinery and equipment from the building or real estate~~
23 ~~improvement until the principal obligation of any mortgage on the machinery and equipment, the~~
24 ~~mortgage payments under which are insured by the authority pursuant to § 42-34-10, has been~~
25 ~~paid in full, except that the machinery and equipment may be removed from the building or real~~
26 ~~estate improvement with the prior written consent of the authority if such owner has agreed to~~
27 ~~substitute in place thereof other machinery and equipment approved by the authority and the~~
28 ~~mortgage within such reasonable period of time as the authority shall prescribe.~~

29 (c) ~~An industrial project as defined herein shall cost more than one hundred thousand~~
30 ~~dollars (\$100,000); provided, however, where the authority commences to insure mortgage~~
31 ~~payments on an industrial project defined in subdivision (3)(b) at the same time as it commences~~
32 ~~to insure mortgage payments on an industrial project defined in subdivision (3)(a) it shall have~~
33 ~~the power to commence insuring mortgage payments on such industrial project defined in~~
34 ~~subdivision (3)(b) without limitation as to the minimum amount of one hundred thousand dollars~~

1 ~~(\$100,000) provided for herein.~~

2 ~~(d) An industrial project under the provisions of subdivisions (3)(a) and (3)(b) may~~
3 ~~include a real estate improvement or machinery and equipment suitable for the abatement or~~
4 ~~control of industrial pollution to be used in connection with any buildings, real estate~~
5 ~~improvement, or machinery and equipment, provided, however, that the determinations under the~~
6 ~~provisions of subdivisions (3)(a) and (3)(b) need not be made by the authority.~~

7 ~~(4) "Recreational project" shall mean any building, facility, development, or~~
8 ~~improvement in Rhode Island and the interest of the owner of such building, facility,~~
9 ~~development, or improvement in and to the land upon which it may be located, provided that the~~
10 ~~owner's interest be in fee simple or be a leasehold interest in land owned by the state of Rhode~~
11 ~~Island having a term expiring not less than ten (10) years after the date of recording the mortgage~~
12 ~~hereinafter defined, and provided the building, facility, development, or improvement is designed~~
13 ~~in whole or in part to attract tourists to this state and including, without limiting in any way the~~
14 ~~generality of the foregoing, marinas, beaches, bathing facilities, ski facilities, convention~~
15 ~~facilities, hotels, motels, golf courses, camp grounds, arenas, theaters, lodges, guest cottages, and~~
16 ~~all types of facilities, and furniture and/or fixtures, related thereto as may be determined from~~
17 ~~time to time by the authority and which the authority has determined will contribute to the health~~
18 ~~and welfare of the people or will tend to improve the economy of the state, increase employment,~~
19 ~~or provide a wider tax base. A recreational project as defined herein shall cost more than twenty-~~
20 ~~five thousand dollars (\$25,000).~~

21 ~~(5) "Industrial pollution" shall mean any gaseous, liquid, or solid waste substance, or~~
22 ~~combination thereof, resulting from the operations of an industry referred to in subdivision (3)(a),~~
23 ~~which pollute the land, water, or air of Rhode Island.~~

24 ~~(6) "Local development corporation" shall mean any corporation or foundation organized~~
25 ~~and operated primarily for the purposes of fostering, encouraging, and assisting the physical~~
26 ~~location, settlement, and resettlement of industrial and manufacturing enterprises or recreational~~
27 ~~enterprise within the state or promoting the industry or recreational promotion of the state,~~
28 ~~including, for recreational purposes, the Rhode Island industrial facilities corporation no part of~~
29 ~~the net earnings of which inures to the benefit of any private shareholder or individual.~~

30 ~~(7) "Maturity date" shall mean the date on which the mortgage indebtedness would be~~
31 ~~extinguished if paid in accordance with periodic payments provided for in the mortgage.~~

32 ~~(8)(a) "Mortgage" shall mean for a subdivision (3)(a) or (3)(b) project a first mortgage or~~
33 ~~security agreement on an industrial project creating and constituting a first lien of record, together~~
34 ~~with bonds, notes, evidences of indebtedness, or other credit instruments issued by a mortgagor to~~

1 ~~finance such project and secured thereby; provided, however, a first mortgage shall include a~~
2 ~~second or subsequent mortgage or security agreement on an industrial project if:~~

3 ~~(i) the holder of such second or subsequent mortgage or security agreement is also the~~
4 ~~holder of a prior mortgage or security agreement on such industrial project under which prior~~
5 ~~mortgage or security agreement the authority is already insuring mortgage payments and;~~

6 ~~(ii) no other person or legal entity holds an intervening mortgage, security interest or lien~~
7 ~~on such industrial project prior to such second or subsequent mortgage or security interest; and~~

8 ~~provided further, that "mortgage" shall also mean a second mortgage or security agreement that~~

9 ~~(i) is issued by a project owner to a local development corporation and (ii) involves a principal~~
10 ~~obligation that does not exceed forty percent (40%) of the cost of project. Industrial projects~~
11 ~~described in subdivisions (3)(a), (3)(b), and (3)(d) may be financed and secured together if the~~
12 ~~requirements of § 42-34-10 are met.~~

13 ~~(b) "Mortgage" shall mean for the purpose of a subdivision (3)(e) project, a first mortgage~~
14 ~~on a recreational project together with bonds, notes, evidences of indebtedness, or other credit~~
15 ~~instruments issued by a mortgagor to finance such project and secured thereby.~~

16 ~~(9) "Mortgagee" shall mean the original lender approved by the authority under a~~
17 ~~mortgage, and its successors and assigns and may include all insurance companies, trust~~
18 ~~companies, banks, building and loan associations, credit unions, savings and loan associations,~~
19 ~~investment companies, savings banks, local development corporations, individuals, executors,~~
20 ~~administrators, guardians, conservators, trustees, and other fiduciaries; including pension,~~
21 ~~retirement and profit sharing funds; provided, however, that where there has been appointed a~~
22 ~~trustee under an indenture of trust or other similar document for the benefit of the holders of~~
23 ~~bonds or notes issued to finance an industrial project secured by a mortgage, "mortgagee" shall~~
24 ~~mean such trustee. A local development corporation can be a second mortgagee only for a~~
25 ~~subdivision (3)(a) or (3)(b) project if the second mortgage or security agreement is issued by the~~
26 ~~project owner to the local development corporation and the principal obligation of the second~~
27 ~~mortgage does not exceed forty percent (40%) of the cost of the project.~~

28 ~~(10) "Project owner" shall mean any business entity, other than a local development~~
29 ~~corporation, that owns an industrial project.~~

30 ~~(11) "Mortgagor" shall mean a local development corporation as defined herein.~~

31 ~~(12) "Mortgage payments" shall mean periodic payments by the mortgagor to the~~
32 ~~mortgagee required by the mortgage, and may include interest, installments of principal, taxes~~
33 ~~and assessments, land lease rentals, mortgage insurance premiums and hazard insurance~~
34 ~~premiums, or any of them as the authority may prescribe.~~

1 ~~42-34-7. Powers, -- The authority is authorized and empowered:~~

2 ~~(1) To adopt bylaws for the regulation of its affairs and the conduct of its business;~~

3 ~~(2) To adopt an official seal and alter it at pleasure;~~

4 ~~(3) To maintain an office at such place or places within the state as it may designate;~~

5 ~~(4) To sue and be sued in its own name, plead and be impleaded; service of process in~~
6 ~~any action shall be made by service upon the manager of the authority either in hand or by~~
7 ~~leaving a copy of the process at the office of the manager with some person having charge~~
8 ~~thereof;~~

9 ~~(5) To employ such assistants, agents and other employees as may be necessary or~~
10 ~~desirable for its purposes, all of whom shall be in the classified service of the state; to contract for~~
11 ~~and engage consultants; and to utilize the services of other governmental agencies;~~

12 ~~(6) To accept from a federal agency, loans or grants for use in carrying out its purposes,~~
13 ~~and to enter into agreements with that agency respecting any such loans or grants;~~

14 ~~(7) In connection with the insuring of payments of any mortgage, to request for its~~
15 ~~guidance a finding of the planning board of the municipality, or if there is no planning board, a~~
16 ~~finding of the municipal officers of the municipality, in which the industrial project is proposed to~~
17 ~~be located, or of the regional planning board of which the municipality is a member, as to the~~
18 ~~expediency and advisability of the project;~~

19 ~~(8) To enter into agreements with prospective mortgagees and mortgagors, for the~~
20 ~~purpose of planning, designing, constructing, acquiring, altering, and financing industrial~~
21 ~~projects;~~

22 ~~(9) To acquire, purchase, manage and operate, and hold and dispose of real and personal~~
23 ~~property, to take assignments of rentals and leases, and make and enter into all contracts, leases,~~
24 ~~agreements, and arrangements necessary or incidental to the performance of its duties;~~

25 ~~(10) To enter into agreements with a mortgagee as to the manner of pursuing remedies in~~
26 ~~the event of a default and the application of any proceeds derived from those remedies against the~~
27 ~~authority's obligations to insure incurred under § 42-34-10, after determining that the agreements~~
28 ~~will, in the opinion of the authority, further the purposes of this chapter or protect the mortgage~~
29 ~~insurance fund. Any such agreement shall not operate so as to make any insurance issued under §~~
30 ~~42-34-10 void or voidable;~~

31 ~~(11) When in the opinion of the authority it is necessary or advisable, in order to further~~
32 ~~the purposes of this chapter or to safeguard the mortgage insurance fund, to purchase, acquire,~~
33 ~~take assignments of notes, mortgages, and other forms of security and evidences of indebtedness,~~
34 ~~to purchase, acquire, attach, seize, accept, or take title to any industrial or recreational project by~~

1 conveyance or when an insured mortgage thereon is clearly in default, by foreclosure, and to sell,
2 lease, or rent an industrial or recreational project for a use specified in § 42-34-6, or for any other
3 use;

4 (12) To exercise all of the powers which a private insurance company engaged in the
5 business of insuring mortgages would have, to the extent that those powers are not inconsistent
6 with the provisions or purposes of this chapter;

7 (13) To report annually to the governor and the general assembly as to the activities of
8 the authority for the previous fiscal year;

9 (14) To do all acts and things necessary or convenient to carry out the powers expressly
10 granted in this chapter; provided, however, that in all matters concerning the internal
11 administrative functions of the authority the purchasing procedures of the state relating to office
12 space, supplies, facilities, materials, equipment, and professional services, shall be followed;

13 (15) To determine whether or not a building facility, development, or improvement and
14 the land upon which it is located is or will constitute a recreational project. Any determinations
15 made by the authority under this subdivision and subdivision (16) of this section shall be deemed
16 final and conclusive and not subject to review directly or indirectly;

17 (16) To determine whether or not such a project will tend to accomplish the purposes of
18 this chapter;

19 (17) To do all acts and things necessary or convenient to carry out the powers expressly
20 granted in this chapter; provided, however, that in all matters concerning the internal
21 administrative functions of the authority the purchasing procedures of the state relating to office
22 space, supplies, facilities, materials, equipment, and professional services, shall be followed.

23 ~~**42-34-8. Permission to lease or rent property after default.** --~~ When a local
24 development corporation or project owner does not meet mortgage payments insured by the
25 authority by reason of vacancy of its industrial and/or recreational project, the authority, for the
26 purpose of maintaining income from industrial and/or recreational projects on which mortgage
27 payments have been insured by the authority and for the purpose of safeguarding the mortgage
28 insurance fund, may grant the local development corporation or project owner permission to lease
29 or rent the property to a tenant for a use other than that specified in § 42-34-6(3), such lease or
30 rental to be subject to such conditions as the authority may prescribe. The foregoing provisions
31 shall be in addition to any other provisions contained in this chapter empowering the authority to
32 act in the event of a default.

33 ~~**42-34-9. Mortgage insurance fund: Subrogation.** --~~ (1) There is hereby created an
34 industrial building mortgage insurance fund, hereinafter in this chapter referred to as the "fund"

1 ~~which shall be used by the authority as a nonlapsing, revolving fund for carrying out the~~
2 ~~provisions of this chapter. To this fund shall be charged any and all expenses of the authority,~~
3 ~~including mortgage payments required by loan defaults, and to the fund shall be credited all~~
4 ~~receipts of the authority, including mortgage insurance premiums and proceeds from the sale,~~
5 ~~disposal, lease, or rental of personal property which the authority may receive under the~~
6 ~~provisions of this chapter.~~

7 ~~(2) Moneys in the fund not needed currently to meet the expenses and obligations of the~~
8 ~~authority shall be deposited with the general treasurer to the credit of the fund, or may be invested~~
9 ~~in such manner as is provided for by statute.~~

10 ~~(3) The authority shall become subrogated to the extent that mortgage payments have~~
11 ~~been paid by the authority to the mortgagee of an insured mortgage notwithstanding that the~~
12 ~~authority has not paid all of the mortgage payments under the mortgage, and the authority shall~~
13 ~~have the right to bring a separate cause of action by way of subrogation with respect to each~~
14 ~~mortgage payment which it has paid to the mortgagee. All recoveries by way of subrogation shall~~
15 ~~be credited to the fund as provided in subsection (1).~~

16 ~~**42-34-10. Insurance of mortgages.** --- The authority is authorized, upon application of~~
17 ~~the proposed mortgagee, to insure mortgage payments required by a mortgage on any industrial~~
18 ~~and/or recreational project, upon such terms and conditions as the authority may prescribe,~~
19 ~~provided the aggregate amount of the unpaid principal balance of all obligations of all mortgages~~
20 ~~so insured outstanding at any one time shall not exceed eighty million dollars (\$80,000,000). To~~
21 ~~be eligible for insurance under the provisions of this chapter a mortgage shall:~~

22 ~~(1) Be one which is made to and held by a mortgagee approved by the authority;~~

23 ~~(2) Involve a principal obligation, including initial service charges and appraisal,~~
24 ~~inspection and other fees approved by the authority, not to exceed five million dollars~~
25 ~~(\$5,000,000) for any one project and not to exceed ninety percent (90%) of the cost of any project~~
26 ~~described in § 42-34-6(3)(a) and not to exceed eighty percent (80%) of the cost of any project~~
27 ~~described in § 42-34-6(3)(b), and not to exceed seventy five percent (75%) of the cost of any~~
28 ~~project described in § 42-34-6(4);~~

29 ~~(3) Have a maturity date satisfactory to the authority but in no case later than twenty five~~
30 ~~(25) years from the date of the mortgage for any project described in § 42-34-6(3)(a) and (4) and~~
31 ~~twenty (20) years from the date of the mortgage for any project described in § 42-34-6(3)(b);~~

32 ~~(4) Contain complete amortization provisions satisfactory to the authority requiring~~
33 ~~periodic payments, costs of local property taxes and assessments, land lease rentals, if any, and~~
34 ~~hazard insurance on the property and such mortgage insurance premiums as are required under §~~

1 ~~42-34-11, all as the authority shall from time to time prescribe or approve;~~

2 ~~(5) Be in such form and contain such terms and provisions, with respect to property,~~
3 ~~insurance, repairs, alterations, payment of taxes and assessments, restrictions as to location of~~
4 ~~machinery and equipment, default reserves, delinquency charges, default remedies, anticipation~~
5 ~~of maturity, additional and secondary liens, and other matters as the authority may prescribe. No~~
6 ~~mortgage for any project described in § 42-34-6(4) shall be insured under the provisions of this~~
7 ~~chapter unless the authority shall have made affirmative determinations in accordance with~~
8 ~~subdivisions (15) and (16) of § 42-34-7.~~

9 ~~**42-34-11. Mortgage insurance premiums.** The authority is authorized to fix mortgage~~
10 ~~insurance premiums for the insurance of mortgage payments under the provisions of this chapter,~~
11 ~~such premiums to be computed as a percentage, which shall not exceed three percent (3%) per~~
12 ~~annum, of the principal obligation of the mortgage in such manner in each case as the authority~~
13 ~~shall determine on the basis of all pertinent available data. The premiums shall be payable by the~~
14 ~~mortgagors or the mortgagees in such manner as shall be prescribed by the authority. The amount~~
15 ~~of premium need not be uniform among the various loans insured.~~

16 ~~**42-34-12. Authority's expenses.** --- The authority may in its discretion expend out of the~~
17 ~~fund such moneys as may be necessary for any expenses of the authority, including~~
18 ~~administrative, legal, actuarial, and other services.~~

19 ~~**42-34-13. Mortgages eligible for investment.** --- Mortgages insured by the authority~~
20 ~~under this chapter and participations therein are hereby made legal investments for all public~~
21 ~~officers and bodies of this state and all municipalities and municipal subdivisions, all insurance~~
22 ~~companies and associations, and other persons carrying on an insurance business, all banks,~~
23 ~~bankers, trust companies, savings banks and savings associations, including savings and loan~~
24 ~~associations, building and loan associations, investment companies and other persons carrying on~~
25 ~~a banking business, all credit unions, all administrators, guardians, executors, trustees,~~
26 ~~conservators, and other fiduciaries, pension, profit sharing and retirement funds and all other~~
27 ~~persons whatsoever who are now or may hereafter be authorized to invest in obligations of the~~
28 ~~state, may properly and legally invest funds, including capital, in their control or belonging to~~
29 ~~them.~~

30 ~~**42-34-14. Record of accounts.** --- The authority shall keep proper records of accounts~~
31 ~~and shall make an annual report of its condition to the state banking commissioner.~~

32 ~~**42-34-15. Additions to mortgage insurance fund.** (a) If from time to time in the opinion~~
33 ~~of the authority the addition of moneys to the mortgage insurance fund is required to meet~~
34 ~~obligations, the authority shall in writing request the governor to provide sufficient moneys by a~~

1 ~~day specified for that purpose. The governor shall request the general assembly, if in session, to~~
2 ~~appropriate moneys, in the treasury, not otherwise appropriated, for that purpose. If the general~~
3 ~~assembly is not in session or will not be in session within sixty (60) days of the date specified in~~
4 ~~the request of the authority, or, if the general assembly has not provided the moneys requested~~
5 ~~within thirty (30) days of that date, the governor shall direct the general treasurer to issue bonds~~
6 ~~in an amount at least equal to the amount requested by the authority and as shall be necessary to~~
7 ~~carry out the purposes of this chapter in serial form in the name and behalf of the state to be~~
8 ~~signed by the general treasurer and countersigned by the secretary of state under the seal of the~~
9 ~~state to be designated "the Rhode Island industrialrecreational building authority loan". The~~
10 ~~bonds shall be of the denomination of one thousand dollars (\$1,000) or any multiple thereof, shall~~
11 ~~be in coupon or registered form, shall bear interest at such rate or rates of interest as may be fixed~~
12 ~~in accordance with the provisions of this section, payable semi-annually, and the principal thereof~~
13 ~~and interest thereon shall be payable in any coin or currency of the United States which at the~~
14 ~~time of payment shall be legal tender for public and private debts. The date of maturity of the~~
15 ~~bonds shall be fixed by the general treasurer, but shall not in any case be later than twenty five~~
16 ~~(25) years from the date of issue.~~

17 (b) ~~The bonds so issued shall be deemed a pledge of the faith and credit of the state and~~
18 ~~shall be exempt from taxation in this state. Whenever the governor shall approve the issuance of~~
19 ~~the bonds, he or she shall certify the approval to the secretary of state and that approval shall also~~
20 ~~be endorsed on each bond so approved with a facsimile of the signature of the governor.~~

21 (c) ~~The bonds shall be sold from time to time at not less than par, at public auction, or in~~
22 ~~such other mode and at such times, in such amounts and at such rate or rates of interest as the~~
23 ~~general treasurer, with the advice of the governor, shall deem for the best interests of the state;~~
24 ~~provided, however, that the general treasurer with the approval of the governor may from time to~~
25 ~~time sell any of the bonds to the sinking fund commission as provided by law instead of selling~~
26 ~~them at public auction or in some other mode as above provided; provided, further, however, that~~
27 ~~in the solicitation of bids, the general treasurer shall require all bidders to state the lowest interest~~
28 ~~rate, expressed in multiples of one tenth of one percent (.1%), at which the bidders will purchase~~
29 ~~the bonds for not less than par.~~

30 § 42-34-15.1 ~~Agreement of state. The state of Rhode Island does hereby pledge to and~~
31 ~~agree with the mortgagees holding mortgage insurance issued by the authority under this chapter~~
32 ~~that the state of Rhode Island will not limit or alter the rights hereby vested in the authority to~~
33 ~~fulfill the terms of any agreements made with the mortgagees relating to that mortgage insurance~~
34 ~~until the agreements have been performed in full.~~

1 ~~**42-34-16. Interest of members of authority.** --- No member of the authority shall~~
2 ~~participate in any decision on any contract of insurance in which he or she has any interests,~~
3 ~~direct or indirect, in any firm, partnership, corporation, or association which would be the~~
4 ~~mortgagee, whose loan to a local development corporation is insured by the authority, or if he or~~
5 ~~she has any interest, direct or indirect, in any firm, partnership, corporation, or association which~~
6 ~~would rent, lease, or otherwise occupy the premises constructed by the local development~~
7 ~~corporation where the corporation's mortgage is insured by the authority, or if he or she is a~~
8 ~~director or officer or otherwise associated with the local development corporation whose~~
9 ~~mortgage is insured by the authority.~~

10 ~~**42-34-17. Severability.** --- The provisions of this chapter are severable, and if any of its~~
11 ~~provisions shall be held unconstitutional by any court of competent jurisdiction, the decision of~~
12 ~~that court shall not affect or impair any of the remaining provisions.~~

13 ~~**42-34-18. Appropriations.** --- For the purpose of establishing the mortgage insurance~~
14 ~~fund and carrying out the intent of this chapter and the provisions thereof, the general assembly~~
15 ~~annually shall appropriate out of any money in the treasury not otherwise appropriated, such sums~~
16 ~~as it may deem necessary not to exceed the sum of one hundred thousand dollars (\$100,000) each~~
17 ~~year. Any unexpended balance of any or all such appropriations shall be carried forward to~~
18 ~~succeeding fiscal years for the purposes aforesaid. The state controller is hereby authorized and~~
19 ~~directed to draw his or her orders upon the general treasurer for the payment of the sums or so~~
20 ~~much thereof as shall be required from time to time upon receipt by him or her of vouchers~~
21 ~~approved by the authority.~~

22 SECTION 8. Upon receipt of the certification of the board of directors of EDC Capital
23 by the governor, the speaker of the house of representatives, and the president of the senate as
24 contemplated in Section 42-34-19(e) of the General Laws, Section 42-35-1 of the General Laws
25 in Chapter 42-35 entitled "Administrative Procedures" shall be amended to read as follows:

26 ~~**42-35-1. Definitions.** -- As used in this chapter:~~

27 (a) "Agency" includes each state board, commission, department, or officer, other than
28 the legislature or the courts, authorized by law to make rules or to determine contested cases, and
29 all authorities, as that term is defined below;

30 (b) "Authorities" includes the following: ~~the Rhode Island industrial building authority,~~
31 ~~the Rhode Island recreational building authority,~~ the Rhode Island port authority and economic
32 development corporation, the Rhode Island industrial facilities corporation, the Rhode Island
33 refunding bond authority, the Rhode Island housing and mortgage finance corporation, the Rhode
34 Island solid waste management corporation, the Rhode Island public transit authority, the Rhode

1 Island student loan authority, the Howard development corporation, the water resources board,
2 the Rhode Island health and educational building corporation, the Rhode Island higher education
3 assistance authority, the Rhode Island turnpike and bridge authority, the Blackstone Valley
4 district commission, the Narragansett Bay water quality management district commission, their
5 successors and assigns, and any body corporate and politic with the power to issue bonds and
6 notes, which are direct, guaranteed, contingent, or moral obligations of the state, which is
7 hereinafter created or established in this state.

8 (c) "Contested case" means a proceeding, including but not restricted to ratemaking, price
9 fixing, and licensing, in which the legal rights, duties, or privileges of a specific party are required
10 by law to be determined by an agency after an opportunity for hearing;

11 (d) "License" includes the whole or part of any agency permit, certificate, approval,
12 registration, charter, or similar form of permission required by law, but it does not include a
13 license required solely for revenue purposes;

14 (e) "Licensing" includes the agency process respecting the grant, denial, renewal,
15 revocation, suspension, annulment, withdrawal, or amendment of a license;

16 (f) "Party" means each person or agency named or admitted as a party, or properly
17 seeking and entitled as of right to be admitted as a party;

18 (g) "Person" means any individual, partnership, corporation, association, governmental
19 subdivision, or public or private organization of any character other than an agency;

20 (h) "Rule" means each agency statement of general applicability that implements,
21 interprets, or prescribes law or policy or describes the organization, procedure, or practice
22 requirements of any agency. The term includes the amendment or repeal of a prior rule, but does
23 not include (1) statements concerning only the internal management of an agency and not
24 affecting private rights or procedures available to the public, or (2) declaratory rulings issued
25 pursuant to § 42-35-8, (3) intra-agency memoranda, or (4) an order.

26 (i) "Small business" shall mean a business activity, that complies with all of the
27 following:

28 (A) Independently owned and operated.

29 (B) Not dominant in its field of operation.

30 (C) Not exceeding the following annual gross receipts in the categories of:

31 (i) Agricultural, one million dollars (\$1,000,000).

32 (ii) General construction, nine million five hundred thousand dollars (\$9,500,000).

33 (iii) Special trade construction, five million dollars (\$5,000,000).

34 (iv) Retail trade, two million dollars (\$2,000,000).

1 (v) Wholesale trade, nine million five hundred thousand dollars (\$9,500,000).
2 (vi) Services, two million dollars (\$2,000,000).
3 (vii) Transportation and warehousing, one million five hundred thousand dollars
4 (\$1,500,000).
5 (D) If a manufacturing enterprise, not exceeding two hundred fifty (250) employees.

6 (E) If a health care facility, not exceeding one hundred fifty (150) beds or one million
7 five hundred thousand dollars (\$1,500,000) in annual gross receipts.

8 (F) If a generating or transmitting facility, generating and/or transmitting electric power
9 not exceeding four million five hundred thousand (4,500,000) kilowatts.

10 (2) The following professional and business activities shall not be considered a small
11 business for purposes of this section:

12 (A) Financial institutions including banks, trusts, savings and loan associations, thrift
13 institutions, consumer and industrial finance companies, credit unions, mortgage and investment
14 bankers, and stock and bond brokers.

15 (B) Insurance companies, both stock and mutual.

16 (C) Mineral, oil and gas brokers; subdividers and developers.

17 (D) Landscape architects, architects, and building designers.

18 (E) Entities organized as nonprofit institutions.

19 (F) Entertainment activities and productions including motion pictures, stage
20 performances, television and radio stations, and production companies.

21 (G) All utilities, water companies, and power transmission companies, except electrical
22 power generating transmission companies providing less than 4.5 kilowatts.

23 (H) All petroleum and natural gas producers, refiners, and pipelines.

24 (j) "Order" means the whole or a part of a final disposition, whether affirmative, negative,
25 injunctive or declaratory in form, of a contested case.

26 SECTION 9. Section 42-64-23 of the General Laws in Chapter 42-64 entitled "Rhode
27 Island Economic Development Corporation" is hereby amended to read as follows:

28 **42-64-23. Credit of state.** -- (a) Obligations issued under the provisions of this chapter,
29 except those obligations secured by ~~mortgages~~[financial instruments](#) which are insured by the
30 industrial building authority [or by EDC Capital](#), shall not constitute a debt, liability or obligation
31 of the state or of any political subdivision of the state other than the corporation or a pledge of the
32 faith and credit of the state or any political subdivision other than the corporation but shall be
33 payable solely from the revenues or assets of the corporation. Each obligation issued under this
34 chapter, except those obligations secured by ~~mortgages~~[financial instruments](#) which are insured by

1 the industrial building authority or by EDC Capital, shall contain on its face a statement to the
2 effect that the corporation shall not be obligated to pay the obligation or interest on the obligation
3 except from revenues or assets pledged therefor and that neither the faith and credit nor the taking
4 power of the state or any political subdivision of the state other than the corporation is pledged to
5 the payment of the principal of or the interest on the obligation.

6 (b) Obligations issued under the provisions of this chapter which are secured by
7 ~~mortgages~~financial instruments insured by the industrial building authority or by EDC Capital, in
8 addition to being payable from the revenues or assets of the corporation, shall be secured by a
9 pledge of the faith and credit of the state consistent with the terms and limitations of chapter 34 of
10 title 42 or chapter 64, section 34 of title 42.

11 SECTION 10. Sections 5, 9, and 10 of this article shall take effect upon passage.
12 Sections 1 through 4 of this article shall take effect on July 1, 2004. Section 6 of this article shall
13 take effect immediately upon approval of the referendum authorized in Section 5. Sections 7 and
14 8 of this article shall take effect upon receipt of the certification of the board of directors of EDC
15 Capital by the governor, the speaker of the house of representatives, and the president of the
16 senate as contemplated in Section 42-34-19(e) of the General Laws as created hereby.

17 ARTICLE 50

18 RELATING TO EFFECTIVE DATE

19 This act shall take effect upon passage, except as otherwise provided herein.

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EXPLANATION OF ARTICLES

ARTICLE 1

RELATING TO MAKING APPROPRIATIONS IN SUPPORT OF FY 2005

This article makes appropriations from general revenues and authorizes expenditure of federal funds, restricted receipts, and other funds for fiscal year 2005. This article also identifies the FTE authorizations for each agency and department for fiscal year 2005 and provides for multi-year appropriations for Rhode Island Capital Fund projects.

ARTICLE 2

RELATING TO PREPAYMENT OF CIGARETTE SALES TAX

This article causes the prepayment of the sales tax on cigarettes by requiring the tax to be paid by cigarette distributors at the time of purchase of cigarette tax stamps. The distributor will include the sales tax in the wholesale cost of cigarettes. The Division of Taxation will credit the retailer for the sales tax collected at the time of sale.

ARTICLE 3

RELATING TO CIGARETTE TAX

This article increases the state's cigarette tax by \$0.75 per pack of twenty cigarettes. As a result, the cigarette tax will be one hundred and twenty-three mills per cigarette, or \$2.46 per pack of twenty cigarettes, on July 1, 2004. This article also increases the cigarette floor stock tax by thirty-seven and one-half mills per cigarette, or \$0.75 per pack of twenty cigarettes, effective July 1, 2004. In addition, this article reduces the cigarette stamps discount allowance for distributors from 1.25 percent to 0.87 percent of the face value of the stamps effective July 1, 2004.

ARTICLE 4

RELATING TO MEAL AND BEVERAGE TAX

This article repeals the meal and beverage tax pursuant to section 44-18-18.1 of the Rhode Island General Laws.

ARTICLE 5

RELATING TO CAPITAL DEVELOPMENT PROGRAM

This article provides for referenda to be placed on the November 2002 ballot, including \$50.0 million for the URI Center for Biotechnology and Life Sciences; \$48.0 million for the Quonset Pointe/Davisville Industrial Park; \$60.0 million for Environment and Groundwater Protection projects; \$10.0 million for Emergency Water Interconnect projects; and \$66.5 million for Transportation projects. This article also extends bond authorizations that are subject to extinguishment. Certain sections of this article would take effect upon passage, while others will

1 take effect upon voter approval.

2 ARTICLE 6

3 RELATING TO DEPOSITORS ECONOMIC

4 PROTECTION CORPORATION – SINKING FUND

5 This article eliminates the dedication to the Sinking Fund of any resources other than
6 those specifically appropriated by the General Assembly. This results in a total of \$4,893,000 of
7 additional General Fund resources in FY 2004, including \$4.3 million of estimated Bond Fund
8 earnings and \$593,000 from DEPCO assets.

9 ARTICLE 7

10 RELATING TO TOBACCO DEALERS LICENSES

11 This article institutes an annual tobacco dealer’s license and imposes a \$25.00 annual
12 renewal fee.

13 ARTICLE 8

14 RELATING TO GENERAL PUBLIC ASSISTANCE –

15 HARDSHIP CONTINGENCY FUND

16 The article renews the annual authorization for benefits and the expenditure ceiling for
17 the General Public Assistance Hardship program.

18 ARTICLE 9

19 RELATING TO HOSPITAL UNCOMPENSATED CARE

20 The article establishes an uncompensated care reimbursement plan for community
21 hospitals for Fiscal Year 2005 only.

22 ARTICLE 10

23 RELATING TO FUEL USE REPORTING LAW

24 The article requires that the monies collected under the motor fuel tax be deposited as
25 general revenue and made available for general state purposes. Under current law, these monies
26 were to be deposited into the Intermodal Surface Transportation Fund and distributed according
27 to the provisions governing that fund.

28 ARTICLE 11

29 RELATING TO MOTOR VEHICLE EXCISE TAX

30 This article would amend the Motor Vehicle and Trailer Excise Tax Elimination
31 Act of 1998, by providing for State reimbursement of lost excise tax revenues to cities and towns
32 based upon the *prior* local fiscal year. The change in reimbursement from a concurrent to a prior
33 local fiscal year basis would begin in state fiscal 2005. The article would take effect on July 1,
34 2004.

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ARTICLE 12

RELATING TO HUMAN RESOURCE INVESTMENT COUNCIL

This article provides that for FY 2005 \$3.4 million of Job Development Fund monies shall be allocated for adult literacy programs.

ARTICLE 13

RELATING TO LABOR AND TRAINING FEES

This article increases trade examination fees for electricians, hoisting engineer, plumbers, sheet metal workers, and other trades. The examinations are given by the division of professional regulation.

ARTICLE 14

RELATING TO CHILD SUPPORT ENFORCEMENT

This article requires parents of children that are in the custody of the Department of Children, Youth and Families to pay child support to the Department of Children, Youth and Families or other agencies according to the guidelines set by the Rhode Island Child Support Enforcement Agency.

ARTICLE 15

RELATING TO LICENSING OF CHILD CARE PROVIDERS

This article imposes a licensing fee for child care centers, child care homes, family day care homes, and child care placement facilities.

ARTICLE 16

RELATING TO STATE AID

This article would authorize municipalities to increase or decrease the property tax levy after the June 15 statutory levy date in the event that state aid approved by the General Assembly exceeded or failed to meet estimates established in the municipal budget and for other specified reason. The article would also increase the state's share of the real estate conveyance tax, set the amount to be disbursed under the General Revenue Sharing program at \$51,438,532 in FY 2005 and would delay the increase in the distribution percentages by one year beginning in FY 2006. The article would also eliminate the dedication of a share of the Real Estate Conveyance Tax to the Distressed Communities Relief Fund. Lastly, the article would clarify the treatment of tax treaty revenue in computing state aid entitlements.

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ARTICLE 17

RELATING TO TAX CREDIT RESTRUCTURING

This article repeals in their entirety the enterprise zone wage tax credit, the enterprise zone donations tax credit, the enterprise zone interest income tax credit, the U.S. Small Business Association loan guaranty fee tax credit, and the International Standard Organization quality standard certification tax credit.

ARTICLE 18

RELATING TO RELATING TO MEDICAL ASSISTANCE –
NURSING FACILITY RATES

The article postpones for one year a scheduled expansion in rates of payment to nursing facilities from including fair market rental value in the reimbursement principles.

ARTICLE 19

RELATING TO CHILD CARE ASSISTANCE – ELIGIBILITY

The article reduces income eligibility for State subsidies for child care assistance from 225 percent of the federal poverty limit to 200 percent.

ARTICLE 20

RELATING TO HUMAN SERVICES - CASH ASSISTANCE OVERPAYMENTS

The article expands statutes concerning setoffs to income tax refunds to include cash assistance overpayments.

ARTICLE 21

RELATING TO LICENSING OF HOSPITAL FACILITIES

The article continues the hospital licensing fee at four percent of net patient revenues for FY 2005 only.

ARTICLE 22

RELATING TO HEALTH INSURANCE – EARLY INTERVENTION SERVICES

This article would mandate private/commercial health insurance coverage of up to \$5,000 per eligible dependent child per policy or calendar year for all medically necessary early intervention services including, but not limited to, occupational, physical and speech therapies. Deductibles and other co-insurance factors would be excluded from this benefit amount and amounts paid by an insurer for a dependent child would not be applied toward any annual or lifetime maximum benefit.

ARTICLE 23

RELATING TO BOND FINANCING FOR SCHOOL HOUSING PROJECTS

This article adds additional language to the RI Health and Education Building

1 Corporation statute to clarify the limited liability of the state for school construction bonds issued
2 by the Corporation.

3 ARTICLE 24

4 RELATING TO PROPERTY TAX RELIEF

5 This article would limit the claimants under the property tax relief program to those sixty-
6 five (65) years of age or older and/or disabled.

7 ARTICLE 25

8 RELATING TO HUMAN SERVICES - CASH ASSISTANCE WAIVERS

9 The article would establish a voluntary lump-sum option for qualified applicants for
10 advance Family Independence Program cash assistance benefits.

11 ARTICLE 26

12 RELATING TO HUMAN SERVICES - CASH ASSISTANCE SANCTIONS

13 The article would impose tiered sanction reducing Family Assistance Program cash
14 assistance benefits for failure of adult family members to maintain compliance with employment
15 plan requirements.

16 ARTICLE 27

17 RELATING TO HUMAN SERVICES - CHILD CARE STATE SUBSIDIES

18 The article revises child care subsidies paid to providers to establish rates for state
19 participation such that state reimbursements do not exceed the lowest actual rates for all clients
20 for each provider.

21 ARTICLE 28

22 RELATING TO BUSINESS CORPORATION AND FRANCHISE TAXES

23 This article increases the minimum business corporation tax and the minimum franchise
24 tax from \$250 to \$450 annually.

25 ARTICLE 29

26 RELATING TO NONRESIDENT SHAREHOLDER WITHHOLDING

27 This article requires a pass-through entity, such as a subchapter S corporation, to
28 withhold income tax at the highest Rhode Island withholding tax rate provided for individuals, or
29 nine percent (9%) for corporations, on a member's share of income of the entity, which is derived
30 from or attributable to sources within this state, distributed to each nonresident member and pay
31 the withheld amount in the manner prescribed by the tax administrator.

32 ARTICLE 30

33 RELATING TO BUSINESS REGULATION FEES

34 This article increases fees and licenses for various Department of Business Regulation

1 regulated activities.

2 ARTICLE 31

3 RELATING TO PUBLIC UTILITIES COMMISSION -

4 TELECOMMUNICATION SURCHARGE

5 This article shifts the 26-cent wireline surcharge revenues deposited in the
6 Telecommunications Education Access Fund restricted receipt account from the Public Utilities
7 Commission to the Department of Elementary and Secondary Education. This article also creates
8 a new 26-cent wireless surcharge which will be deposited in a E-911 restricted receipt account
9 and used to geo-code structures in the state, create system redundancy, and improve system
10 reliability.

11 ARTICLE 32

12 RELATING TO STATE FUNDS – INDIRECT COST RECOVERIES

13 ON RESTRICTED RECEIPT ACCOUNTS

14 This article exempts two restricted receipt accounts in the Department of Environmental
15 Management from paying indirect cost recovery charges. These receipt accounts are intended to
16 receive private donations and bequeaths for specific environmental purposes.

17 ARTICLE 33

18 RELATING TO ENVIRONMENTAL MANAGEMENT FEES

19 This article increases several fee, permit and license structures for various Department of
20 Environmental Management activities. The fee increases relate to freshwater wetland permits,
21 pesticide registrations, commercial feed distributors, cattle dealers, live poultry handlers, pet shop
22 owners, and deer hunters.

23 ARTICLE 34

24 RELATING TO SETOFF OF REFUND OF PERSONAL INCOME TAX

25 This article expands the definition of “court costs owed” to include those costs assessed
26 by the traffic tribunal or municipal court associated with motor vehicle violations. In addition,
27 the article subjects those persons who have not paid such costs and have been declared delinquent
28 to an offset against any refund of personal income taxes paid to the state.

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ARTICLE 35

RELATING TO PUBLIC UTILITIES AND CARRIERS

This article would exempt the Central Power Plant at the John O. Pastore Center from backup or supplemental rates under section 39-2-1.4 of the Rhode Island General Laws.

ARTICLE 36

RELATING TO LICENSING OF NURSING FACILITIES

This article establishes a new fee structure for nursing and assisted living facilities for annual and renewal license applications. The annual license fee for nursing and assisted living facilities is set at \$500 and the per bed assessment, at \$90. Depending on the number of beds per facility, the new annual fees range from \$200 for a 2-99 bed nursing facility to \$500 for a facility with over 175 beds. For assisted living facilities, the new fees range from \$200 for a 2-39-bed facility to \$500 for a facility with over 70 beds. The per bed renewal fee for assisted living facilities range from \$50 per bed for a 2-39 bed facility to \$90 per bed for a facility with over 70 beds.

ARTICLE 37

RELATING TO RESOURCE RECOVERY CORPORATION

This article provides that the municipal tipping fee shall be \$32.00 per ton from July 1, 2004 through June 30, 2005.

ARTICLE 38

RELATING TO ADMINISTRATIVE PROCEDURES

This article would permit, for a one year period, required notices of proposed rulemaking by the Department of Health to be made via electronic media on a web site maintained by the Office of the Secretary of State as an alternative to newspaper publication.

ARTICLE 39

RELATING TO COMPENSATION OF BOARD MEMBERS

This article states that for the period ending June 30, 2005, members of the various boards and commissions shall not be paid for attendance at board meetings. Reimbursement for travel expenses is still authorized.

ARTICLE 40

RELATING TO LIMITED SERVICE POSITIONS

This article creates limited service state positions. These positions would be financed by third party sources, would not be subject to the state FTE cap, and would allow departments and agencies to utilize short term specialized personnel services to generate additional federal and private foundation funds. The utilization of these positions would promote a variety of research

1 activities and, in turn, promote employment and economic development within the state.

2 ARTICLE 41

3 RELATING TO ISSUANCE OF LICENSES UPON PAYMENT OF TAXES

4 This article requires that any person applying to any department, board, commission,
5 division, authority, or other agency of this state for any license or other authority to conduct a
6 profession, trade or business, certify upon application that such person has filed all required tax
7 returns and paid all taxes due the state from such person. A license shall not be issued unless
8 such certification is made. In addition, this article gives the tax administrator the authority to
9 direct the Registry of Motor Vehicles to not renew an operator license and/or motor vehicle
10 registration for any person who has neglected or refused to file any tax returns or to pay any tax
11 administered by the tax administrator and that such tax matter is not pending administrative or
12 appellate review. This article also gives the State Court Administrator the authority to direct the
13 Registry of Motor Vehicles to not renew an operator license and/or motor vehicle registration for
14 any person who is delinquent in paying fines, fees, and/or court costs.

15 ARTICLE 42

16 RELATING TO MUNICIPAL COURT COLLECTIONS

17 This article would specify the time frames within which municipal courts must turn over
18 the state's share of municipal court fines and would authorize the withholding of state aid when
19 there was a failure by a municipal court to comply with the payment requirements.

20 ARTICLE 43

21 RELATING TO PHARMACEUTICAL ASSISTANCE

22 This article allows mail order pharmacies licensed by the state to participate in the Rhode
23 Island Pharmaceutical Assistance for the Elderly program. It also mandates that RIPAE
24 participants who are eligible for the federal Medicare Prescription Drug Discount Card shall
25 utilize that card first for all or a portion of their annual prescription requirements. Eligibility for
26 the drug discount card will be determined by the department as part of its enrollment procedure
27 for new enrollees. The department will also prepare a procedure, as part of its rules and
28 regulations for the program, that will assist all existing participants to obtain access to the federal
29 discount card.

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ARTICLE 44

RELATING TO BRISTOL COUNTY WATER SUPPLY

This article would limit the state’s financial responsibility with regards to the upgrade of the Bristol County water system of reservoirs, wells, treatment plant, and transmission lines to those funds available from currently authorized general obligation bond proceeds.

ARTICLE 45

RELATING TO AUTHORIZATIONS UNDER PUBLIC CORPORATION DEBT MANAGEMENT ACT

This article would authorize the state to borrow up to \$389,335,000 million for the construction of various capital projects by state government, quasi-public agencies, and non-profit organizations.

ARTICLE 46

RELATING TO EDUCATION AID

This article provides for the proportional reduction of state education aid in FY 2005 to ensure the appropriation contained in the budget is not exceeded.

ARTICLE 47

RELATING TO CORRECTIONS

This article adds correctional officers employed by the Department of Corrections to those employees who are exempt from the provisions of Rhode Island law relating to overtime pay.

ARTICLE 48

RELATING TO HUMAN SERVICES – HEALTH CARE ASSISTANCE FOR WORKING PEOPLE WITH DISABILITIES

This article authorizes the department of human services to establish a Medicaid buy-in program pursuant to the Balanced Budget Act of 1997 [42 U.S.C. sections 1396a(a)(10)(ii) (XV)]. This article shall take effect July 1, 2004, however the department of human services shall promulgate the rules or regulations necessary to implement the provisions of this act by January 1, 2005, and enrollment of individuals with disabilities in the medicaid buy-in program shall commence on January 1, 2006.

ARTICLE 49

RELATING TO STATE AFFAIRS AND GOVERNMENT – EDC CAPITAL

This article provides for the administrative and functional consolidation of various state financing programs administered by the Rhode Island Economic Development Corporation, its subsidiaries, and affiliates and allows the Corporation to expand the range of financing products

1 offered to Rhode Island companies. This article also provides for transfer of authority and
2 function of the industrial-recreational building authority ("IRBA") to EDC Capital through a
3 referendum which would authorize the bonding authority of EDC Capital and would allow EDC
4 Capital to wind down the operations of IRBA and retire existing IRBA debt. The referendum is
5 intended to complement the creation of EDC Capital, but the creation of EDC Capital is not
6 contingent upon the outcome of the referendum.

7 ARTICLE 50

8 RELATING TO EFFECTIVE DATE

9 This article provides that the act shall take effect upon passage, except as otherwise
10 provided herein.

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