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S T A T E O F R H O D E I S L A N D

IN GENERAL ASSEMBLY

JANUARY SESSION, A.D. 2015

A N A C T

RELATING TO STATUTES AND STATUTORY CONSTRUCTION

Introduced By: Representatives DeSimone, and Newberry

Date Introduced: May 01, 2015

Referred To: House Judiciary

It is enacted by the General Assembly as follows:

SECTION 1. Sections 5-6-8 and 5-6-11 of the General Laws in Chapter 5-6 entitled "Electricians" are hereby amended to read as follows:

5-6-8. Contractor's certificates/licenses. -- (a) Electrical contractor's license. – A Certificate A shall be issued to any person, firm, or corporation, qualified under this chapter, engaging in, or about to engage in, the business of installing electrical wires, conduits, apparatus, fixtures, fire alarm and safety communication systems, and other electrical appliances, excluding low-voltage wiring for heating, ventilating, and air conditioning equipment. The certificate shall specify the name of the person, firm, or corporation applying for it and the name of the person, who in the case of a firm is one of its members, and in the case of a corporation, is one of its officers, passing the examination by which he or she or it is authorized to enter upon, or engage in, business as prescribed in the certificate. The holding of a Certificate A does not entitle the holder individually to engage in or perform the actual work of installing electric wires, conduits, and appliances as previously described in this chapter, but entitles him or her to conduct business as an electrical contractor.

(b) Oil burner contractor's license. - A Certificate E shall be issued to any person, firm, or corporation qualified under this chapter and engaged in, or about to engage in, the business of an oil burner contractor as defined in § 5-6-1. The certificate shall specify the name of the person, firm, or corporation applying for it and the name of the person who, in the case of a firm is one of its members, and in the case of a corporation is one of its officers, passing the examination, by

which he or she or it is authorized to enter upon, or engage in, business as prescribed in the certificate. The holding of a Certificate E does not entitle the holder individually to engage in or perform any work on, or in connection with, electric wires, conduits, and appliances as previously described in this chapter, but entitles the holder to contract to do that work, to the extent permitted in this chapter, through the employment of oil burnerpersons holding a Certificate F. An oil burner contractor who is the holder of a Certificate A is not required to obtain a Certificate E.

(c) Fire alarm contractor's license. - A Certificate AF shall be issued to any person, firm, or corporation qualified under this chapter and engaged in, or about to engage in, the business of a fire alarm contractor as defined in § 5-6-1. The certificate shall specify the name of the person, firm, or corporation applying for it and the person who, in the case of a firm is one of its members, and in the case of a corporation is one of its officers, passing the examination by which he or she or it is authorized to enter upon, or engage in, business as prescribed in the certificate. The holding of a Certificate AF does not entitle the holder individually to engage in, or perform and work on, or in connection with, electric wires, fire alarm wires, conduits, and appliances as previously described in this chapter, but entitles the holder to contract to do that work to the extent permitted in this chapter through the employment of fire alarm installers holding a Certificate BF. A contractor who is the holder of a Certificate A is not required to obtain a Certificate BF.

(d) Electrical sign contractor's license. - A Certificate SCF shall be issued to any person, firm, or corporation qualified under this chapter and engaged in or about to engage in the business of electrical sign installations, as defined in § 5-6-1.

(e) Lightning protection contractor. - A Certificate LPC shall be issued to any person, firm or corporation qualified under this chapter and engaged in, or about to engage in, the business of lightning protection contractor as defined in § 5-6-1. The Certificate LPC shall specify the name of the person, firm, or corporation applying for it and the person, who in the case of a firm, is one of its members, and in the case of a corporation, is one of its officers, passing the examination by which he or she or it is authorized to enter upon or engage in business as prescribed in the certificate. The holding of a Certificate LPC does not entitle the holder individually to engage in, or perform and work on, or in connection with, the installation of lightning protection equipment as defined in § 5-6-1, unless that individual also holds a Certificate LPI, but entitles the holder to contract to do that work to the extent permitted in this chapter through the employment of lightning protection installers holding a Certificate LPI.

(f) Sign renovation electrical license. - A certificate SRL shall be issued to any person,

firm, or corporation qualified under this chapter and engaged in, or about to engage in, the business of sign renovation or installation of signs when such renovation or installation requires the removal or installation of no more than three (3) wires.

(g) Renewable energy professional. - A Certificate REP shall be issued to any person, firm or corporation, qualified under this chapter, engaged in or about to engage in the business of installing eligible renewable energy technologies as defined in § 39-26-5. All renewable energy electrical work, including installing, connecting, maintaining, servicing, and testing all electrical wires, conduits and apparatus; mounting the modules to the mounting racks; mounting the inverters; and tying the inverters into the main electrical panels shall be done by a licensed electrician. Ancillary non-electrical renewable energy work, such as advertising services; distribution of materials to final location of installation including photovoltaic modules to the mounting racks; and installing the ground and rooftop support brackets and ballast for rack systems, may be done by any person, firm or corporation holding an REP Certificate. The REP Certificate shall specify the name of the person, firm, or corporation applying for it and the name of the person, who in the case of a firm is one of its members, and in the case of a corporation, is one of its officers, meeting the requisite education and experience as established in § 5-6-11, by which he or she or it is authorized to enter upon, or engage in, business as prescribed in the certificate. The holding of a Certificate REP entitles the holder to contract to do that work to the extent permitted in this chapter.

The installation, mechanical fastening and conjoining of listed solar sheathing systems that are ten kilowatts (10 kw) or less on residential structures as defined by the Rhode Island one and two (2) family dwelling code may be performed by a registered contractor who or that has been issued a renewable energy professional certificate (REPC) as defined in § 5-6-11(e) and above referenced. However, said residential solar sheathing system shall be connected to the electrical system from the roof edge and energized by a Rhode Island licensed electrician working in compliance with chapter 6 of title 5. Additionally, the residential solar sheathing systems noted must be listed and labeled by UL or other recognized electrical device certification organization, identified and acceptable by the authority having jurisdiction.

5-6-11. Certificate/license of oil burnerperson, fire alarm installer, electrical sign installers, lightning protection installers and renewable energy professionals. -- (a) Oil burnerperson's license. - A Certificate F shall be granted to any person who has passed an examination before the division of professional regulation. The certificate shall specify the name of the person authorized to work on, and repair electric wiring and equipment located in or on oil burners burning fuel oil no heavier than No. 2, and other equipment serviced by oil burner

contractors, to the extent only as is necessary to service, maintain and repair those oil burners and equipment. The license shall limit the holder of a Certificate F to do work on electric wiring or equipment located between the meter and those oil burners and equipment, but in no event to do any electrical work on oil burners burning No. 3, 4, 5, or 6 fuel oil.

(b) Fire alarm installer's license. - A Certificate BF shall be granted to any person who has passed an examination before the division of professional regulation. The certificate shall specify the name of the person authorized to work on, install, maintain, and test fire alarm systems.

(c) Electrical sign installer's license. - A Certificate CF shall be granted to any person who has passed an examination before the division of professional regulations. The certificate shall specify the name of the person authorized to install, maintain, work on, and repair electrical signs.

(d) Lightning protection installer's license. - A Certificate LPI shall be granted to any person who has passed an examination before the division of professional regulations. The certificate shall specify the name of the person authorized to install, maintain, work on, and repair lightning protection systems as defined in § 5-6-1.

(e) Renewable energy professional's certificate. - The Rhode Island department of labor and training shall issue a ~~Certificate of Competency in the Design and Installation of Renewable Energy Systems~~ certificate of competency in the design and installation of renewable energy systems to any person, firm, or corporation who or that has received a certification from a nationally recognized, or equivalent, renewable energy certification training program and has demonstrated proof of such certification to the Rhode Island office of energy resources.

SECTION 2. Section 5-20-35 of the General Laws in Chapter 5-20 entitled "Plumbers and Irrigators" is hereby amended to read as follows:

5-20-35. Persons and acts exempt -- Issuance of licenses in special cases. -- (a) The provisions of this chapter do not apply to the installation of automatic sprinkler systems or other fire protection appliances in this state and do not apply to employees of public utilities (publicly or privately owned); provided, that any resident of Rhode Island not licensed, as provided in this chapter, desiring a license as a master plumber or journeyperson plumber who on or before August 14, 1966, presents to the department of labor and training of the state reasonably satisfactory evidence, in writing, that he or she was actively engaged in the business of plumbing as a master plumber or working as a journeyperson plumber for a master plumber in any city or town for five (5) years prior to May 16, 1966, and that he or she is at the time of presenting that evidence to the department of labor and training operating in any city or town as a master

plumber or working as journeyperson plumber, shall, upon payment of a fee of five dollars ($5.00) in the case of a master plumber or one dollar ($1.00) in the case of a journeyperson plumber, have issued to him or her by the department of labor and training a certificate of license as a master plumber or a journeyperson plumber without an additional application, fee, or other condition precedent. Farms, golf courses, and nurseries performing irrigation work on their premises only shall not be required to be licensed under the chapter.

(b) Solar thermal professional. - A Certificate REPC shall be issued to any person, firm, or corporation, qualified under this chapter, engaged in, or about to engage in, the business of installing solar thermal technologies. Solar thermal plumbing or mechanical work must be performed by persons, firms or corporations properly licensed under chapter 20 of title 5 or chapter 27 of title 28. Certificate REPC holders may advertise and bid for solar thermal work provided that they contract with persons, firms or corporations who or that are properly licensed under chapter 20 of title 5 or chapter 27 of title 28 to perform all related plumbing or mechanical work. The REPC Certificate shall specify the name of the person, firm, or corporation applying for it and the name of the person, who, in the case of a firm, is one of its members, and in the case of a corporation, is one of its officers, passing the examination~~,~~ by which he or she or it is authorized to enter upon or engage in business as prescribed in the certificate.

(c) Solar thermal professional's certificate. - The Rhode Island department of labor and training shall issue a ~~Certificate of Competency in the Design and Installation of Solar Thermal Systems~~ certificate of competency in the design and installation of solar thermal systems to any person, firm, or corporation who or that has received a certification from a nationally recognized, or equivalent, renewable energy certification training program and has demonstrated proof of such certification to the Rhode Island office of energy resources.

(d) Nothing in this or any other chapter of the general laws shall prohibit municipalities or water districts from using employees, or engaging the services of licensed plumbers or other contractors and/or service providers that meet certain requirements determined by the municipality or water district, for the purpose of replacing water meters or meter reading devices.

SECTION 3. Section 11-9-13.15 of the General Laws in Chapter 11-9 entitled "Children" is hereby amended to read as follows:

11-9-13.15. Penalty for operating without a dealer license. -- (a) Any individual or business who or that violates this chapter by selling or conveying a tobacco product without a retail tobacco products dealer license shall be cited for that violation and shall be required to appear in court for a hearing on the citation.

(b) Any individual or business cited for a violation under this section of this chapter

shall:

(1) Either post a two-thousand-five-hundred-dollar ($2,500) bond with the court within ten (10) days of the citation; or

(2) Sign and accept the citation indicating a promise to appear in court.

(c) An individual or business who or that has accepted the citation may:

(1) Pay a ten-thousand-dollar ($10,000) fine, either by mail or in person, within ten (10) days after receiving the citation; or

(2) If that individual or business has posted a bond, forfeit the bond by not appearing at the scheduled hearing. If the individual or business cited pays the ten-thousand-dollar ($10,000) fine or forfeits the bond, that individual or business is deemed to have admitted the cited violation and to have waived the right to a hearing on the issue of commission on the violation.

(d) The court after a hearing on a citation shall make a determination as to whether a violation has been committed. If it is established that the violation did occur, the court shall impose a ten-thousand-dollar ($10,000) fine, in addition to any court costs or other court fees.

SECTION 4. Section 19-1-1 of the General Laws in Chapter 19-1 entitled "Definitions and Establishment of Financial Institutions" is hereby amended to read as follows:

19-1-1. Definitions. -- Unless otherwise specified, the following terms shall have the following meanings throughout this title:

(1) "Agreement to form" means the agreement to form a financial institution or the agreement to form a credit union, as applicable, pursuant to this title, and includes, for financial institutions organized before December 31, 1995, the articles of incorporation or the agreement of association of the financial institution, where applicable.

(2) "Branch" means any office or place of business, other than the main office or customer-bank-communication-terminal outlets as provided for in this title, at which deposits are received, or checks paid or money lent, or at which any trust powers are exercised. Any financial institution which had, on or before June 30, 2003, established an office or place of business, other than its main office, at which trust powers are exercised, shall not be required to obtain the approval of the director, or the director's designee, pursuant to § 19-2-11 for any such offices established as of that date.

(3) "Credit union" means a credit union duly organized under the laws of this state.

(4) "Director" means the director of the department of business regulation, or his or her designee.

(5) "Division of banking" means the division within the department of business regulation responsible for the supervision and examination of regulated institutions and/or

licensees under chapter 14 of this title.

(6) "Federal credit union" means a credit union duly organized under the laws of the United States.

(7) "Financial institution" means any entity, other than a credit union, duly organized under the laws of this state that has the statutory authority to accept money on deposit pursuant to title 19, including an entity that is prohibited from accepting deposits by its own bylaws or agreement to form; the term includes, but is not limited to banks, trust companies, savings banks, loan and investment banks, and savings and loan associations.

(8) "Main office" means, in the case of financial institutions or credit unions, the location stated in the agreement to form, as amended, and, otherwise, the location recognized by the institution's primary banking regulator as its main office.

(9) "Person" means individuals, partnerships, corporations, limited liability companies, or any other entity however organized.

(10) "Regulated institution" means any financial institution, credit union, or other insured-deposit-taking institution, which is authorized to do business in this state, including one authorized by operation of an interstate banking statute that allowed its original entry.

(11) "Retail installment contract" means any security agreement negotiated or executed in this state, or under the laws of this state, including, but not limited to, any agreement in the nature of a mortgage, conditional sale contract, or any other agreement whether or not evidenced by any written instrument to pay the retail purchase price of goods, or any part thereof, in installments over any period of time and pursuant to which any security interest is retained or taken by the retail seller for the payment of the purchase price, or any part thereof, of the retail installment contract.

(12) "Retail seller" means any person who sells or contracts to sell any goods under a retail installment contract to a retail buyer.

(13) "Superintendent" means the deputy director designated by the director as superintendent of banking in the department of business regulation.

(14) "Unimpaired capital" means the sum of all capital and allowance accounts minus estimated losses on assets, calculated in accordance with generally accepted accounting principles.

(15) "Writing" means hard copy writing or electronic writing that meets the requirements of § ~~42-127.1-1 et seq~~ 42-127.1-2(7).

SECTION 5. Sections 19-14-1, 19-14-9 and 19-14-10 of the General Laws in Chapter 19-14 entitled "Licensed Activities" are hereby amended to read as follows:

19-14-1. Definitions. [Effective until July 1, 2015.] -- Unless otherwise specified, the following terms shall have the following meanings throughout chapters 14, 14.1, 14.2, 14.3, 14.4, 14.6, 14.8 and 14.10 of this title:

(1) "Check" means any check, draft, money order, personal money order, or other instrument for the transmission or payment of money. For the purposes of check cashing, travelers checks or foreign denomination instruments shall not be considered checks. "Check cashing" means providing currency for checks;

(2) "Deliver" means to deliver a check to the first person who, in payment for the check, makes or purports to make a remittance of or against the face amount of the check, whether or not the deliverer also charges a fee in addition to the face amount, and whether or not the deliverer signs the check;

(3) "Electronic money transfer" means receiving money for transmission within the United States or to locations abroad by any means including, but not limited to, wire, facsimile, or other electronic transfer system;

(4) (i) "Lender" means any person who makes or funds a loan within this state with the person's own funds, regardless of whether the person is the nominal mortgagee or creditor on the instrument evidencing the loan;

(ii) A loan is made or funded within this state if any of the following conditions exist:

(A) The loan is secured by real property located in this state;

(B) An application for a loan is taken by an employee, agent, or representative of the lender within this state;

(C) The loan closes within this state;

(D) The loan solicitation is done by an individual with a physical presence in this state; or

(E) The lender maintains an office in this state.

(iii) The term "lender" shall also include any person engaged in a transaction whereby the person makes or funds a loan within this state using the proceeds of an advance under a line of credit over which proceeds the person has dominion and control and for the repayment of which the person is unconditionally liable. This transaction is not a table-funding transaction. A person is deemed to have dominion and control over the proceeds of an advance under a line of credit used to fund a loan regardless of whether:

(A) The person may, contemporaneously with, or shortly following, the funding of the loan, assign or deliver to the line of credit lender one or more loans funded by the proceeds of an advance to the person under the line of credit;

(B) The proceeds of an advance are delivered directly to the settlement agent by the line of credit lender, unless the settlement agent is the agent of the line of credit lender;

(C) One or more loans funded by the proceeds of an advance under the line of credit is purchased by the line of credit lender; or

(D) Under the circumstances as set forth in regulations adopted by the director, or the director's designee, pursuant to this chapter;

(5) "Licensee" means any person licensed under this chapter;

(6) "Loan" means any advance of money or credit including, but not limited to:

(i) Loans secured by mortgages;

(ii) Insurance premium finance agreements;

(iii) The purchase or acquisition of retail installment contracts or advances to the holders of those contracts;

(iv) Educational loans;

(v) Any other advance of money; or

(vi) Any transaction such as those commonly known as "payday loans," "payday advances," or "deferred-presentment loans," in which a cash advance is made to a customer in exchange for the customer's personal check, or in exchange for the customer's authorization to debit the customer's deposit account, and where the parties agree either, that the check will not be cashed or deposited, or that customer's deposit account will not be debited, until a designated future date.

(7) "Loan broker" means any person who, for compensation or gain, or in the expectation of compensation or gain, either directly or indirectly, solicits, processes, negotiates, places or sells a loan within this state for others in the primary market, or offers to do so. A loan broker shall also mean any person who is the nominal mortgagee or creditor in a table-funding transaction. A loan is brokered within this state if any of the following conditions exist:

(i) The loan is secured by real property located in this state;

(ii) An application for a loan is taken or received by an employee, agent, or representative of the loan broker within this state;

(iii) The loan closes within this state;

(iv) The loan solicitation is done by an individual with a physical presence in this state; or

(v) The loan broker maintains an office in this state.

(8) "Personal money order" means any instrument for the transmission or payment of money in relation to which the purchaser or remitter appoints, or purports to appoint, the seller as

his or her agent for the receipt, transmission, or handling of money, whether the instrument is signed by the seller, or by the purchaser, or remitter, or some other person;

(9) "Primary market" means the market in which loans are made to borrowers by lenders, whether or not through a loan broker or other conduit;

(10) "Principal owner" means any person who owns, controls, votes, or has a beneficial interest in, directly or indirectly, ten percent (10%) or more of the outstanding capital stock and/or equity interest of a licensee;

(11) "Sell" means to sell, to issue, or to deliver a check;

(12) "Small loan" means a loan of less than five thousand dollars ($5,000), not secured by real estate, made pursuant to the provisions of chapter 14.2 of this title;

(13) "Small loan lender" means a lender engaged in the business of making small loans within this state;

(14) "Table-funding transaction" means a transaction in which there is a contemporaneous advance of funds by a lender and an assignment by the mortgagee or creditor of the loan to the lender;

(15) "Check casher" means a person or entity that, for compensation, engages, in whole or in part, in the business of cashing checks;

(16) "Deferred-deposit transaction" means any transaction, such as those commonly known as "payday loans," "payday advances," or "deferred-presentment loans," in which a cash advance is made to a customer in exchange for the customer's personal check or in exchange for the customer's authorization to debit the customer's deposit account and where the parties agree either that the check will not be cashed or deposited, or that the customer's deposit account will not be debited until a designated future date;

(17) "Insurance premium finance agreement" means an agreement by which an insured, or prospective insured, promises to pay to an insurance premium finance company the amount advanced, or to be advanced, under the agreement to an insurer or to an insurance producer, in payment of a premium or premiums on an insurance contract or contracts, together with interest and a service charge, as authorized and limited by this title;

(18) "Insurance premium finance company" means a person engaged in the business of making insurance premium finance agreements or acquiring insurance premium finance agreements from other insurance premium finance companies;

(19) "Simple interest" means interest computed on the principal balance outstanding immediately prior to a payment for the actual number of days between payments made on a loan over the life of a loan;

(20) "Nonprofit organization" means a corporation qualifying as a 26 U.S.C. § 501(c)(3) nonprofit organization, in the operation of which no member, director, officer, partner, employee, agent, or other affiliated person profits financially other than receiving reasonable salaries if applicable;

(21) "Mortgage loan originator" has the same meaning set forth in § 19-14.10-3(6);

(22) "Mortgage loan" means a loan secured in whole or in part by real property located in this state;

(23) "Loan solicitation" shall mean an effectuation, procurement, delivery and offer, and advertisement of a loan. Loan solicitation also includes providing or accepting loan applications and assisting persons in completing loan applications and/or advising, conferring, or informing anyone regarding the benefits, terms and/or conditions of a loan product or service. Loan solicitation does not include loan processing or loan underwriting as defined in this section. Loan solicitation does not include telemarketing which is defined for purposes of this section to mean contacting a person by telephone with the intention of collecting such person's name, address, and telephone number for the sole purpose of allowing a mortgage loan originator to fulfill a loan inquiry;

(24) "Processes" shall mean, with respect to a loan, any of a series of acts or functions, including the preparation of a loan application and supporting documents, performed by a person that leads to, or results in, the acceptance, approval, denial, and/or withdrawal of a loan application, including, without limitation, the rendering of services including loan underwriting, obtaining verifications, credit reports or appraisals, communicating with the applicant and/or the lender or loan broker, and/or other loan processing and origination services for consideration by a lender or loan broker. Loan processing does not include the following:

(i) Providing loan closing services;

(ii) Rendering of credit reports by an authorized credit reporting agency; and

(iii) Rendering of appraisal services.

(25) "Loan underwriting" shall mean a loan process that involves the analysis of risk with respect to the decision whether to make a loan to a loan applicant based on credit, employment, assets, and other factors, including evaluating a loan applicant against a lender's various lending criteria for creditworthiness, making a determination for the lender as to whether the applicant meets the lender's pre-established credit standards, and/or making a recommendation regarding loan approval;

(26) "Negotiates" shall mean, with respect to a loan, to confer directly with, or offer advice directly to, a loan applicant or prospective loan applicant for a loan product or service

concerning any of the substantive benefits, terms, or conditions of the loan product or service;

(27) "Natural person employee" shall mean any natural person performing services as a bona fide employee for a person licensed under the provisions of § 19-14-1, et. seq., in return for a salary, wage, or other consideration, where such salary, wage, or consideration is reported by the licensee on a federal form W-2 payroll record. The term does not include any natural person or business entity performing services for a person licensed under the provisions of Rhode Island general laws in return for a salary, wage, or other consideration, where such salary, wage, or consideration is reported by the licensee on a federal form 1099;

(28) "Bona fide employee" shall mean an employee of a licensee who works under the oversight and supervision of the licensee;

(29) "Oversight and supervision of the licensee" shall mean that the licensee provides training to the employee, sets the employee's hours of work, and provides the employee with the equipment and physical premises required to perform the employee's duties;

(30) "Operating subsidiary" shall mean a majority-owned subsidiary of a financial institution or banking institution that engages only in activities permitted by the parent financial institution or banking institution;

(31) "Provisional employee" means a natural person who, pursuant to a written agreement between the natural person and a wholly owned subsidiary of a financial holding company, as defined in The Bank Holding Company Act of 1956, as amended, 12 U.S.C. §1841 et seq, a bank holding company, savings bank holding company, or thrift holding company, is an exclusive agent for the subsidiary with respect to mortgage loan originations, and the subsidiary: (a) holds a valid loan broker's license and (b) enters into a written agreement with the director, or the director's designee, to include:

(i) An "undertaking of accountability", in a form prescribed by the director, or the director's designee, for all of the subsidiary's exclusive agents to include full and direct financial and regulatory responsibility for the mortgage loan originator activities of each exclusive agent as if said exclusive agent was an employee of the subsidiary;

(ii) A business plan, to be approved by the director, or the director's designee, for the education of the exclusive agents, the handling of consumer complaints related to the exclusive agents, and the supervision of the mortgage loan origination activities of the exclusive agents; and

(iii) A restriction of the exclusive agents' mortgage loan originators' activities to loans to be made only by the subsidiary's affiliated bank.

(32) "Multi-state licensing system" means a system involving one or more states, the District of Columbia, or the Commonwealth of Puerto Rico established to facilitate the sharing of

regulatory information and the licensing, application, reporting, and payment processes, by electronic or other means, for mortgage lenders and loan brokers and other licensees required to be licensed under this chapter;

(33) "Negative equity" means the difference between the value of an asset and the outstanding portion of the loan taken out to pay for the asset, when the latter exceeds the former amount;

(34) "Loan closing services" means providing title services, including title searches, title examinations, abstract preparation, insurability determinations, and the issuance of title commitments and title insurance policies, conducting loan closings, and preparation of loan closing documents when performed by, or under the supervision of, a licensed attorney, licensed title agency, or licensed title insurance company; and

(35) "Writing" means hard copy writing or electronic writing that meets the requirements of § ~~42-127.1-1 et seq~~ 42-127.1-2(7).

19-14-1. Definitions. [Effective July 1, 2015.] -- Unless otherwise specified, the following terms shall have the following meanings throughout chapters 14, 14.1, 14.2, 14.3, 14.4, 14.6, 14.8, 14.10, and 14.11 of this title:

(1) "Check" means any check, draft, money order, personal money order, or other instrument for the transmission or payment of money. For the purposes of check cashing, travelers checks or foreign denomination instruments shall not be considered checks. "Check cashing" means providing currency for checks;

(2) "Deliver" means to deliver a check to the first person who, in payment for the check, makes, or purports to make, a remittance of, or against, the face amount of the check, whether or not the deliverer also charges a fee in addition to the face amount and whether or not the deliverer signs the check;

(3) "Electronic money transfer" means receiving money for transmission within the United States or to locations abroad by any means including, but not limited to, wire, facsimile, or other electronic transfer system;

(4) (i) "Lender" means any person who makes or funds a loan within this state with the person's own funds, regardless of whether the person is the nominal mortgagee or creditor on the instrument evidencing the loan;

(ii) A loan is made or funded within this state if any of the following conditions exist:

(A) The loan is secured by real property located in this state;

(B) An application for a loan is taken by an employee, agent, or representative of the lender within this state;

(C) The loan closes within this state;

(D) The loan solicitation is done by an individual with a physical presence in this state; or

(E) The lender maintains an office in this state.

(iii) The term "lender" shall also include any person engaged in a transaction whereby the person makes or funds a loan within this state using the proceeds of an advance under a line of credit over which proceeds the person has dominion and control and for the repayment of which the person is unconditionally liable. This transaction is not a table-funding transaction. A person is deemed to have dominion and control over the proceeds of an advance under a line of credit used to fund a loan regardless of whether:

(A) The person may, contemporaneously with, or shortly following, the funding of the loan, assign or deliver to the line of credit lender one or more loans funded by the proceeds of an advance to the person under the line of credit;

(B) The proceeds of an advance are delivered directly to the settlement agent by the line-of-credit lender, unless the settlement agent is the agent of the line-of-credit lender;

(C) One or more loans funded by the proceeds of an advance under the line-of-credit is purchased by the line of credit lender; or

(D) Under the circumstances, as set forth in regulations adopted by the director, or the director's designee, pursuant to this chapter;

(5) "Licensee" means any person licensed under this chapter;

(6) "Loan" means any advance of money or credit including, but not limited to:

(i) Loans secured by mortgages;

(ii) Insurance premium finance agreements;

(iii) The purchase or acquisition of retail installment contracts or advances to the holders of those contracts;

(iv) Educational loans;

(v) Any other advance of money; or

(vi) Any transaction such as those commonly known as "payday loans," "payday advances," or "deferred-presentment loans," in which a cash advance is made to a customer in exchange for the customer's personal check, or in exchange for the customer's authorization to debit the customer's deposit account, and where the parties agree either, that the check will not be cashed or deposited, or that customer's deposit account will not be debited, until a designated future date.

(7) "Loan broker" means any person who, for compensation or gain, or in the expectation

of compensation or gain, either directly or indirectly, solicits, processes, negotiates, places, or sells a loan within this state for others in the primary market, or offers to do so. A loan broker shall also mean any person who is the nominal mortgagee or creditor in a table-funding transaction. A loan is brokered within this state if any of the following conditions exist:

(i) The loan is secured by real property located in this state;

(ii) An application for a loan is taken or received by an employee, agent, or representative of the loan broker within this state;

(iii) The loan closes within this state;

(iv) The loan solicitation is done by an individual with a physical presence in this state; or

(v) The loan broker maintains an office in this state.

(8) "Personal money order" means any instrument for the transmission or payment of money in relation to which the purchaser or remitter appoints, or purports to appoint, the seller as his or her agent for the receipt, transmission, or handling of money, whether the instrument is signed by the seller, or by the purchaser, or remitter, or some other person;

(9) "Primary market" means the market in which loans are made to borrowers by lenders, whether or not through a loan broker or other conduit;

(10) "Principal owner" means any person who owns, controls, votes, or has a beneficial interest in, directly or indirectly, ten percent (10%) or more of the outstanding capital stock and/or equity interest of a licensee;

(11) "Sell" means to sell, to issue, or to deliver a check;

(12) "Small loan" means a loan of less than five thousand dollars ($5,000), not secured by real estate, made pursuant to the provisions of chapter 14.2 of this title;

(13) "Small-loan lender" means a lender engaged in the business of making small loans within this state;

(14) "Table-funding transaction" means a transaction in which there is a contemporaneous advance of funds by a lender and an assignment by the mortgagee or creditor of the loan to the lender;

(15) "Check casher" means a person or entity that, for compensation, engages, in whole or in part, in the business of cashing checks;

(16) "Deferred-deposit transaction" means any transaction, such as those commonly known as "payday loans," "payday advances," or "deferred-presentment loans," in which a cash advance is made to a customer in exchange for the customer's personal check or in exchange for the customer's authorization to debit the customer's deposit account and where the parties agree

either that the check will not be cashed or deposited, or that the customer's deposit account will not be debited until a designated future date;

(17) "Insurance premium finance agreement" means an agreement by which an insured, or prospective insured, promises to pay to an insurance premium finance company the amount advanced, or to be advanced, under the agreement to an insurer or to an insurance producer, in payment of a premium, or premiums, on an insurance contract, or contracts, together with interest and a service charge, as authorized and limited by this title;

(18) "Insurance premium finance company" means a person engaged in the business of making insurance premium finance agreements or acquiring insurance premium finance agreements from other insurance premium finance companies;

(19) "Simple interest" means interest computed on the principal balance outstanding immediately prior to a payment for the actual number of days between payments made on a loan over the life of a loan;

(20) "Nonprofit organization" means a corporation qualifying as a 26 U.S.C. § 501(c)(3) nonprofit organization, in the operation of which no member, director, officer, partner, employee, agent, or other affiliated person profits financially other than receiving reasonable salaries if applicable;

(21) "Mortgage loan originator" has the same meaning set forth in § 19-14.10-3(6);

(22) "Mortgage loan" means a loan secured in whole, or in part, by real property located in this state;

(23) "Loan solicitation" shall mean an effectuation, procurement, delivery and offer, and advertisement of a loan. Loan solicitation also includes providing or accepting loan applications and assisting persons in completing loan applications and/or advising, conferring, or informing anyone regarding the benefits, terms and/or conditions of a loan product or service. Loan solicitation does not include loan processing or loan underwriting as defined in this section. Loan solicitation does not include telemarketing that is defined, for purposes of this section, to mean contacting a person by telephone with the intention of collecting such person's name, address, and telephone number for the sole purpose of allowing a mortgage loan originator to fulfill a loan inquiry;

(24) "Processes" shall mean, with respect to a loan, any of a series of acts or functions, including the preparation of a loan application and supporting documents, performed by a person that leads to, or results in, the acceptance, approval, denial, and/or withdrawal of a loan application, including, without limitation, the rendering of services, including loan underwriting, obtaining verifications, credit reports or appraisals, communicating with the applicant and/or the

lender or loan broker, and/or other loan processing and origination services, for consideration by a lender or loan broker. Loan processing does not include the following:

(i) Providing loan closing services;

(ii) Rendering of credit reports by an authorized credit reporting agency; and

(iii) Rendering of appraisal services.

(25) "Loan underwriting" shall mean a loan process that involves the analysis of risk with respect to the decision whether to make a loan to a loan applicant based on credit, employment, assets, and other factors, including evaluating a loan applicant against a lender's various lending criteria for creditworthiness, making a determination for the lender as to whether the applicant meets the lender's pre-established credit standards, and/or making a recommendation regarding loan approval;

(26) "Negotiates" shall mean, with respect to a loan, to confer directly with, or offer advice directly to, a loan applicant or prospective loan applicant for a loan product or service concerning any of the substantive benefits, terms, or conditions of the loan product or service;

(27) "Natural person employee" shall mean any natural person performing services as a bona-fide employee for a person licensed under § 19-14-1, et. seq., in return for a salary, wage, or other consideration, where such salary, wage, or consideration is reported by the licensee on a federal form W-2 payroll record. The term does not include any natural person or business entity performing services for a person licensed under the provisions of Rhode Island general laws in return for a salary, wage, or other consideration, where such salary, wage, or consideration is reported by the licensee on a federal form 1099;

(28) "Bona fide employee" shall mean an employee of a licensee who works under the oversight and supervision of the licensee;

(29) "Oversight and supervision of the licensee" shall mean that the licensee provides training to the employee, sets the employee's hours of work, and provides the employee with the equipment and physical premises required to perform the employee's duties;

(30) "Operating subsidiary" shall mean a majority-owned subsidiary of a financial institution or banking institution that engages only in activities permitted by the parent financial institution or banking institution;

(31) "Provisional employee" means a natural person who, pursuant to a written agreement between the natural person and a wholly owned subsidiary of a financial holding company, as defined in The Bank Holding Company Act of 1956, as amended, 12 U.S.C. § 1841 et seq., a bank-holding company, savings-bank-holding company, or thrift holding company, is an exclusive agent for the subsidiary with respect to mortgage loan originations, and the subsidiary:

(a) Holds a valid loan broker's license; and (b) Enters into a written agreement with the director, or the director's designee, to include:

(i) An "undertaking of accountability", in a form prescribed by the director, or the director's designee, for all of the subsidiary's exclusive agents to include full-and-direct financial and regulatory responsibility for the mortgage loan originator activities of each exclusive agent as if said exclusive agent were an employee of the subsidiary;

(ii) A business plan, to be approved by the director, or the director's designee, for the education of the exclusive agents, the handling of consumer complaints related to the exclusive agents, and the supervision of the mortgage loan origination activities of the exclusive agents; and

(iii) A restriction of the exclusive agents' mortgage loan originators' activities to loans to be made only by the subsidiary's affiliated bank.

(32) "Multi-state licensing system" means a system involving one or more states, the District of Columbia, or the Commonwealth of Puerto Rico established to facilitate the sharing of regulatory information and the licensing, application, reporting, and payment processes, by electronic or other means, for mortgage lenders and loan brokers and other licensees required to be licensed under this chapter;

(33) "Negative equity" means the difference between the value of an asset and the outstanding portion of the loan taken out to pay for the asset, when the latter exceeds the former amount;

(34) "Loan-closing services" means providing title services, including title searches, title examinations, abstract preparation, insurability determinations, and the issuance of title commitments and title insurance policies, conducting loan closings, and preparation of loan closing documents when performed by, or under the supervision of, a licensed attorney, licensed title agency, or licensed title insurance company;

(35) "Servicing" means receiving a scheduled periodic payment from a borrower pursuant to the terms of a loan, including amounts for escrow accounts, and making the payments to the owner of the loan or other third party of principal and interest and other payments with respect to the amounts received from the borrower as may be required pursuant to the terms of the servicing loan documents or servicing contract. In the case of a home equity conversion mortgage or a reverse mortgage, servicing includes making payment to the borrower;

(36) "Third-party loan servicer" means a person who, directly or indirectly, engages in the business of servicing a loan made to a resident of Rhode Island, or a loan secured by residential real estate located in Rhode Island, for a personal, family, or household purpose, owed or due or asserted to be owed or due another; and

(37) "Writing" means hard-copy writing or electronic writing that meets the requirements of § ~~42-127.1-1 et seq~~ 42-127.1-2(7).

19-14-9. Contents of license. -- The license or branch certificate shall contain any information that the director, or the director's designee, shall require, including the type of activity authorized. In his or her discretion, the director, or the director's designee, may substitute an electronic record as the confirmation of a license status in substitution for a license or branch certificate. When dealing with an applicant, or potential applicant, for a mortgage loan or when dealing with any person providing settlement services (as defined in the Real Estate Settlement Procedures Act, as amended, 12 U.S.C. § 2601 et seq., or the regulations promulgated thereunder from time to time), a mortgage loan originator shall disclose the mortgage loan originator's nationwide mortgage licensing system unique identification number upon request to the applicant, or potential applicant, and the fact that the mortgage loan originator is licensed by this state.

19-14-10. Attorney for service of process. -- (a) Every licensee shall appoint, and thereafter maintain, in this state a resident attorney with authority to accept process for the licensee in this state, including the process of garnishment.

(1) The appointment shall be filed with the director, or the director's designee, in whatever format he or she directs. The power of attorney shall provide all contact information, including the business address, ~~including~~ street and number, if any, of the resident attorney. Thereafter, if the resident attorney changes his or her business address or other contact information, he or she shall, within ten (10) days after any change, file in the office of the director, or the director's designee, notice of the change setting forth the attorney's current business address or other contact information.

(2) If the resident attorney dies, resigns, or leaves the state, the licensee shall make a new appointment and file the power of attorney in the office of the director, or the director's designee. The power of attorney shall not be revoked until this power of attorney shall have been given to some other competent person resident in this state and filed with the director, or the director's designee.

(3) Service of process upon the resident attorney shall be deemed sufficient service upon the licensee.

(4) Any licensee who fails to appoint a resident attorney and file the power of attorney in the office of the director, or the director's designee, as above provided for, or fails to replace a resident attorney for a period of thirty (30) days from vacancy, shall be liable for a penalty not exceeding five hundred dollars ($500) and shall be subject to suspension or revocation of the license.

(5) Upon the filing of any power of attorney required by this section, a fee of twenty-five dollars ($25.00) shall be paid to the director for the use of the state.

(6) Any licensee that is a corporation and complies with the provisions of chapter 1.2 of title 7 is exempt from the power of attorney filing requirements of this section. Any licensee that is a limited partnership or limited liability company and complies with the provisions of chapters 13 and 16 of title 7 is exempt from the power of attorney requirements of this section.

(b) Any process, including the process of garnishment, may be served upon the director, or the director's designee, as agent of the licensee in the event that no resident attorney can be found upon whom service can be made, or in the event that the licensee has failed to designate a resident attorney as required, and process may be served by leaving a copy of the process with a fee of twenty-five dollars ($25.00) which shall be included in the taxable costs of the suit, action, or proceeding, in the hands of the director, or the director's designee. This manner of service upon the licensee shall be sufficient, provided that notice of service and a copy of the process shall be immediately sent by certified mail by the plaintiff, or the plaintiff's attorney of record, to the licensee at the latest address filed with the director, or the director's designee. If the licensee has not filed his or her address pursuant to this chapter, notice of service shall be given in any manner that the court in which the action is pending may order as affording the licensee reasonable opportunity to defend the action or to learn of the garnishment. Nothing contained in this section shall limit or affect the right to serve process upon a licensee in any other manner now or hereafter permitted by law.

SECTION 6. Section 19-28.1-14 of the General Laws in Chapter 19-28.1 entitled "Franchise Investment Act" is hereby amended to read as follows:

19-28.1-14. Jurisdiction and venue. -- A provision ~~is~~ in a franchise agreement restricting jurisdiction or venue to a forum outside this state or requiring the application of the laws of another state is void with respect to a claim otherwise enforceable under this act.

SECTION 7. Section 21-27-10 of the General Laws in Chapter 21-27 entitled "Sanitation in Food Establishments" is hereby amended to read as follows:

21-27-10. Registration of food businesses. -- (a) No person shall operate a food business as defined in § 21-27-1(8) unless he or she annually registers the business with the state director of health; provided, that food businesses conducted by nonprofit organizations, hospitals, public institutions, farmers markets, roadside ~~farmstands~~ farm stands, or any municipality shall be exempt from payment of any required fee.

(b) In order to set the registration renewal dates so that all activities for each establishment can be combined on one registration instead of on several registrations, the

registration renewal date shall be set by the department of health. The registration period shall be for twelve (12) months commencing on the registration renewal date. Any renewal registration fee shall be at the full, annual rate regardless of the date of renewal. Any fee for a first-time application shall have the registration ~~rate~~ fee pro-rated based upon the date of issuance of registration. If the registration renewal date is changed, the department may make an adjustment to the fees of registered establishments, not to exceed the annual registration fee, in order to implement the changes in registration renewal date. Registrations issued under this chapter may be suspended or revoked for cause. Any registration or license shall be posted in a place accessible and prominently visible to an agent of the director.

(c) Registration with the director of health shall be based upon satisfactory compliance with all laws and regulations of the director applicable to the food business for which registration is required.

(d) The director of health is authorized to adopt regulations necessary for the implementation of this chapter.

(e) Classification for registration shall be as follows:

(1) In-state and out-of-state food processors that sell food in Rhode Island (Wholesale)

(2) Food processors (Retail)

(3) Food service establishments:

(i) 50 seats or less

(ii) More than 50 seats

(iii) Mobile food service units

(iv) Industrial caterer or food vending machine commissary

(v) Cultural heritage educational facility

(4) Vending machine sites or location:

(i) Three (3) or less machines

(ii) Four (4) to ten (10) machines

(iii) Eleven (11) or more machines

(5) Retail markets:

(i) 1 to 2 cash registers

(ii) 3 to 5 cash registers

(iii) 6 or more cash registers

(6) Retail food peddler (meat, seafood, dairy, and frozen dessert products)

(7) Food warehouses

(f) In no instance, where an individual food business has more than one activity eligible

under this chapter for state registration within a single location, shall the business be required to pay more than a single fee for the one highest classified activity listed in subsection (e) of this section; provided, that, where several separate but identically classified activities are located within the same building and under the management and jurisdiction of one person, one fee shall be required. In each of the instances in this subsection, each activity shall be separately registered.

(g) Fees for registration of the above classifications shall be as set forth in § 23-1-54.

SECTION 8. Section 23-4.1-2 of the General Laws in Chapter 23-4.1 entitled "Emergency Medical Transportation Services" is hereby amended to read as follows:

23-4.1-2. Ambulance service coordinating advisory board. -- (a) The ambulance service coordinating advisory board is hereby created and shall ~~consisting~~ consist of twenty-five (25) members appointed as set out in this section. The governor shall appoint the members of the board as follows: (1) ~~Two~~ two (2) from the department of health; (2) seven (7) practicing, licensed emergency medical technicians as follows:~~,~~ three (3) from a full-time paid department, who shall be recommended from the Rhode Island State Association of Fire Fighters, IAFF, AFL-CIO~~, and~~ two (2) who are active E.M.S. administrators, one recommended ~~from~~ by the Rhode Island Association of Fire Chiefs, and one recommended ~~from~~ by the Rhode Island State Firemen's League from a volunteer fire department; one recommended by the senate president~~;~~ and one recommended by the speaker of the house; (3) one from the R.I. Hospital Association; (4) one from the R.I. Medical Society; (5) one from the R.I. chapter of the American College of Surgeons, committee on trauma; (6) one from the R.I. chapter of the American College of Emergency Physicians; (7) one from the Rhode Island chapter of the American Academy of Pediatrics; (8) two (2) from a professional ambulance service; (9) two (2) from the general public; (10) two (2) from Providence county who are active members of a public ambulance service or fire department rescue squad unit, one from a full-time paid department and one from a volunteer department; (11) four (4), one each from the counties of Kent, Newport, Bristol and Washington, who shall be members of a public ambulance service or a fire department rescue squad; and (12) one certified, emergency nurse in current practice who is a member of the Emergency Room Nurses Association. The members of the board shall be chosen and shall hold office for five (5) years, and until their respective successors are appointed and qualified. In the month of February in each year, the governor shall appoint successors to the members of the board whose terms shall expire in that year, to hold office until the first day of March in the fifth (5th) year after their appointment and until their respective successors are appointed and qualified. Any vacancy that may occur in the board shall be filled by appointment for the remainder of the unexpired term in the same manner as the original appointment. Each member may designate a representative to

attend in his or her absence by notifying the chair prior to that meeting of the board. The board shall meet at least quarterly and to elect its officers annually.

(b) The division of emergency medical services of the department of health shall provide staff support to the board.

SECTION 9. The title of Chapter 23-6.4 of the General Laws entitled "Life-Saving Allergy Medication - Stock Supply of Epineprhine Auto-injectors - Emergency Administration" is hereby amended to read as follows:

~~CHAPTER 23-6.4~~

~~Life-Saving Allergy Medication - Stock Supply of Epineprhine Auto-injectors - Emergency Administration~~

CHAPTER 23-6.4

LIFE-SAVING ALLERGY MEDICATION - STOCK SUPPLY OF EPINEPHRINE AUTO-INJECTORS - EMERGENCY ADMINISTRATION

SECTION 10. Sections 23-6.4-3, 23-6.4-4, 23-6.4-5, 23-6.4-6 and 23-6.4-7 of the General Laws in Chapter 23-6.4 entitled "Life-Saving Allergy Medication - Stock Supply of Epineprhine Auto-injectors - Emergency Administration" are hereby amended to read as follows:

23-6.4-3. Designated entities permitted to maintain supply. -- An authorized entity may acquire and stock a supply of epinephrine auto-injectors pursuant to a prescription issued in accordance with this chapter. Such epinephrine auto-injectors shall be stored in a location readily accessible in an emergency and in accordance with the epinephrine auto-injector's instructions for use and any additional requirements that may be established by the department of health. An authorized entity shall designate employees or agents who have completed the training required by § ~~23-6.5-6~~ 23-6.4-6 to be responsible for the storage, maintenance, and general oversight of epinephrine auto-injectors acquired by the authorized entity.

23-6.4-4. Use of epinephrine auto-injectors. -- An employee or agent of an authorized entity, or other individual, who has completed the training required by § ~~23-6.5-6~~ 23-6.4-6, may, on the premises of or in connection with the authorized entity, use epinephrine auto-injectors prescribed pursuant to § 23-6.4-2 to:

(1) Provide an epinephrine auto-injector to any individual who, the employee, agent, or other individual, believes in good faith is experiencing anaphylaxis, for immediate self-administration, regardless of whether the individual has a prescription for an epinephrine auto-injector or has previously been diagnosed with an allergy.

(2) Administer an epinephrine auto-injector to any individual who, the employee, agent, or other individual, believes in good faith is experiencing anaphylaxis, regardless of whether the

individual has a prescription for an epinephrine auto-injector or has previously been diagnosed with an allergy.

23-6.4-5. Expanded availability. -- An authorized entity that acquires a stock supply of epinephrine auto-injectors pursuant to a prescription issued in accordance with this chapter, may make such epinephrine auto-injectors available to individuals other than those trained individuals described in § ~~23-6.5-6~~ 23-6.4-6, and such individuals may administer such epinephrine auto-injector to any individual believed in good faith to be experiencing anaphylaxis, if the epinephrine auto-injectors are stored in a locked, secure container and are made available only upon remote authorization by an authorized health care provider after consultation with the authorized health care provider by audio, televideo, or other similar means of electronic communication. Consultation with an authorized health care provider for this purpose shall not be considered the practice of telemedicine or otherwise be construed as violating any law or rule regulating the authorized health care provider's professional practice.

23-6.4-6. Training. -- An employee, agent, or other individual described in § ~~23-6.5-4~~ 23-6.4-4 must complete an anaphylaxis training program prior to providing or administering an epinephrine auto-injector made available by an authorized entity. Such training shall be conducted by a nationally recognized organization experienced in training laypersons in emergency health treatment, or an entity or individual approved by the department of health. Training may be conducted online or in person and, at a minimum, shall cover:

(1) Techniques on how to recognize symptoms of severe allergic reactions, including anaphylaxis;

(2) Standards and procedures for the storage and administration of an epinephrine auto-injector; and

(3) Emergency follow-up procedures.

The entity that conducts the training shall issue a certificate, on a form developed or approved by the department of health, to each person who successfully completes the anaphylaxis training program.

23-6.4-7. Good Samaritan protections. -- An authorized entity that possesses and makes available epinephrine auto-injectors and its employees, agents, and other trained individuals; a person who uses an epinephrine auto-injector made available pursuant to § ~~23-6.5-5~~ 23-6.4-5; an authorized health care provider who prescribes epinephrine auto-injectors to an authorized entity; and an individual or entity that conducts the training described in § ~~23-6.5-6~~ 23-6.4-6, shall not be liable for any civil damages that result from the administration or self-administration of an epinephrine auto-injector; the failure to administer an epinephrine auto-injector; or any other act

or omission taken pursuant to this chapter; provided, however, this immunity does not apply to acts or omissions constituting gross negligence or willful or wanton conduct. The administration of an epinephrine auto-injector in accordance with this chapter is not the practice of medicine. This section does not eliminate, limit, or reduce any other immunity or defense that may be available under state law. An entity located in this state shall not be liable for any injuries or related damages that result from the provision or administration of an epinephrine auto-injector by its employees or agents outside of this state if the entity or its employee or agent:

(1) Would not have been liable for such injuries or related damages had the provision or administration occurred within this state; or

(2) Are not liable for such injuries or related damages under the law of the state in which such provision or administration occurred.

SECTION 11. Section 28-9.1-6 of the General Laws in Chapter 28-9.1 entitled "Firefighters' Arbitration" is hereby amended to read as follows:

28-9.1-6. Obligation to bargain. -- It shall be the obligation of the city or town, acting through its corporate authorities, to meet and confer in good faith with the representative or representatives of the bargaining agent within ten (10) days after receipt of written notice from the bargaining agent of the request for a meeting for collective bargaining purposes. This obligation shall include the duty to cause any agreement resulting from the negotiations to be reduced to a written contract, provided that no contract shall exceed the term of one year, unless a longer period is agreed upon in writing by the corporate authorities and the bargaining agents, but in no event shall the contract exceed the term of three (3) years unless a budget commission or a receiver has been appointed for a municipality or fire district pursuant to chapter 9 of title 45, or if a municipality has a locally administered pension plan in "critical status" and is required to submit a funding improvement plan pursuant to § 45-65-6(2)~~.~~. ~~in~~ In either ~~of which~~ case, the contract shall not exceed the term of five (5) years. An unfair labor practice charge may be complained of by either the employer's representative or the bargaining agent to the state labor relations board which shall deal with the complaint in the manner provided in chapter 7 of this title.

SECTION 12. Section 28-9.2-6 of the General Laws in Chapter 28-9.2 entitled "Municipal Police Arbitration" is hereby amended to read as follows:

28-9.2-6. Obligation to bargain. -- It shall be the obligation of the city or town, acting through its corporate authorities, to meet and confer in good faith with the designated representative or representatives of the bargaining agent, including any legal counsel selected by the bargaining agent, within ten (10) days after receipt of written notice from the bargaining agent

of the request for a meeting for collective bargaining purposes. This obligation includes the duty to cause any agreement resulting from the negotiations to be reduced to a written contract, provided that no contract shall exceed the term of one year, unless a longer period is agreed upon in writing by the corporate authorities and the bargaining agent, but in no event shall the contract exceed the term of three (3) years unless a budget commission or a receiver has been appointed for a municipality pursuant to chapter 9 of title 45 or if a municipality has a locally administered pension plan in "critical status" and is required to submit a funding improvement plan pursuant to § 45-65-6(2)~~,~~. ~~in~~ In either ~~of which~~ case, the contract shall not exceed the term of five (5) years. An unfair labor charge may be complained of by either the employer's representative or the bargaining agent to the state labor relations board which shall deal with the complaint in the manner provided in chapter 7 of this title.

SECTION 13. Section 28-9.3-4 of the General Laws in Chapter 28-9.3 entitled "Certified School Teachers' Arbitration" is hereby amended to read as follows:

28-9.3-4. Obligation to bargain. -- It shall be the obligation of the school committee to meet and confer in good faith with the representative or representatives of the negotiating or bargaining agent within ten (10) days after receipt of written notice from the agent of the request for a meeting for negotiating or collective bargaining purposes. This obligation includes the duty to cause any agreement resulting from negotiations or bargaining to be reduced to a written contract; provided, that no contract shall exceed the term of three (3) years unless a budget commission or a receiver has been appointed for a municipality pursuant to chapter 9 of title 45 or if a municipality has a locally administered pension plan in "critical status" and is required to submit a funding improvement plan pursuant to § 45-65-6(2)~~,~~. ~~in~~ In either case, the contract shall not exceed the term of five (5) years. An unfair labor practice charge may be complained of by either the bargaining agent or the school committee to the state labor relations board which shall deal with the complaint in the manner provided in chapter 7 of this title.

SECTION 14. Section 28-9.4-5 of the General Laws in Chapter 28-9.4 entitled "Municipal Employees' Arbitration" is hereby amended to read as follows:

28-9.4-5. Obligation to bargain. -- It shall be the obligation of the municipal employer to meet and confer in good faith with the representative or representatives of the negotiating or bargaining agent within ten (10) days after receipt of written notice from the agent of the request for a meeting for negotiating or collective bargaining purposes. This obligation includes the duty to cause any agreement resulting from negotiation or bargaining to be reduced to a written contract; provided, that no contract shall exceed the term of three (3) years unless a budget commission or a receiver has been appointed for a municipality pursuant to chapter 9 of title 45

or if a municipality has a locally administered pension plan in "critical status" and is required to submit a funding improvement plan pursuant to § 45-65-6(2)~~.~~, ~~in~~ In either ~~of which~~ case, the contract shall not exceed the term of five (5) years. Failure to negotiate or bargain in good faith may be complained of by either the negotiating or bargaining agent or the municipal employer to the state labor relations board, which shall deal with the complaint in the manner provided in chapter 7 of this title. An unfair labor practice charge may be complained of by either the bargaining agent or employer's representative to the state labor relations board, which shall deal with the complaint in the manner provided in chapter 7 of this title.

SECTION 15. Section 28-29-30 of the General Laws in Chapter 28-29 entitled "Workers' Compensation - General Provisions" is hereby amended to read as follows:

28-29-30. Advisory council. -- (a) There is created a workers' compensation advisory council consisting of sixteen (16) members as follows:

(1) The chief judge of the workers' compensation court and one additional judge of the workers' compensation court and one member of the Bar who primarily represents injured workers before the workers' compensation court, both to be selected by the chief judge;

(2) The director of business regulation;

(3) The director of administration;

(4) Three (3) representatives from labor, appointed by the governor, one of whom shall be an injured worker;

(5) Three (3) representatives from business, appointed by the governor, one of whom shall be a self-insured employer, and one of whom shall represent cities and towns;

(6) One representative from the general public appointed by the governor;

(7) The chairperson of the senate labor committee or his or her designee;

(8) The chairperson of the house labor committee or his or her designee;

(9) The director of labor and training; and

(10) The chief executive officer of the workers' compensation insurance fund, or his or her designee.

(b) It shall be the duty of the council to advise the governor and the general assembly, on an annual basis, on the administration of the workers' compensation system.

SECTION 16. Section 28-33-8 of the General Laws in Chapter 28-33 entitled "Workers' Compensation - Benefits" is hereby amended to read as follows:

28-33-8. Employee's choice of physician, dentist, or hospital – Payment of charges – Physician reporting schedule. -- (a)(1) An injured employee shall initially have freedom of choice to obtain health care, diagnosis, and treatment from any qualified health care provider

~~initially~~. The initial health care provider of record may, without prior approval, refer the injured employee to any qualified specialist for independent consultation or assessment, or specified treatment. If the insurer or self-insured employer has a preferred-provider network approved and kept on record by the medical advisory board, any change by the employee from the initial health care provider of record shall only be to a health care provider listed in the approved preferred-provider network; provided, however, that any contract proffered or maintained that restricts or limits the health care provider's ability to make referrals pursuant to the provisions of this section; restricts the injured employee's first choice of health care provider; substitutes or overrules the treatment protocols maintained by the medical advisory board; or attempts to evade or limit the jurisdiction of the workers' compensation court shall be void as against public policy. If the employee seeks to change to a health care provider not in the approved preferred-provider network, the employee must obtain the approval of the insurer or self-insured employer. Nothing contained in this section shall prevent the treatment, care, or rehabilitation of an employee by more than one physician, dentist, or hospital. The employee's first visit to any facility providing emergency care or to a physician or medical facility under contract with or agreement with the employer or insurer to provide priority care, shall not constitute the employee's initial choice to obtain health care, diagnosis, or treatment.

(2) In addition to the treatment of qualified health care providers, the employee shall have the freedom to obtain a rehabilitation evaluation by a rehabilitation counselor certified by the director pursuant to § 28-33-41 in cases where the employee has received compensation for a period of more than three (3) months, and the employer shall pay the reasonable fees incurred by the rehabilitation counselor for the initial assessment.

(b) Within three (3) days of an initial visit following an injury, the health care provider shall provide to the insurer or self-insured employer, and the employee and his or her attorney, a notification of compensable injury form to be approved by the administrator of the medical advisory board. Within three (3) days of the injured employee's release or discharge, return to work, and/or recovery from an injury covered by chapters 29 – 38 of this title, the health care provider shall provide a notice of release to the insurer or self-insured employer, and the employee and his or her attorney, on a form approved by the division. A twenty dollar ($20.00) fee may be charged by the health care provider to the insurer or self-insured employer for the notification of compensable injury forms or notice of release forms or for affidavits filed pursuant to subsection (c) of this section, but only if filed in a timely manner. No claim for care or treatment by a physician, dentist, or hospital chosen by an employee shall be valid and enforceable as against his or her employer, the employer's insurer, or the employee, unless the

physician, dentist, or hospital gives written notice of the employee's choice to the employer/insurance carrier within fifteen (15) days after the beginning of the services or treatment. The health care provider shall, in writing, submit to the employer or insurance carrier an itemized bill and report for the services or treatment and a final itemized bill for all unpaid services or treatment within three (3) months after the conclusion of the treatment. The employee shall not be personally liable to pay any physician, dentist, or hospital bills in cases where the physician, dentist, or hospital has forfeited the right to be paid by the employer or insurance carrier because of noncompliance with this section.

(c)(1) At six (6) weeks from the date of injury, then every twelve (12) weeks thereafter until maximum medical improvement, any qualified physician or other health care professional providing medical care or treatment to any person for an injury covered by chapters 29 – 38 of this title shall file an itemized bill and an affidavit with the insurer, the employee and his or her attorney, and the medical advisory board. A ten percent (10%) discount may be taken on the itemized bill affidavits not filed in a timely manner and received by the insurer one week or more late. The affidavit shall be on a form designed and provided by the administrator of the medical advisory board and shall state:

(i) The type of medical treatment provided to date, including type and frequency of treatment(s);

(ii) Anticipated further treatment, including type, frequency, and duration of treatment(s), whether or not maximum medical improvement has been reached, and the anticipated date of discharge;

(iii) Whether the employee can return to the former position of employment, or is capable of other work, specifying work restrictions and work capabilities of the employee; (2) The affidavit shall be admissible as an exhibit of the workers' compensation court with or without the appearance of the affiant.

(d) "Itemized bill", as referred to in this section, means a completed statement of charges, on a form CMS HCFA 1500, UB 92/94 or other form suitable to the insurer, that includes, but is not limited to, an enumeration of specific types of care provided; facilities or equipment used; services rendered; and appliances or medicines prescribed, for purposes of identifying the treatment given the employee with respect to his or her injury.

(e)(1) The treating physician shall furnish to the employee, or to his or her legal representative, a copy of his or her medical report within ten (10) days of the examination date.

(2) The treating physician shall notify the employer, and the employee and his or her attorney, immediately when an employee is able to return to full or modified work. (3) There

shall be no charge for a health record when that health record is necessary to support any appeal or claim under the Workers' Compensation Act § 23-17-19.1(16). The treating physician shall furnish to the employee, or to his or her legal representative, a medical report, within ten (10) days of the request, stating the diagnosis, disability, loss of use, end result and/or causal relationship of the employee's condition associated with the work related injury. The physician shall be entitled to charge for these services only as enunciated in the State of Rhode Island workers compensation medical fee schedule.

(f)(1) Compensation for medical expenses and other services under § 28-33-5, 28-33-7 or 28-33-8 is due and payable within twenty-one (21) days from the date a request is made for payment of these expenses by the provider of the medical services. In the event payment is not made within twenty-one (21) days from the date a request is made for payment, the provider of medical services may add, and the insurer or self-insurer shall pay, interest at the per annum rate as provided in § 9-21-10 on the amount due. The employee or the medical provider may file a petition with the administrator of the workers' compensation court which petition shall follow the procedure as authorized in chapter 35 of this title. (2)The twenty-one day (21) period in subdivision (1) of this subsection and in § 28-35-12 shall begin on the date the insurer receives a request with appropriate documentation required to determine whether the claim is compensable and the payment requested is due.

SECTION 17. Section 30-30.1-1 of the General Laws in Chapter 30-30.1 entitled "Educational Benefits for Disabled American Veterans" is hereby amended to read as follows:

30-30.1-1. Educational benefits for disabled American veterans. -- Any veteran who is a permanent resident of this state who submits proof sufficient to establish a veterans' rated ten percent (10%) to one hundred percent (100%) disability by the department of veterans' affairs as a result of military service shall be entitled to take courses at any public institution of higher education in the state without the payment of tuition, exclusive of other fees and charges; provided, however, that any person eligible for financial aid as determined by the institution of higher education shall apply for such financial aid. Any financial aid award received by the applicant shall be applied towards the full amount of tuition that would otherwise have been charged by the public institution of higher education. Students using the tuition waivers for courses and competitive programs shall register at the start of open registration for the applicable semester in accordance with each institution's registration policies. This ~~will include~~ includes priority registration where granted to students with disability status. Use of this waiver for competitive programs does not supersede any existing academic criteria for admission into those programs.

SECTION 18. Section 31-5.1-4 of the General Laws in Chapter 31-5.1 entitled "Regulation of Business Practices Among Motor Vehicle Manufacturers, Distributors, and Dealers" is hereby amended to read as follows:

31-5.1-4. Violations. -- (a) It shall be deemed a violation of this chapter for any manufacturer or motor vehicle dealer to engage in any action that is arbitrary, in bad faith, or unconscionable and that causes damage to any of the parties involved or to the public.

(b) It shall be deemed a violation of this chapter for a manufacturer, or officer, agent, or other representative of a manufacturer, to coerce, or attempt to coerce, any motor vehicle dealer:

(1) To order or accept delivery of any motor vehicle or vehicles, equipment, parts, or accessories for them, or any other commodity or commodities that the motor vehicle dealer has not voluntarily ordered.

(2) To order or accept delivery of any motor vehicle with special features, accessories, or equipment not included in the list price of that motor vehicle as publicly advertised by the manufacturer of the vehicle.

(3) To participate monetarily in an advertising campaign or contest, or to purchase any promotional materials, or training materials, showroom, or other display decorations, or materials at the expense of the new motor vehicle dealership.

(4) To enter into any agreement with the manufacturer or to do any other act prejudicial to the new motor vehicle dealer by threatening to terminate or cancel a franchise or any contractual agreement existing between the dealer and the manufacturer; except that this subdivision is not intended to preclude the manufacturer or distributor from insisting on compliance with the reasonable terms or provisions of the franchise or other contractual agreement. Notice in good faith to any new motor vehicle dealer of the new motor vehicle dealer's violation of those terms or provisions shall not constitute a violation of the chapter.

(5) To refrain from participation in the management of, investment in, or acquisition of any other line of new motor vehicle or related products. This subdivision does not apply unless the new motor vehicle dealer maintains a reasonable line of credit for each make or line of new motor vehicles, the new motor vehicle dealer remains in compliance with any reasonable facilities requirements of the manufacturer; and no change is made in the principal management of the new motor vehicle dealer.

(6) To assent to a release, assignment, novation, waiver, or estoppel in connection with the transfer or voluntary termination of a franchise, or that would relieve any person from the liability to be imposed by this law; or to require any controversy between a new motor vehicle dealer and a manufacturer, distributor, or representative to be referred to any person other than

the duly constituted courts of this state or of the United States of America, or to the department of revenue of this state, if that referral would be binding upon the new motor vehicle dealer.

(7) To order for any person any parts, accessories, equipment, machinery, tools, or any commodities.

(c) It shall be deemed a violation of this chapter for a manufacturer, or officer, agent, or other representative:

(1) To refuse to deliver in reasonable quantities and within a reasonable time after receipt of the dealer's order, to any motor vehicle dealer having a franchise or contractual arrangement for the retail sale of new motor vehicles sold or distributed by the manufacturer, any motor vehicles covered by the franchise or contract, specifically publicly advertised by the manufacturer to be available for immediate delivery. However, the failure to deliver any motor vehicle shall not be considered a violation of this chapter if that failure is due to an act of God, work stoppage, or delay due to a strike or labor difficulty, shortage of materials, a freight embargo, or other cause over which the manufacturer, distributor, or wholesaler, its agent, shall have no control.

(2) To refuse to deliver, or otherwise deny, to any motor vehicle dealer having a franchise or contractual arrangement for the retail sale of new motor vehicles sold or distributed by the manufacturer any particular new motor vehicle model made or distributed by the manufacturer under the name of the division of the manufacturer of which the dealer is an authorized franchise.

(3) It shall be deemed a prima facie violation of this chapter for any automotive vehicle division manufacturer to require any separate franchise or contractual arrangement with any new motor vehicle dealer already a party to a franchise or contractual arrangement with that automotive vehicle division for the retail sale of any particular new motor vehicle model made or distributed by that division.

(4) To coerce, or attempt to coerce, any motor vehicle dealer to enter into any agreement with the manufacturer, or their officers, agents, or other representatives, or to do any other act prejudicial to the dealer, by threatening to cancel any franchise or any contractual agreement existing between the manufacturer and the dealer. Notice in good faith to any motor vehicle dealer of the dealer's violation of any terms or provisions of the franchise or contractual agreement shall not constitute a violation of this chapter.

(5) To resort to or use any false or misleading advertisement in connection with his or her business as a manufacturer, an officer, agent, or other representative.

(6) To sell or lease any new motor vehicle to, or through, any new motor vehicle dealer

at a lower actual price therefore than the actual price offered to any other new motor vehicle dealer for the same model vehicle similarly equipped or to utilize any device, including, but not limited to, sales promotion plans or programs, that result in a lesser actual price. The provisions of this paragraph shall not apply to sales to a new motor vehicle dealer for resale to any unit of the United States government or to the state or any of its political subdivisions. A manufacturer may not reduce the price of a motor vehicle charged to a dealer or provide different financing terms to a dealer in exchange for the dealer's agreement to:

(i) Maintain an exclusive sales or service facility;

(ii) Build or alter a sales or service facility; or

(iii) Participate in a floor plan or other financing.

(7) To sell or lease any new motor vehicle to any person, except a manufacturer's employee, at a lower actual price than the actual price offered and charged to a new motor vehicle dealer for the same model vehicle similarly equipped or to utilize any device which results in a lesser actual price. The provisions of this paragraph shall not apply to sales to a new motor vehicle dealer for resale to any unit of the United States government, or to the state or any of its political subdivisions.

(8) To offer in connection with the sale of any new motor vehicle or vehicles, directly or indirectly, to a fleet purchaser, within or without this state, terms, discounts, refunds, or other similar types of inducements to that purchaser without making the same offer or offers available to all of its new motor vehicles dealers in this state. No manufacturer may impose or enforce any restrictions against new motor vehicle dealers in this state or their leasing, rental, or fleet divisions or subsidiaries that are not imposed or enforced against any other direct or indirect purchaser from the manufacturer. The provisions of this paragraph shall not apply to sales to a new motor vehicle dealer for resale to any unit of the United States government, or to the state or any of its political subdivisions.

(9) To use or consider the performance of a motor vehicle dealer relating to the sale of the manufacturer's vehicles or the motor vehicle dealer's ability to satisfy any minimum sales or market share quota or responsibility relating to the sale of the manufacturer's new vehicles in determining:

(i) The motor vehicle dealer's eligibility to purchase program, certified, or other used motor vehicles from the manufacturer;

(ii) The volume, type, or model of program, certified, or other used motor vehicles that a motor vehicle dealer is eligible to purchase from the manufacturer;

(iii) The price of any program, certified, or other used motor vehicle that the dealer is

eligible to purchase from the manufacturer; or

(iv) The availability or amount of any discount, credit, rebate, or sales incentive that the dealer is eligible to receive from the manufacturer for the purchase of any program, certified, or other used motor vehicle offered for sale by the manufacturer.

(10) To offer to sell or to sell parts or accessories to any new motor vehicle dealer for use in the dealer's own business for the purpose of repairing or replacing the same parts or accessories or a comparable part or accessory, at a lower actual price than the actual price charged to any other new motor vehicle dealer for similar parts or accessories to use in the dealer's own business. In those cases where new motor vehicle dealers operate or serve as wholesalers of parts and accessories to retail outlets, these provisions shall be construed to prevent a manufacturer, or its agents, from selling to a new motor vehicle dealer who operates and services as a wholesaler of parts and accessories, any parts and accessories that may be ordered by that new motor vehicle dealer for resale to retail outlets at a lower actual price than the actual price charged a new motor vehicle dealer who does not operate or serve as a wholesaler of parts and accessories.

(11) To prevent, or attempt to prevent, by contract or otherwise, any new motor vehicle dealer from changing the capital structure of his or her dealership or the means by which, or through which the dealer finances the operation of his or her dealership. However, the new motor vehicle dealer shall at all times meet any reasonable capital standards agreed to between the dealership and the manufacturer, provided that any change in the capital structure by the new motor vehicle dealer does not result in a change in the executive management control of the dealership.

(12) To prevent, or attempt to prevent, by contract or otherwise, any new motor vehicle dealer, or any officer, partner, or stockholder of any new motor vehicle dealer, from selling or transferring any part of the interest of any of them to any other person or persons or party or parties. Provided, however, that no dealer, officer, partner, or stockholder shall have the right to sell, transfer, or assign the franchise or power of management or control without the consent of the manufacturer, except that the consent shall not be unreasonably withheld.

(13) To obtain money, goods, services, anything of value, or any other benefit from any other person with whom the new motor vehicle dealer does business, on account of, or in relation to, the transactions between the dealer and that other person, unless that benefit is promptly accounted for and transmitted to the new motor vehicle dealer.

(14) To compete with a new motor vehicle dealer operating under an agreement or franchise from the manufacturer in the state of Rhode Island, through the ownership, operation, or

control of any new motor vehicle dealers in this state, or by participation in the ownership, operation, or control of any new motor vehicle dealer in this state. A manufacturer shall not be deemed to be competing when operating, controlling, or owning a dealership, either temporarily for a reasonable period, but in any case not to exceed one year, which one-year (1) period may be extended for a one-time, additional period of up to six (6) months upon application to, and approval by, the motor vehicle dealers license and hearing board, which approval shall be subject to the manufacturer demonstrating the need for this extension, and with other new motor vehicle dealers of the same line ~~making~~ or make being given notice and an opportunity to be heard in connection with said application, or in a bona fide relationship in which an independent person had made a significant investment subject to loss in the dealership and can reasonably expect to acquire full ownership of the dealership on reasonable terms and conditions within a reasonable period of time.

(15) To refuse to disclose to any new motor vehicle dealer, handling the same line or make, the manner and mode of distribution of that line or make within the relevant market area.

(16) To increase prices of new motor vehicles that the new motor vehicle dealer had ordered for private retail consumers prior to the new motor vehicle dealer's receipt of the written, official price increase notification. A sales contract signed by a private retail consumer shall constitute evidence of an order, provided that the vehicle is in fact delivered to that customer. In the event of manufacturer price reductions or cash rebates paid to the new motor vehicle dealer, the amount of any reduction or rebate received by a new motor vehicle dealer shall be passed on to the private retail consumer by the new motor vehicle dealer. Price reductions shall apply to all vehicles in the dealer's inventory that were subject to the price reduction. Price differences applicable to new model or series motor vehicles at the time of the introduction of new models or series shall not be considered a price increase or price decrease. Price changes caused by either: (i) The addition to a motor vehicle of required or optional equipment; (ii) Revaluation of the United States dollar, in the case of foreign-make vehicles or components; or (iii) An increase in transportation charges due to increased rates imposed by common carriers, shall not be subject to the provisions of this subdivision.

(17) To release to any outside party, except under subpoena or as otherwise required by law, or in an administrative, judicial, or arbitration proceeding involving the manufacturer or new motor vehicle dealer, any business, financial, or personal information that may be, from time to time, provided by the new motor vehicle dealer to the manufacturer, without the express written consent of the new motor vehicle dealer.

(18) To unfairly discriminate among its new motor vehicle dealers with respect to

warranty reimbursement, or any program that provides assistance to its dealers, including internet listings; sales leads; warranty policy adjustments; marketing programs; and dealer recognition programs.

(19) To unreasonably withhold consent to the sale, transfer, or exchange of the franchise to a qualified buyer capable of being licensed as a new motor vehicle dealer in this state.

(20) To fail to respond, in writing, to a request for consent as specified in subdivision (19) of this subsection within sixty (60) days of the receipt of a written request on the forms, if any, generally utilized by the manufacturer or distributor for those purposes and containing the information required therein. The failure to respond shall be deemed to be a consent to the request. A manufacturer may not impose a condition on the approval of a sale, transfer, or exchange of the franchise if the condition would violate the provisions of this chapter if imposed on an existing dealer.

(21) To unfairly prevent a new motor vehicle dealer from receiving fair and reasonable compensation for the value of the new motor vehicle dealership.

(22) To require that a new motor vehicle dealer execute a written franchise agreement that does not contain substantially the same provisions as the franchise agreement being offered to other new motor vehicle dealers handling the same line or make. In no instance shall the term of any franchise agreement be of a duration of less than three (3) years.

(23) To require that a new motor vehicle dealer provide exclusive facilities, personnel, or display space taking into consideration changing market conditions, or that a dealer execute a site control agreement giving a manufacturer control over the dealer's facilities.

(24) To require that a dealer expand facilities without a guarantee of a sufficient supply of new motor vehicles to justify that expansion or to require that a dealer expand facilities to a greater degree than is necessary to sell and service the number of vehicles that the dealer sold and serviced in the most recent calendar year.

(25) To prevent a dealer from adjusting his or her facilities to permit a relocation of office space, showroom space, and service facilities so long as the relocation is within five hundred (500) yards of the present location.

(26) To engage in any predatory practice against a new motor vehicle dealer.

(27) To prevent, prohibit, or coerce any new motor vehicle dealer from charging any consumer any fee allowed to be charged by the dealer under Rhode Island law or regulation except as related to eligible participants under a military discount program in which the dealer voluntarily participates and receives financial compensation from the manufacturer or distributor, to the extent that such a program is not offered to the general public.

(d) It shall be a violation of this chapter for a manufacturer to terminate, cancel, or fail to renew the franchise of a new motor vehicle dealer except as provided in this subsection:

(1) Notwithstanding the terms, provisions, or conditions of any franchise, whether entered into before or after the enactment of this chapter or any of its provisions, or notwithstanding the terms or provisions of any waiver, whether entered into before or after the enactment of this chapter or any of its provisions, no manufacturer shall cancel, terminate, or fail to renew any franchise with a licensed new motor vehicle dealer unless the manufacturer has:

(i) Satisfied the notice requirement of this subsection;

(ii) Has good cause for the cancellation, termination, or nonrenewal;

(iii) Has not committed any violations set forth in subsection (b) of this section; and

(iv) Has acted in good faith as defined in this chapter and has complied with all provisions of this chapter.

(2) Notwithstanding the terms, provisions, or conditions of any franchise or the terms or provisions of any waiver, good cause shall exist for the purposes of a termination, cancellation, or nonrenewal when:

(i) There is a failure by the new motor vehicle dealer to comply with a provision of the franchise, which provision is both reasonable and of material significance to the franchise relationship, provided that the dealer has been notified, in writing, of the failure within one hundred eighty (180) days after the manufacturer first acquired knowledge of that failure;

(ii) If the failure by the new motor vehicle dealer, as provided in paragraph (i) of this subdivision, relates to the performance of the new motor vehicle dealer in sales or service, then good cause shall be defined as the failure of the new motor vehicle dealer to comply with reasonable performance criteria established by the manufacturer if the new motor vehicle dealer was apprised by the manufacturer, in writing, of that failure; and:

(A) The notification stated that notice was provided of failure of performance pursuant to paragraph (i) of this subdivision;

(B) The new motor vehicle dealer was afforded a reasonable opportunity, for a period of not less than six (6) months, to comply with those criteria; and

(C) The new motor vehicle dealer did not demonstrate substantial progress towards compliance with the manufacturer's performance criteria during that period.

(3) The manufacturer shall have the burden of proof for showing that the notice requirements have been complied with; that there was good cause for the franchise termination; cancellation or nonrenewal; and that the manufacturer has acted in good faith.

(i) Notwithstanding the terms, provisions, or conditions of any franchise, prior to the

termination, cancellation, or nonrenewal of any franchise, the manufacturer shall furnish notification of the termination, cancellation, or nonrenewal to the new motor vehicle dealer as follows:

(A) In the manner described in paragraph (ii) of this subdivision; and

(B) Not fewer than ninety (90) days prior to the effective date of the termination, cancellation, or nonrenewal; or

(C) Not fewer than fifteen (15) days prior to the effective date of the termination, cancellation, or nonrenewal for any of the following reasons:

(I) Insolvency of the new motor vehicle dealer, or the filing of any petition by, or against, the new motor vehicle dealer under any bankruptcy or receivership law;

(II) Failure of the new motor vehicle dealer to conduct his customary sales and service operations during his or her customary business hours for seven (7) consecutive business days;

(III) Final conviction of the new motor vehicle dealer, or any owner or operator of the dealership, of a crime which is associated with or related to, the operation of the dealership;

(IV) Revocation of any license that the new motor vehicle dealer is required to have to operate a dealership; or

(D) Not fewer than one hundred eighty (180) days prior to the effective date of the termination or cancellation where the manufacturer or distributor is discontinuing the sale of the product line.

(ii) Notification under this subsection shall be in writing, shall be by certified mail or personally delivered to the new motor vehicle dealer, and shall contain:

(A) A statement of intention to terminate, cancel, or not to renew the franchise;

(B) A statement of the reasons for the termination, cancellation, or nonrenewal; and

(C) The date on which the termination, cancellation, or nonrenewal shall take effect.

(iii) Upon the involuntary or voluntary termination, nonrenewal, or cancellation of any franchise, by either the manufacturer or the new motor vehicle dealer, notwithstanding the terms of any franchise whether entered into before or after the enactment of this chapter or any of its provisions, the new motor vehicle dealer shall be allowed fair and reasonable compensation by the manufacturer for the following:

(A) The new motor vehicle dealer's cost, less allowances paid by the manufacturer, of each new, undamaged, unsold, and unaltered, except for dealer-installed, manufacturer-authorized accessories, motor vehicle, regardless of model year purchased from the manufacturer or another dealer of the same line ~~make~~ or make in the ordinary course of business within twenty-four (24) months of termination, having five hundred (500) or fewer miles recorded on the odometer that is

in the new motor vehicle dealer's inventory at the time of termination, nonrenewal, or cancellation.

(B) The new motor vehicle dealer's cost of each new, unused, undamaged, and unsold part or accessory that is in the current parts catalogue, or is identical to a part or accessory in the current parts catalogue except for the number assigned to the part or accessory due to a change in the number after the purchase of the part or accessory, and that is still in the original, resalable merchandising package and in an unbroken lot, except that, in the case of sheet metal, a comparable substitute for the original package may be used.

(C) The fair market value of each undamaged sign, normal wear and tear excepted, owned by the dealer that bears a trademark or trade name used or claimed by the manufacturer that was purchased as a requirement of the manufacturer.

(D) The fair market value of all special tools, and automotive services equipment owned by the dealer that: (I) Were recommended in writing and designated as special tools and equipment; (II) Were purchased as a requirement of the manufacturer; and (III) Are in usable and good condition except for reasonable wear and tear.

(E) The cost of transporting, handling, packing, storing, and loading any property that is subject to repurchase under this section.

(F) The payments above are due within sixty (60) days from the date the dealer submits an accounting to the manufacturer of the vehicle inventory subject to repurchase, and for other items within sixty (60) days from the date the dealer submits an accounting of the other items subject to repurchase, provided, the new motor vehicle dealer has clear title (or will have clear title upon using the repurchase funds to obtain clear title) to the inventory and other items and is in a position to convey that title to the manufacturer. If the inventory or other items are subject to a security interest, the manufacturer, wholesaler, or franchisor may make payment jointly to the dealer and the holder of the security interest. In no event shall the payments be made later than ninety (90) days of the effective date of the termination, cancellation, or nonrenewal.

(iv) In the event the termination, cancellation, or nonrenewal is involuntary and not pursuant to subsection (3)(i)(C) of this section and:

(A) The new motor vehicle dealer is leasing the dealership facilities from a lessor other than the manufacturer, the manufacturer shall pay the new motor vehicle dealer a sum equivalent to the rent for the unexpired term of the lease or (2) two year's rent, whichever is less; or

(B) If the new motor vehicle dealer owns the facilities, the manufacturer shall pay the new motor vehicle dealer a sum equivalent to the reasonable rental value of the facilities for two (2) years; if:

(I) The new motor vehicle dealer is unable to reasonably utilize the facilities for another purpose;

(II) The new motor vehicle dealer, or the manufacturer acting as its agent, is unable to make arrangements for the cancellation or assumption of its lease obligations by another party in the case of leased facilities, or is unable to sell dealer-owned facilities; and

(III) Only to the extent those facilities were required as a condition of the franchise and used to conduct sales and service operations related to the franchise product.

(v) In addition to any injunctive relief and any other damages allowable by this chapter, if the manufacturer is discontinuing the product line or fails to prove that there was good cause for the termination, cancellation, or nonrenewal, or if the manufacturer fails to prove that the manufacturer acted in good faith, then the manufacturer shall pay the new motor vehicle dealer fair and reasonable compensation for the value of the dealership as an ongoing business.

In addition to the other compensation described in paragraphs (iii) and (iv) above and in this section, the manufacturer shall also reimburse the dealer for any costs incurred for facility upgrades or alterations required by the manufacturer within two (2) years of the effective date of the termination.

(vi) If a manufacturer is discontinuing the product line and thus, as a result a franchise for the sale of motor vehicles is subject to termination, cancellation, or nonrenewal, the manufacturer shall:

(A) Authorize the dealer, at the dealer's option, that remains a franchised dealer of the manufacturer regardless of the discontinuation of a product line, to continue servicing and supplying parts (without prejudice to the right of the manufacturer to also authorize other franchised dealers to provide service and parts for a discontinued product line), including services and parts pursuant to a warranty issued by the manufacturer for any goods or services marketed by the dealer pursuant to the motor vehicle franchise for a period of not less than five (5) years from the effective date of the termination, cancellation, or nonrenewal;

(B) Continue to reimburse the dealer that remains a franchised dealer of the manufacturer regardless of the discontinuation of a product line or another franchised dealer of the manufacturer in the area for warranty parts and service in an amount, and on terms not less favorable than, those in effect prior to the termination, cancellation, or nonrenewal;

(C) The manufacturer shall continue to supply the dealer that remains a franchised dealer of the manufacturer regardless of the discontinuation of a product line or another franchised dealer of the manufacturer in the area with replacement parts for any goods or services marketed by the dealer pursuant to the franchise agreement for a period of not less than five (5) years from

the effective date of the termination, cancellation, or nonrenewal, at a price, and on terms not less favorable than, those in effect prior to the termination, cancellation, or nonrenewal;

(vii) The requirements of this section do not apply to a termination, cancellation, or nonrenewal due to the sale of the assets or stock of the motor vehicle dealer.

(D) To be entitled to facilities assistance from the manufacturer as described above, the dealer shall have the obligation to mitigate damages by listing the dealership facilities for lease or sublease with a licensed real estate agent within thirty (30) days after the effective date of the termination of the franchise and thereafter be reasonably cooperating with such real estate agent in the performance of the agent's duties and responsibilities. If the dealer is able to lease or sublease the dealership facilities on terms that are consistent with local zoning requirements to preserve the right to sell motor vehicles from the dealership facilities and the terms of the dealer's lease, the dealer shall be obligated to pay the manufacturer the net revenue received from such mitigation, but only following receipt of facilities assistance payments pursuant to this chapter, and only up to the total amount of facilities assistance payments that the dealer has received.

(e) It shall be deemed a violation of this chapter for a motor vehicle dealer:

(1) To require a purchaser of a new motor vehicle, as a condition of the sale and delivery thereof, to also purchase special features, equipment, parts, or accessories not desired or requested by the purchaser. This prohibition shall not apply as to special features, equipment, parts, or accessories that are already installed on the car before sale by the dealer.

(2) To represent and sell as a new motor vehicle any motor vehicle that is a used motor vehicle.

(3) To resort to or use any false or misleading advertisement in connection with his or her business as a motor vehicle dealer.

(4) To engage in any deception or fraudulent practice in the repair of motor vehicles.

SECTION 19. Section 31-44-3 of the General Laws in Chapter 31-44 entitled "Mobile and Manufactured Homes" is hereby amended to read as follows:

31-44-3. Rules and regulations. -- The following requirements and restrictions shall apply to all mobile and manufactured home parks:

(1) A mobile and manufactured home park licensee shall promulgate reasonable rules and regulations that shall specify standards for mobile and manufactured homes in the park, entry requirements, and rules governing the rental or occupancy of a mobile-and manufactured-home lot and mobile and manufactured-home park;

(2) Current rules and regulations promulgated by a mobile-and manufactured-home park licensee shall be delivered by the licensee to a prospective resident prior to entering into a rental

agreement, and to the resident(s) as soon as promulgated and whenever revised. A copy of the rules and regulations shall be filed with the director and posted in a conspicuous place in the mobile-and manufactured-home park;

(3) Any rule or change in rent that does not apply uniformly to all mobile and manufactured home residents of a similar class shall create a rebuttable presumption that the rule or change in rent is unreasonable;

(4) (i) A mobile-and manufactured-home park licensee shall not impose any conditions of rental or occupancy that restricts the mobile and manufactured home owner in his or her choice of a seller of fuel, furnishings, goods, services, accessories, or other utilities connected with the rental or occupancy of a mobile-and manufactured-home lot~~.~~;

(ii) The licensee who purchases electricity or gas (natural, manufactured, or similar gaseous substance) from any public utility or municipally owned utility or who purchases water from a water system for the purpose of supplying or reselling the electricity or gas to any other person to whom he leases, lets, rents, subleases, sublets, or subrents the premises upon which the electricity, gas, or water is to be used, shall not charge, demand, or receive directly or indirectly, any amount for the resale of any electricity, gas, or water greater than that amount charged by the public utility or municipally owned utility from which the electricity, ~~or~~ gas or water was purchased or by the public water system from which the water was purchased~~.~~;

(iii) However, if the licensee incurs costs in bringing the utility service to individual units, or in utilizing individual meters, or in some similar cost, the licensee will be entitled to a return for the investment~~.~~;

(iv) The park operator shall post in a conspicuous place the prevailing utility rate schedule as published by the serving utility;

(5) If any mobile-and manufactured-home park licensee adds, changes, deletes, or amends any rule governing the rental or occupancy of a mobile-and manufactured-home lot in a mobile-and manufactured-home park, a new copy of all those rules shall be furnished to all mobile-and manufactured-home residents in the park, and filed with the department for its review, recommendations, and recording for future reference at least forty-five (45) days prior to the effective date of the addition, change, deletion, or amendment. The new copy furnished to the resident shall be signed by both the mobile-and manufactured-home park owner and the mobile-and manufactured-home park resident. Any mobile park resident who believes the rule change is in violation of the chapter, may file a complaint with the director in accordance with § 31-44-17. The complaint shall be filed within twenty (20) days of receipt of written notice of the change. The complaint shall specify the rule in dispute and contain the basis by which the change violates

this chapter.;

(6) If any mobile-and manufactured-home park licensee changes the rent or fees associated with a mobile-and manufactured-home lot, notice of the change shall be given to the mobile-and manufactured-home resident at least sixty (60) days prior to the effective date of the change. Any mobile park resident who believes that the rule change is in violation of this chapter, may file a complaint with the director in accordance with § 31-44-17. The complaint shall be filed within twenty (20) days after receipt of written notice of the change. The complaint shall specify the basis by which the change violates this chapter.;

(7) The owners of individual mobile and manufactured homes shall be entitled to have as many occupants in their homes as is consistent with the number of bedrooms and/or bed spaces certified by the manufacturer; provided that the occupancy does not violate any provision of the general laws or other municipal regulations. All bedrooms shall consist of a minimum of fifty (50) square feet of floor area and bedrooms designed and certified for two (2) or more people shall consist of seventy (70) square feet of floor area plus fifty (50) square feet for each person in excess of two (2). If there is sufficient bed space, according to the criteria set forth in this subdivision, additional rent or charges may not be imposed by a park owner or manager for any person or persons moving in with current resident owners of a mobile and manufactured home;

(8) A prospective resident shall not be charged an entrance fee for the privilege of leasing or occupying a mobile-and manufactured-home lot, except as provided in § 31-44-4; provided, that when a mobile and manufactured home is transported onto the mobile-and manufactured-home park, an entrance fee may be charged. However, if the park owner received a commission for the sale of the mobile and manufactured home, no entrance fee shall be charged. A reasonable charge for the fair value of the owner's cost in obtaining, preparing, and maintaining a lot, or for the fair value of services performed in placing a mobile and manufactured home on a lot, shall not be considered an entrance fee, but shall be deemed a hook-up fee or maintenance fee and shall be detailed in the fee schedule. No tenant, or person seeking space in a mobile-and manufactured-housing park, shall be required to purchase manufactured housing from any particular person unless the person designated is the park owner or operator and the requirement is imposed only in connection with the initial leasing or renting of a newly-constructed lot or space not previously leased or rented to any other person. A resident may remove and replace a mobile and manufactured home; provided, that the resident shall install the mobile and manufactured home in accordance with present park standards regarding structural requirements and aesthetic maintenance in the mobile-and manufactured-home park where the replacement occurs, and in accordance with minimum standards for mobile and manufactured homes

established by the United States Department of Housing and Urban Development. No fee shall be charged by the licensee to residents as a result of the resident's installation of cable television;

(9) Prior to signing a lease, a licensee shall ~~dispose~~ disclose, in writing, to the prospective resident:

(i) The rental for the space or lot; and

(ii) Any charges, including service charges, imposed by the licensee. The licensee shall ~~dispose~~ disclose the rent and charges that were in effect during the three (3) preceding years, or the period during which the licensee has operated the mobile home park, whichever is shorter;

(10) A copy of the fee schedule shall be filed with the commission and posted in a conspicuous place in the mobile-and manufactured-home park; and

(11) (i) A resident shall not be charged a fee for keeping a pet in a mobile-and manufactured-home park unless the park owner or management actually provides special facilities or services for pets. If special pet facilities are maintained by the park owner or management, the fee charged shall reasonably relate to the cost of maintenance of the facilities or services and the number of pets kept in the park~~.~~;

(ii) If the park owner or management of a mobile-and manufactured-home park implements a rule or regulation prohibiting residents from keeping pets in the park, the new rule or regulation shall not apply to prohibit the residents from continuing to keep the pets currently in the park if the pet otherwise conforms with the previous park rules or regulations relating to pets. However, if the pet dies, the resident shall have the right to replace the pet~~.~~;

(iii) Any rule or regulation prohibiting residents from keeping pets in a mobile-and manufactured-home park shall not apply to guide, signal, or service animals~~.~~;

(12) Any board or commission vested with governing powers over a mobile-or manufactured-home community, including resident-owned and nonresident-owned mobile home park resident associations, shall establish and/or adhere to fair and impartial written guidelines and bylaws for conducting elections that have been provided to all residents of the mobile home park at least forty-five (45) days prior to any election. The written guidelines and bylaws shall ensure transparency in the election process with reasonable and meaningful notice to, and participation of, all residents. The department is authorized to promulgate rules and regulations necessary to implement this subsection.

SECTION 20. Section 31-44.2-8 of the General Laws in Chapter 31-44.2 entitled "Abandoned Mobile and Manufactured Home Act" is hereby amended to read as follows:

31-44.2-8. Notices and complaint forms. -- (a) A notice in substantially the following language shall suffice for the purpose of giving an owner notice of removal of an abandoned

mobile or manufactured home pursuant to chapter 44.2 of title 31:

THIRTY-DAY NOTICE FOR REMOVAL OF MOBILE OR MANUFACTURED HOME

Date of Notice: _____ You are notified that a certain mobile or manufactured home (describe mobile home in terms of size, color, make, and model, if known) located at (give address or describe location) meets the definition of an abandoned mobile or manufactured home within the meaning of the "Abandoned Mobile or Manufactured Home Act" pursuant to chapter 44.2 of title 31. Unless all delinquent taxes (including penalty and interest) are paid, and electric, water, and waste service are restored to this mobile or manufactured home within thirty (30) days of the date of this notice, the plaintiff shall remove and dispose of the mobile or manufactured home, and it shall be disposed of or sold at public auction free and clear of any existing liens.

_____ Signature of plaintiff

I certify that I placed in regular U.S. mail first class postage prepaid, a copy of this notice addressed to the ~~plaintiff~~ defendant on the _____ day of _____ 20_____.

(b) A complaint in substantially the following language shall suffice for the purpose of commencing removal of an abandoned mobile or manufactured home pursuant to chapter 44.2 of title 31:

State of Rhode Island and Providence Plantations , Sc. DISTRICT COURT

_____ DIVISION

PLAINTIFF DEFENDANT

(Landowner/Licensee/Municipality Name) V (Mobile or Manufactured Homeowner Name)

_____

_____

_____

(Address) (Address of premises on which abandoned mobile or manufactured home is located)

COMPLAINT FOR REMOVAL OF ABANDONED MOBILE OR MANUFACTURED HOME

chapter 44.2 of title 31.

(1) Plaintiff is the landowner/licensee/municipality in which defendant's/owner's mobile or manufactured home is situated.

(2) The mobile or manufactured home meets the definition of abandoned mobile or manufacturer home as set forth in § ~~31-44.2-2(4)~~ 31-44.2-2(3) in the following manner.

CHECK ONE OR ALL THAT APPLY

Defendant's mobile or manufactured home is:

_____ Not connected to electricity or not connected to a source of safe potable water supply sufficient for normal residential needs, or both; or

_____ Not connected to an adequate wastewater disposal system; or

_____ Unoccupied for a period of at least one hundred twenty (120) days and for which there is clear and convincing evidence that the occupant does not intend to return; or

_____ So damaged, decayed, dilapidated, unsanitary, unsafe or vermin infested that it creates a hazard to the health and safety of the occupants or the public.

(3) Plaintiff seeks judgment for removal of defendant's mobile or manufactured home. If you do not remedy this situation within thirty (30) days your mobile or manufactured home will be removed without further notice on _____ (date), which must not be less than thirty-one (31) days from the date of mailing this notice. Plaintiff seeks costs and fees (if applicable).

_____

Signature of landowner/licensee/municipality

I certify that I placed in regular U.S. mail first class postage prepaid, a copy of this notice, addressed to defendant on the _____ day of_____ 20_____.

_____

Signature of landowner/licensee/municipality

SECTION 21 Section 34-18.2-6 of the General Laws in Chapter 34-18.2 entitled "Leased Land Dwellings" is hereby amended to read as follows:

34-18.2-6. Leased land exempt. -- The provisions of §§ 34-18-2.4 and 34-18-2.5 of this chapter shall not apply to any landowner who holds a recreation facility license under chapter 21 of title 23, or a trailer park or campground license issued by the municipality in which it is located ~~on~~ or leased land ~~which~~ that is leased to at least ninety percent (90%) of the homeowners on a seasonal basis.

SECTION 25. Section 34-25.2-6 of the General Laws in Chapter 34-25.2 entitled "Rhode Island Home Loan Protection Act" is hereby amended to read as follows:

34-25.2-6. Limitations and prohibited practices regarding high-cost home loans. -- A high-cost home loan shall be subject to the following additional limitations and prohibited practices:

(a) In connection with a high-cost home loan, no creditor shall directly or indirectly finance any points or fees which total is greater than five percent (5%) ~~of~~ or the total loan amount of eight hundred dollars ($800) whichever is greater.

(b) No prepayment fees or penalties shall be included in the loan documents for a high-cost home loan.

(c) No high-cost home loan may contain a scheduled payment that is more than twice as large as the average of earlier scheduled payments. This provision does not apply when the

payment schedule is adjusted to the seasonal or irregular income of the borrower.

(d) No high-cost home loan may include payment terms under which the outstanding principal balance or accrued interest will increase at any time over the course of the loan because the regularly scheduled periodic payments do not cover the full amount of interest due.

(e) No high-cost home loan may contain a provision that increases the interest rate after default. This provision does not apply to interest rate changes in a variable rate loan otherwise consistent with the provisions of the loan documents, provided the change in the interest rate is not triggered by the event of default or the acceleration of the indebtedness.

(f) No high-cost home loan may include terms under which more than two (2) periodic payments required under the loan are consolidated and paid in advance from the loan proceeds provided to the borrower.

(g) A creditor may not make a high-cost home loan without first receiving certification from a counselor with a third-party nonprofit organization approved by the United States Department of Housing and Urban Development that the borrower has received counseling on the advisability of the loan transaction.

(h) A high-cost home loan shall not be extended to a borrower unless a reasonable creditor would believe at the time the loan is closed that one or more of the borrowers will be able to make the scheduled payments associated with the loan based upon a consideration of his or her current and expected income, current obligations, employment status, and other financial resources, other than the borrower's equity in the collateral that secures the repayment of the loan. There is a rebuttable presumption that the borrower is able to make the scheduled payments to repay the obligation if, at the time the loan is consummated, said borrower's total monthly debts, including amounts under the loan, do not exceed fifty percent (50%) of said borrower's monthly gross income as verified by tax returns, payroll receipts, and other third-party income verification.

(i) A creditor may not pay a contractor under a home-improvement contract from the proceeds of a high-cost home loan, unless:

(1) ~~the~~ The creditor is presented with a signed and dated completion certificate showing that the home improvements have been completed; and

(2) ~~the~~ The instrument is payable to the borrower or jointly to the borrower and the contractor, or, at the election of the borrower, through a third-party escrow agent in accordance with terms established in a written agreement signed by the borrower, the creditor, and the contractor prior to the disbursement.

(j) A creditor may not charge a borrower any fees or other charges to modify, renew, extend, or amend a high-cost home loan or to defer any payment due under the terms of a high-

cost home loan.

(k) A creditor shall not make available a high-cost home loan that provides for a late payment fee except as follows:

(1) The late payment fee shall not be in excess of three percent (3%) of the amount of the payment past due.

(2) The late payment fee shall only be assessed for a payment past due for fifteen (15) days or more or ten (10) days or more in cases of bi-weekly mortgage payment arrangement.

(3) The late payment fee shall not be imposed more than once with respect to a single late payment. If a late payment fee is deducted from a payment made on the loan, and the deduction causes a subsequent default on a subsequent payment, no late payment fee may be imposed for the default.

(4) A creditor shall treat each payment as posted on the same business day as it was received.

(l) All high-cost home loan documents that create a debt or pledge property as collateral shall contain the following notice on the first page in a conspicuous manner: "Notice: This a high-cost home loan subject to special rules under state law. Purchasers or assignees of this high-cost home loan may be liable for all claims and defenses by the borrower with respect to the home loan."

SECTION 22. Section 34-27-7 of the General Laws in Chapter 34-27 entitled "Mortgage Foreclosure and Sale" is hereby amended to read as follows:

34-27-7. Notice to tenants of foreclosure sale. -- (a) The mortgagee shall provide to each bona fide tenant a written notice: (1) Stating that the real estate is scheduled to be sold at foreclosure; (2) Stating the date, time, and place initially scheduled for the sale; (3) Informing of the availability and advisability of counseling and information services; (4) Providing the address and telephone number of the Rhode Island housing help center and the United Way 2-1-1 center; (5) Reminding the recipient to continue paying rent to the landlord until the foreclosure sale occurs; and (6) Stating that this notice is not an eviction notice. The notice shall be mailed by first-class mail at least one business day prior to the first publication of the notice required by § ~~34-27-7~~ 34-27-4. A form of written notice meeting the requirements of this section shall be promulgated by the department of business regulation for use by mortgagees no later than sixty (60) days after the effective date of this section. The notice may be addressed to "Occupant" and mailed to each dwelling unit of the real estate identified in the application for the loan secured by the mortgage being foreclosed. Failure of the mortgagee to provide notice as provided herein shall not affect the validity of the foreclosure.

(b) For purposes of this section, a lease or tenancy shall be considered bona fide only if:

(1) The mortgagor, or the child, spouse, or parent of the mortgagor, under the contract is not the tenant;

(2) The lease or tenancy was the result of an arms-length transaction; and

(3) The lease or tenancy requires the receipt of rent that is not substantially less than fair-market rent for the property or the unit's rent is reduced or subsidized due to a federal, state, or local subsidy.

SECTION 23. Section 38-2-3 of the General Laws in Chapter 38-2 entitled "Access to Public Records" is hereby amended to read as follows:

38-2-3. Right to inspect and copy records -- Duty to maintain minutes of meetings -- Procedures for access. -- (a) Except as provided in ~~§ 38-2-2(5)~~ § 38-2-2(4), all records maintained or kept on file by any public body, whether or not those records are required by any law or by any rule or regulation, shall be public records and every person or entity shall have the right to inspect and/or copy those records at such reasonable time as may be determined by the custodian thereof.

(b) Any reasonably segregable portion of a public record excluded by subdivision 38-2-2(4) shall be available for public inspection after the deletion of the information which is the basis of the exclusion. If an entire document or record is deemed non-public, the public body shall state in writing that no portion of the document or record contains reasonable segregable information that is releasable.

(c) Each public body shall make, keep, and maintain written or recorded minutes of all meetings.

(d) Each public body shall establish written procedures regarding access to public records but shall not require written requests for public information available pursuant to R.I.G.L. § 42-35-2 or for other documents prepared for or readily available to the public.

These procedures must include, but need not be limited to, the identification of a designated public records officer or unit, how to make a public records request, and where a public record request should be made, and a copy of these procedures shall be posted on the public body's website if such a website is maintained and be made otherwise readily available to the public. The unavailability of a designated public records officer shall not be deemed good cause for failure to timely comply with a request to inspect and/or copy public records pursuant to subsection (e). A written request for public records need not be made on a form established by a public body if the request is otherwise readily identifiable as a request for public records.

(e) A public body receiving a request shall permit the inspection or copying within ten

(10) business days after receiving a request. If the inspection or copying is not permitted within ten (10) business days, the public body shall forthwith explain in writing the need for additional time to comply with the request. Any such explanation must be particularized to the specific request made. In such cases the public body may have up to an additional twenty (20) business days to comply with the request if it can demonstrate that the voluminous nature of the request, the number of requests for records pending, or the difficulty in searching for and retrieving or copying the requested records, is such that additional time is necessary to avoid imposing an undue burden on the public body.

(f) If a public record is in active use or in storage and, therefore, not available at the time a person or entity requests access, the custodian shall so inform the person or entity and make an appointment for the person or entity to examine such records as expeditiously as they may be made available.

(g) Any person or entity requesting copies of public records may elect to obtain them in any and all media in which the public agency is capable of providing them. Any public body which maintains its records in a computer storage system shall provide any data properly identified in a printout or other reasonable format, as requested.

(h) Nothing in this section shall be construed as requiring a public body to reorganize, consolidate, or compile data not maintained by the public body in the form requested at the time the request to inspect the public records was made except to the extent that such records are in an electronic format and the public body would not be unduly burdened in providing such data.

(i) Nothing in this section is intended to affect the public record status of information merely because it is stored in a computer.

(j) No public records shall be withheld based on the purpose for which the records are sought, nor shall a public body require, as a condition of fulfilling a public records request, that a person or entity provide a reason for the request or provide personally identifiable information about him/herself.

(k) At the election of the person or entity requesting the public records, the public body shall provide copies of the public records electronically, by facsimile, or by mail in accordance with the requesting person or entity's choice, unless complying with that preference would be unduly burdensome due to the volume of records requested or the costs that would be incurred. The person requesting delivery shall be responsible for the actual cost of delivery, if any.

SECTION 24. Section 39-1.2-5 of the General Laws in Chapter 39-1.2 entitled "Excavation Near Underground Utility Facilities" is hereby amended to read as follows:

39-1.2-5. Notice of excavation. -- (a) Except as provided in § 39-1.2-9, any person,

public agency, or public utility responsible for excavating within one hundred feet (100') or for discharging explosives within one hundred feet (100') of a public utility facility shall notify the association of the proposed excavation or discharge at least seventy-two (72) hours, excluding Saturdays, Sundays, and holidays, but not more than thirty (30) days before commencing the excavation or discharge of explosives. Actual excavation must thereupon commence within thirty (30) days and be completed within sixty (60) days, including Saturdays, Sundays, and holidays, or the excavator must renotify the association. Each public utility shall, upon receipt of each notice of excavation, mark within seventy-two (72) hours or, where applicable in accordance with § 39-1.2-12, re-mark within forty-eight (48) hours, the location of all underground facilities.

(b) Each excavator shall provide a description of the excavation location that shall include:

(1) The name of the city or town where the excavation will take place;

(2) The name of the street, way, or route number where appropriate;

(3) The name of the streets at the nearest intersection to the excavation;

(4) The numbered address of buildings closest to the excavation; and

(5) Any other description that will accurately define the excavation location, including landmarks and utility pole numbers.

(c) If an excavator determines that a public utility facility has been mismarked, the excavator may notify the association and the appropriate public utility shall remark no later than three (3) hours after receipt of notification from the association. The failure to mark or re-mark the location of all underground facilities upon each notice of excavation shall constitute a separate violation of this chapter. Where an excavation is to be made by a contractor as part of the work required by a contract with the state or with any political subdivision thereof or other public agency for the construction, reconstruction, relocation, or improvement of a public way or for the installation of a railway track, conduit, sewer, or water main, the contractor shall be deemed to have complied with the requirements of this section by giving one such notice to the association as required by this section, except when unanticipated obstructions are encountered, setting forth the location and the approximate time required to perform the work involved ~~to the association~~. In addition, the initial notice shall indicate whether the excavation is anticipated to involve blasting and, if so, the date on which and specific location at which the blasting is to occur. If after the commencement of an excavation it is found there is an unanticipated obstruction requiring blasting, the excavator shall give at least four (4) hours notice to the association before commencing the blasting. When demolition of a building containing a public utility facility is proposed, the public utility or utilities involved will be given written notice by registered mail at

least ten (10) days prior to the commencement of the demolition of the building. All notices shall include the name, address, and telephone number of the entity giving notice; the name of the person, public agency, or public utility performing the work; and the commencement date and proposed type of excavation, demolition, or discharge of explosives. The association shall immediately transmit the information to the public utilities whose facilities may be affected. An adequate record shall be maintained by the association to document compliance with the requirements of this chapter.

SECTION 25. Section 39-31-4 of the General Laws in Chapter 39-31 entitled "Affordable Clean Energy Security Act" is hereby amended to read as follows:

39-31-4. Regional energy planning. -- (a) Consistent with the purposes of this chapter, and utilizing regional stakeholder processes where appropriate, the office of energy resources, in consultation and coordination with the division of public utilities and carriers, the public utility company that provides electric distribution as defined in § 39-1-2(12) as well as natural gas as defined in § 39-1-2(20), the New England States' Committee on Electricity (NESCOE), ISO-New England Inc. and the other New England states is authorized to:

(1) Participate in the development and issuance of regional or multi-state competitive solicitation(s) for the development and construction of regional electric-transmission projects that would allow for the reliable transmission of large-or small-scale domestic or international hydroelectric power to New England load centers that will benefit the state of Rhode Island and its ratepayers, and that such solicitations may be issued by The New England States' Committee on Electricity or the electric or natural gas distribution company to further the purposes of this chapter;

(2) Participate in the development and issuance of regional or multi-state competitive solicitation(s) for the development and construction of regional electric-transmission projects that would allow for the reliable transmission of eligible renewable-energy resources, as defined by § 39-26-5(a), to New England load centers that will benefit the state of Rhode Island and its ratepayers, and that such solicitations may be issued by The New England States' Committee on Electricity or the electric or natural gas distribution company to further the purposes of this chapter; and

(3) Participate in the development and issuance of regional or multi-state competitive solicitation(s) for the development and construction of regional natural gas pipeline infrastructure and capacity that will benefit the State of Rhode Island and its ratepayers by strengthening energy system reliability and security and, in doing so, potentially mitigate energy price volatility that threatens the economic vitality and competitiveness of Rhode Island residents and businesses.

~~and that such~~ Such solicitations may be issued by The New England States' Committee on Electricity or the electric or natural gas distribution company to further the purposes of this chapter; and ~~that~~ such solicitations may request proposals that are priced in increments to allow for the evaluation of project costs and benefits associated with adding various levels of additional, natural-gas pipeline capacity into New England and ~~that~~ assist with the optimization of energy system reliability, economic, and other benefits consistent with the purposes of this chapter.

(4) As part of any such regional or multi-state competitive solicitation processes conducted pursuant to this chapter, the office of energy resources shall work jointly with the division of public utilities and carriers, and with the electric distribution company as appropriate, to identify incremental, natural-gas pipeline infrastructure and capacity and/or electric transmission projects that optimize energy reliability, economic, environmental, and ratepayer impacts for Rhode Island, consistent with the legislative findings and purpose of this chapter. The office of energy resources and division of public utilities and carriers shall be authorized to utilize expert consultants, as needed, to assist in any regional, multi-state, or state-level determination related to the procurement activities identified in § 39-31-5.

(b) Prior to any binding commitments being made by any agencies of the state, the electric distribution company, or any other entity that would result in costs being incurred directly, or indirectly, by Rhode Island electric and/or gas consumers through distribution or commodity rates, the office of energy resources and division of public utilities and carriers shall jointly file any energy infrastructure project recommendation(s) with the public utilities commission and may make such filing jointly with the electric-or natural-gas distribution company as appropriate. The public utilities commission shall consider any such recommendation(s) as specified under § 39-31-7.

(c) A copy of the filing made under subsection (b) of this section shall be provided to the governor, the president of the senate, the speaker of the house, the department of environmental management, and the commerce corporation.

(d) The electric-distribution company shall be provided with a copy of any filing made under this section at least ten (10) business days in advance of its filing with the public utilities commission and the electric- or gas-distribution utility may file separate comments when the filing is made.

(e) As part of any office of energy resources and division of public utilities and carriers filing made pursuant to this chapter, the agencies shall identify the expected energy reliability, energy security, and ratepayer impacts that are expected to result from commitments being made in connection with the proposed project(s).

(f) The office of energy resources and division of public utilities and carriers reserve the right to determine that energy infrastructure projects submitted in any regional or multi-state competitive solicitation process are not in Rhode Island's energy reliability, energy security, and/or ratepayer interests, and shall make such findings available to the governor, the president of the senate, and the speaker of the house. The electric or gas distribution utility may attach a separate opinion to those findings, at its election.

SECTION 26. Section 40-5.3-4 of the General Laws in Chapter 40-5.3 entitled "Youth Pregnancy and At-Risk Prevention Services Program" is hereby amended to read as follows:

40-5.3-4. Youth pregnancy and at-risk prevention services program -- Eligibility requirements. -- (a) The Rhode Island Alliance of Boys and Girls Clubs is hereby authorized, on behalf of its member organizations, to make an application to the department for funding under this chapter.

(b) The following requirements and conditions shall be necessary to establish eligibility for funding:

(1) The organization must demonstrate that its members are affiliated and in good standing with a nationally chartered organization as described in Title 36, Subtitle II, Part B of the Patriotic and National Organizations, 36 U.S.C. 311 et. seq.;

(2) The organization must provide tested and proven programs;

(3) The organization must demonstrate that its members provide programs that are facility-based;

(4) The organization must demonstrate that its members' programs are offered for a minimum of ten (10) hours weekly during the school year and twenty (20) hours weekly during the summer;

(5) The organization must demonstrate that its members' programs exist in a minimum of seven (7) towns and cities within the state;

(6) The organization must demonstrate that its members' programs are administered in accordance with this chapter, ~~is~~ and designed to meet or exceed the minimum federal TANF guidelines;

(7) The organization must demonstrate that it is eligible to receive federal TANF funding; and

(8) The organization must be able to raise four dollars ($4) for every one dollar received from the state through federal funding.

SECTION 27. Section 42-14.5-3 of the General Laws in Chapter 42-14.5 entitled "The Rhode Island Health Care Reform Act of 2004 - Health Insurance Oversight" is hereby amended

to read as follows:

42-14.5-3. Powers and duties [Contingent effective date; see effective dates under this section.] -- The health insurance commissioner shall have the following powers and duties:

(a) To conduct quarterly public meetings throughout the state, separate and distinct from rate hearings pursuant to § 42-62-13, regarding the rates, services, and operations of insurers licensed to provide health insurance in the state, the effects of such rates, services, and operations on consumers, medical care providers, patients, and the market environment in which such insurers operate, and efforts to bring new health insurers into the Rhode Island market. Notice of not less than ten (10) days of said hearing(s) shall go to the general assembly, the governor, the Rhode Island Medical Society, the Hospital Association of Rhode Island, the director of health, the attorney general and the chambers of commerce. Public notice shall be posted on the department's web site and given in the newspaper of general circulation, and to any entity in writing requesting notice.

(b) To make recommendations to the governor and the house of representatives and senate finance committees regarding health care insurance and the regulations, rates, services, administrative expenses, reserve requirements, and operations of insurers providing health insurance in the state, and to prepare or comment on, upon the request of the governor or chairpersons of the house or senate finance committees, draft legislation to improve the regulation of health insurance. In making such recommendations, the commissioner shall recognize that it is the intent of the legislature that the maximum disclosure be provided regarding the reasonableness of individual administrative expenditures as well as total administrative costs. The commissioner shall make recommendations on the levels of reserves including consideration of: targeted reserve levels; trends in the increase or decrease of reserve levels; and insurer plans for distributing excess reserves.

(c) To establish a consumer/business/labor/medical advisory council to obtain information and present concerns of consumers, business, and medical providers affected by health insurance decisions. The council shall develop proposals to allow the market for small business health insurance to be affordable and fairer. The council shall be involved in the planning and conduct of the quarterly public meetings in accordance with subsection (a) above. The advisory council shall develop measures to inform small businesses of an insurance complaint process to ensure that small businesses that experience rate increases in a given year may request and receive a formal review by the department. The advisory council shall assess views of the health provider community relative to insurance rates of reimbursement, billing, and reimbursement procedures, and the insurers' role in promoting efficient and high-quality health

care. The advisory council shall issue an annual report of findings and recommendations to the governor and the general assembly and present its findings at hearings before the house and senate finance committees. The advisory council is to be diverse in interests and shall include representatives of community consumer organizations; small businesses, other than those involved in the sale of insurance products; and hospital, medical, and other health provider organizations. Such representatives shall be nominated by their respective organizations. The advisory council shall be co-chaired by the health insurance commissioner and a community consumer organization or small business member to be elected by the full advisory council.

(d) To establish and provide guidance and assistance to a subcommittee ("the professional provider-health plan work group") of the advisory council created pursuant to subsection (c) above, composed of health care providers and Rhode Island licensed health plans. This subcommittee shall include in its annual report and presentation before the house and senate finance committees the following information:

(1) A method whereby health plans shall disclose to contracted providers the fee schedules used to provide payment to those providers for services rendered to covered patients;

(2) A standardized provider application and credentials verification process, for the purpose of verifying professional qualifications of participating health care providers;

(3) The uniform health plan claim form utilized by participating providers;

(4) Methods for health maintenance organizations as defined by § ~~27-41-1~~ 27-41-2, and nonprofit hospital or medical service corporations as defined by chapters 19 and 20 of title 27, to make facility-specific data and other medical service-specific data available in reasonably consistent formats to patients regarding quality and costs. This information would help consumers make informed choices regarding the facilities and/or clinicians or physician practices at which to seek care. Among the items considered would be the unique health services and other public goods provided by facilities and/or clinicians or physician practices in establishing the most appropriate cost comparisons;

(5) All activities related to contractual disclosure to participating providers of the mechanisms for resolving health plan/provider disputes;

(6) The uniform process being utilized for confirming, in real time, patient insurance enrollment status, benefits coverage, including co-pays and deductibles;

(7) Information related to temporary credentialing of providers seeking to participate in the plan's network and the impact of said activity on health plan accreditation;

(8) The feasibility of regular contract renegotiations between plans and the providers in their networks; and

(9) Efforts conducted related to reviewing impact of silent PPOs on physician practices.

(e) To enforce the provisions of Title 27 and Title 42 as set forth in § 42-14-5(d).

(f) To provide analysis of the Rhode Island Affordable Health Plan Reinsurance Fund. The fund shall be used to effectuate the provisions of §§ ~~27-18.5-8~~ 27-18.5-9 and 27-50-17.

(g) To analyze the impact of changing the rating guidelines and/or merging the individual health insurance market as defined in chapter 18.5 of title 27 and the small employer health insurance market as defined in chapter 50 of title 27 in accordance with the following:

(1) The analysis shall forecast the likely rate increases required to effect the changes recommended pursuant to the preceding subsection (g) in the direct-pay market and small employer health insurance market over the next five (5) years, based on the current rating structure and current products.

(2) The analysis shall include examining the impact of merging the individual and small employer markets on premiums charged to individuals and small employer groups.

(3) The analysis shall include examining the impact on rates in each of the individual and small employer health insurance markets and the number of insureds in the context of possible changes to the rating guidelines used for small employer groups, including: community rating principles; expanding small employer rate bonds beyond the current range; increasing the employer group size in the small group market; and/or adding rating factors for broker and/or tobacco use.

(4) The analysis shall include examining the adequacy of current statutory and regulatory oversight of the rating process and factors employed by the participants in the proposed new merged market.

(5) The analysis shall include assessment of possible reinsurance mechanisms and/or federal high-risk pool structures and funding to support the health insurance market in Rhode Island by reducing the risk of adverse selection and the incremental insurance premiums charged for this risk, and/or by making health insurance affordable for a selected at-risk population.

(6) The health insurance commissioner shall work with an insurance market merger task force to assist with the analysis. The task force shall be chaired by the health insurance commissioner and shall include, but not be limited to, representatives of the general assembly, the business community, small employer carriers as defined in § 27-50-3, carriers offering coverage in the individual market in Rhode Island, health insurance brokers, and members of the general public.

(7) For the purposes of conducting this analysis, the commissioner may contract with an outside organization with expertise in fiscal analysis of the private insurance market. In

conducting its study, the organization shall, to the extent possible, obtain and use actual health plan data. Said data shall be subject to state and federal laws and regulations governing confidentiality of health care and proprietary information.

(8) The task force shall meet as necessary and include its findings in the annual report and the commissioner shall include the information in the annual presentation before the house and senate finance committees.

(h) To establish and convene a workgroup representing health care providers and health insurers for the purpose of coordinating the development of processes, guidelines, and standards to streamline health care administration that are to be adopted by payors and providers of health care services operating in the state. This workgroup shall include representatives with expertise who would contribute to the streamlining of health care administration and who are selected from hospitals, physician practices, community behavioral health organizations, each health insurer, and other affected entities. The workgroup shall also include at least one designee each from the Rhode Island Medical Society, Rhode Island Council of Community Mental Health Organizations, the Rhode Island Health Center Association, and the Hospital Association of Rhode Island. The workgroup shall consider and make recommendations for:

(1) Establishing a consistent standard for electronic eligibility and coverage verification. Such standard shall:

(i) Include standards for eligibility inquiry and response and, wherever possible, be consistent with the standards adopted by nationally recognized organizations, such as the Centers for Medicare and Medicaid Services;

(ii) Enable providers and payors to exchange eligibility requests and responses on a system-to-system basis or using a payor-supported web browser;

(iii) Provide reasonably detailed information on a consumer's eligibility for health care coverage; scope of benefits; limitations and exclusions provided under that coverage; cost-sharing requirements for specific services at the specific time of the inquiry; current deductible amounts; accumulated or limited benefits; out-of-pocket maximums; any maximum policy amounts; and other information required for the provider to collect the patient's portion of the bill;

(iv) Reflect the necessary limitations imposed on payors by the originator of the eligibility and benefits information;

(v) Recommend a standard or common process to protect all providers from the costs of services to patients who are ineligible for insurance coverage in circumstances where a payor provides eligibility verification based on best information available to the payor at the date of the request of eligibility.

(2) Developing implementation guidelines and promoting adoption of such guidelines for:

(i) The use of the National Correct Coding Initiative code edit policy by payors and providers in the state;

(ii) Publishing any variations from codes and mutually exclusive codes by payors in a manner that makes for simple retrieval and implementation by providers;

(iii) Use of health insurance portability and accountability act standard group codes, reason codes, and remark codes by payors in electronic remittances sent to providers;

(iv) The processing of corrections to claims by providers and payors.

(v) A standard payor-denial review process for providers when they request a reconsideration of a denial of a claim that results from differences in clinical edits where no single, common-standards body or process exists and multiple conflicting sources are in use by payors and providers.

(vi) Nothing in this section, or in the guidelines developed, shall inhibit an individual payor's ability to employ, and not disclose to providers, temporary code edits for the purpose of detecting and deterring fraudulent billing activities. The guidelines shall require that each payor disclose to the provider its adjudication decision on a claim that was denied or adjusted based on the application of such edits and that the provider have access to the payor's review and appeal process to challenge the payor's adjudication decision.

(vii) Nothing in this subsection shall be construed to modify the rights or obligations of payors or providers with respect to procedures relating to the investigation, reporting, appeal, or prosecution under applicable law of potentially fraudulent billing activities.

(3) Developing and promoting widespread adoption by payors and providers of guidelines to:

(i) Ensure payors do not automatically deny claims for services when extenuating circumstances make it impossible for the provider to obtain a preauthorization before services are performed or notify a payor within an appropriate standardized timeline of a patient's admission;

(ii) Require payors to use common and consistent processes and time frames when responding to provider requests for medical management approvals. Whenever possible, such time frames shall be consistent with those established by leading national organizations and be based upon the acuity of the patient's need for care or treatment. For the purposes of this section, medical management includes prior authorization of services, preauthorization of services, precertification of services, post-service review, medical-necessity review, and benefits advisory;

(iii) Develop, maintain, and promote widespread adoption of a single, common website

where providers can obtain payors' preauthorization, benefits advisory, and preadmission requirements;

(iv) Establish guidelines for payors to develop and maintain a website that providers can use to request a preauthorization, including a prospective clinical necessity review; receive an authorization number; and transmit an admission notification.

(i) To issue an ANTI-CANCER MEDICATION REPORT. - Not later than June 30, 2014 and annually thereafter, the office of the health insurance commissioner (OHIC) shall provide the senate committee on health and human services, and the house committee on corporations, with: (1) Information on the availability in the commercial market of coverage for anti-cancer medication options; (2) For the state employee's health benefit plan, the costs of various cancer treatment options; (3) The changes in drug prices over the prior thirty-six (36) months; and (4) Member utilization and cost-sharing expense.

(j) To monitor the adequacy of each health plan's compliance with the provisions of the federal mental health parity act, including a review of related claims processing and reimbursement procedures. Findings, recommendations, and assessments shall be made available to the public.

(k) To monitor the transition from fee for service and toward global and other alternative payment methodologies for the payment for health care services. Alternative payment methodologies should be assessed for their likelihood to promote access to affordable health insurance, health outcomes, and performance.

(l) To report annually, no later than July 1, 2014, then biannually thereafter, on hospital payment variation, including findings and recommendations, subject to available resources.

(m) Notwithstanding any provision of the general or public laws or regulation to the contrary, provide a report with findings and recommendations to the president of the senate and the speaker of the house, on or before April 1, 2014, including, but not limited to, the following information:

(1) The impact of the current mandated healthcare benefits as defined in §§ 27-18-48.1, 27-18-60, 27-18-62, 27-18-64, similar provisions in chapters 19, 20 and 41, of title 27, and §§ 27-18-3(c), 27-38.2-1 et seq., or others as determined by the commissioner, on the cost of health insurance for fully insured employers, subject to available resources;

(2) Current provider and insurer mandates that are unnecessary and/or duplicative due to the existing standards of care and/or delivery of services in the healthcare system;

(3) A state-by-state comparison of health insurance mandates and the extent to which Rhode Island mandates exceed other states benefits; and

(4) Recommendations for amendments to existing mandated benefits based on the findings in (1), (2) and (3) above.

(n) On or before July 1, 2014, the office of the health insurance commissioner, in collaboration with the director of health and lieutenant governor's office, shall submit a report to the general assembly and the governor to inform the design of accountable care organizations (ACOs) in Rhode Island as unique structures for comprehensive healthcare delivery and value based payment arrangements, that shall include, but not be limited to:

(1) Utilization review;

(2) Contracting; and

(3) Licensing and regulation.

(o) On or before February 3, 2015, the office of the health insurance commissioner shall submit a report to the general assembly and the governor that describes, analyzes, and proposes recommendations to improve compliance of insurers with the provisions of § 27-18-76 with regard to patients with mental health and substance-use disorders.

SECTION 28. Section 42-26-13 of the General Laws in Chapter 42-26 entitled "Rhode Island Justice Commission" is hereby amended to read as follows:

42-26-13. Committee created -- Purpose and composition. -- (a) There is hereby created within the ~~Rhode Island justice commission~~ public safety grant administration office, pursuant to the provisions of § 42-26-7, the criminal justice oversight committee for the purpose of maintaining the secure facilities at the adult correctional institutions within their respective population capacities as established by court order, consent decree, or otherwise.

(b) The criminal justice oversight committee (hereinafter referred to as the "committee") shall consist of the following members who shall assemble no less than four (4) times annually or more often at the call of the chairperson or upon petition of a majority of its members:

(1) The presiding justice of the superior court;

(2) The chief judge of the district court;

(3) The attorney general;

(4) The public defender;

(5) The superintendent of state police;

(6) The director of the department of corrections;

(7) The chairperson of the parole board;

(8) The director of the Rhode Island public safety grants administration;

(9) A member of the governor's staff selected by the governor;

(10) Four (4) members of the general assembly, one of whom shall be appointed by the

speaker; and one of whom shall be appointed by the president of the senate; one of whom shall be appointed by the house minority leader; and one of whom shall be appointed by the senate minority leader;

(11) A qualified elector of this state who shall be appointed by the governor and designated as chairperson of the committee;

(12) A member of the Victims' Rights Group, appointed by the speaker of the house.;

~~Each member of the committee may appoint a permanent designee to attend committee meetings in his/her absence. A quorum at meetings of the committee shall consist of a majority of its current membership.~~

(13) The president of the Rhode Island Brotherhood of Correctional Officers.; and

(14) The chief justice of the supreme court.

Each member of the committee may appoint a permanent designee to attend committee meetings in his/her absence. A quorum at meetings of the committee shall consist of a majority of its current membership.

SECTION 29. Section 42-142-1 of the General Laws in Chapter 42-142 entitled "Department of Revenue" is hereby amended to read as follows:

42-142-1. Department of revenue. -- (a) There is hereby established within the executive branch of state government a department of revenue.

(b) The head of the department shall be the director of revenue, who shall be appointed by the governor, with the advice and consent of the senate, and shall serve at the pleasure of the governor.

(c) The department shall contain the division of taxation ~~(chapter 44-1)~~ (chapter 1 of title 44), the division of motor vehicles ~~(chapter 32-2)~~ (chapter 2 of title 31), the division of state lottery ~~(chapter 42-61)~~ (chapter 61 of title 42), the office of revenue analysis ~~(chapter 42-142)~~ (chapter 142 of title 42), and the division of municipal finance ~~(chapter 42-142)~~ (chapter 142 of title 42). Any reference to the division of property valuation, division of property valuation and municipal finance, or office of municipal affairs in the Rhode Island general laws shall mean the division of municipal finance.

SECTION 30. Section 44-5-69 of the General Laws in Chapter 44-5 entitled "Levy and Assessment of Local Taxes" is hereby amended to read as follows:

44-5-69. Local fire districts -- Requirements of annual budget -- Annual financial statements and publication of property tax data. -- Every fire district authorized to assess and collect taxes on real and personal property in the several towns in the state shall be required to have annual financial statements audited by an independent auditing firm approved pursuant to §

45-10-4 by the auditor general. The auditor general may waive or modify form and content of financial statements and scope of the audit, based upon the size of the fire districts. The financial statements for fiscal year 2015 and every fiscal year thereafter shall be presented at the district's first annual meeting subsequent to receipt of said financial statements. At least ten (10) days prior to said annual meeting, a copy of such financial statements shall be filed by the fire district with the town clerk for the town in which the district(s) is located. A copy of the financial statements shall be simultaneously sent to the auditor general and the division of municipal finance in the department of revenue. The fire districts shall also provide to the division of municipal finance in the department of revenue the adopted budget within thirty (30) days of final action, and other information on tax rates, budgets, assessed valuations, and other pertinent data upon forms provided by the division of municipal finance. The information shall be published by the department of revenue.

SECTION 31. Sections 44-20-12.2, 44-20-17, 44-20-39, 44-20-45 and 44-20-51 of the General Laws in Chapter 44-20 entitled "Cigarette Tax" are hereby amended to read as follows:

44-20-12.2. Prohibited acts -- Penalty. -- (a) No person or other legal entity shall sell or distribute in the state; acquire, hold, own, possess, or transport for sale or distribution in this state; or import, or cause to be imported, into the state for sale or distribution in this state; nor shall tax stamps be affixed to any cigarette package:

(1) That bears any label or notice prescribed by the United States Department of Treasury to identify cigarettes exempt from tax by the United States pursuant to section 5704 of title 26 of the United States Code, 26 U.S.C. § 5704(b) (concerning cigarettes intended for shipment to a foreign country, Puerto Rico, the Virgin Islands, or a possession of the United States), or for consumption beyond the jurisdiction of the internal revenue laws of the United States, including any notice or label described in section 44.185 of title 27 of the Code of Federal Regulations, 27 CFR 44.185;

(2) That is not labeled in conformity with the provisions of the Federal Cigarette Labeling and Advertising Act, 15 U.S.C. § 1331 et seq., or any other federal requirement for the placement of labels, warnings, and other information applicable to cigarette packages intended for domestic consumption;

(3) The packaging of which has been modified or altered by a person other than the original manufacturer of the cigarettes, including by the placement of a sticker to cover information on the package. For purposes of this subsection, a cigarette package shall not be construed to have been modified or altered by a person other than the manufacturer if the most recent modification to, or alteration of, the package was by the manufacturer or by a person

authorized by the manufacturer;

(4) Imported into the United States in violation of 26 U.S.C. § 5754 or any other federal law, or implementing federal regulations;

(5) That the person otherwise knows, or has reason to know, the manufacturer did not intend to be sold, distributed, or used in the United States; or

(6) That has not been submitted to the secretary of the U.S. Department of Health and Human Services the list or lists of the ingredients added to tobacco in the manufacture of those cigarettes required by the Federal Cigarette Labeling and Advertising Act, 15 U.S.C. § 1335a.

(b) The tax administrator is authorized to obtain and exchange information with the United States Customs Service for the purpose of enforcing this section.

(c) Any person who or that affixes or distributes a tax stamp in violation of this section shall be fined not more than ten thousand dollars ($10,000) for the first offense, and for each subsequent offense shall be fined not more than twenty thousand dollars ($20,000), or be imprisoned not more than five (5) years, or be both fined and imprisoned.

(d) Any cigarettes found in violation of this section shall be declared to be contraband goods and may be seized by the tax administrator, or his or her agents, or by any sheriff, or his or her deputy, or any police officer, without a warrant. The tax administrator may promulgate rules and regulations for the destruction of contraband goods pursuant to this section, including the administrator's right to allow the true holder of the trademark rights in a cigarette brand to inspect contraband cigarettes prior to their destruction.

(e) The prohibitions of this section do not apply to:

(1) Tobacco products that are allowed to be imported or brought into the United States free of tax and duty under subsection IV of chapter 98 of the harmonized tariff schedule of the United States (see 19 U.S.C. § 1202); or

(2) Tobacco products in excess of the amounts described in subdivision (1) of this subsection if the excess amounts are voluntarily abandoned to the tax administrator at the time of entry, but only if the tobacco products were imported or brought into the United States for personal use and not with intent to defraud the United States or any state.

(f) If any part or provision of this section, or the application of any part to any person or circumstance is held invalid, the remainder of the section, including the application of that part or provision to other persons or circumstances, shall not be affected by that invalidity and shall continue in full force and effect. To this end, the provisions of this section are severable.

44-20-17. Penalty for use tax violations. -- Any person who or that violates the provisions of §§ 44-20-13 -- 44-20-14 is guilty of a felony and shall for each offense be fined up

to ten thousand dollars ($10,000), or be imprisoned not more than three (3) years, or be both fined and imprisoned.

44-20-39. Forgery and counterfeiting -- Tampering with meters -- Reuse of stamps or containers. -- Any person who or that fraudulently makes or utters or forges or counterfeits any stamp, disc, license, or marker, prescribed by the tax administrator under the provisions of this chapter, or who causes or procures this to be done; or who willfully utters, publishes, passes or renders as true, any false, altered, forged, or counterfeited stamp, license, disc, or marker; or who knowingly possesses more than twenty (20) packs of cigarettes containing any false, altered, forged, or counterfeited stamp, license, disc, or marker; or who tampers with, or causes to be tampered with, any metering machine authorized to be used under the provisions of this chapter; or who removes or prepares any stamp with intent to use, or cause that stamp to be used, after it has already been used; or who buys, sells, offers for sale, or gives away any washed or removed or restored stamp to any person; or who has in his or her possession any washed or restored or removed or altered stamp that was removed from the article to which it was affixed, or who reuses or refills with cigarettes any package, box, or container required to be stamped under this chapter from which cigarettes have been removed, is deemed guilty of a felony, and, upon conviction, shall be fined one hundred thousand dollars ($100,000), or be imprisoned for not more than fifteen (15) years, or both.

44-20-45. Importation of cigarettes with intent to evade tax. -- Any person, firm, corporation, club, or association of persons who or that orders any cigarettes for another or pools orders for cigarettes from any persons or ~~connives~~ conspires with others for pooling orders, or receives in this state any shipment of unstamped cigarettes on which the tax imposed by this chapter has not been paid, for the purpose and intention of violating the provisions of this chapter or to avoid payment of the tax imposed in this chapter, is guilty of a felony and shall be fined one hundred thousand dollars ($100,000) or five (5) times the retail value of the cigarettes involved, whichever is greater, or imprisoned not more than fifteen (15) years, or both.

44-20-51. Penalty for violations generally. -- (a) Except as otherwise provided in this chapter, any person who or that violates any provision of this chapter shall be fined or imprisoned, or both fined and imprisoned, as follows:

(1) For a first offense in a twenty-four-month (24) period, fined not more than one thousand dollars ($1,000);

(2) For a second or subsequent offense in a twenty-four-month (24) period, fined not more than five thousand dollars ($5,000) or imprisoned for not more than three (3) years, or both fined and imprisoned.

(b) Whoever knowingly violates any provision of this chapter, or of regulations prescribed thereunder, shall, in addition to any other penalty provided in this chapter, for each such offense, be fined not more than five thousand dollars ($5,000) or imprisoned not more than one year, or both.

(c) When determining the amount of a fine sought or imposed under this section, evidence of mitigating factors, including history, severity, and intent, shall be considered.

SECTION 32. Section 45-9-6 of the General Laws in Chapter 45-9 entitled "Budget Commissions" is hereby amended to read as follows:

45-9-6. Composition of budget commission. -- (a) If a budget commission is established under §§ 45-9-5 or 45-12-22.7, it shall consist of five (5) members: three (3) of whom shall be designees of the director of revenue; one of whom shall be the elected chief executive officer of the city; and one of whom shall be a council member of the town or city elected to serve on the budget commission as chosen by a majority vote of said town or city council. In cities or towns in which the elected chief executive officer for purposes of this chapter is the president of the city or town council, one member shall be the appointed city or town manager or town administrator (or, if none, the city or town chief financial officer) as the fifth member. For a fire district, it shall consist of five (5) members: three (3) of the members of the budget commission shall be designees of the director of revenue; one shall be the chairperson of the district's governing body; and one shall be the fire chief of the district. The budget commission shall act by a majority vote of all its members. The budget commission shall initiate and ~~assure~~ ensure the implementation of appropriate measures to secure the financial stability of the city, town, or fire district. The budget commission shall continue in existence until the director of revenue abolishes it.

The budget commission shall be subject to chapter 2 of title 36, "Access to Public Records," and chapter 14 of title 36, "Code of Ethics". The budget commission shall be subject to chapter 46 of title 42 "Open Meetings" when meeting to take action on the following matters:

(1) Levy and assessment of taxes;

(2) Rulemaking or suspension of rules;

(3) Adoption of a municipal or fire district budget;

(4) Approval of collective bargaining agreements and amendments to collective bargaining agreements; and

(5) Making a determination under § 45-9-7 that the powers of the budget commission are insufficient to restore fiscal stability to the city, town, or fire district.

(b) Action by the budget commission under this chapter shall constitute action by the city, town, or fire district for all purposes under the general laws, under any special law, and

under the city, town, or fire district charter.

(c) Until the budget commission ceases to exist, no appropriation, borrowing authorization, transfer, or other municipal or fire district spending authority, shall take effect until approved by the budget commission. The budget commission shall approve all appropriations, borrowing authorizations, transfers, and other municipal or fire district spending authorizations, in whole or part.

(d) In addition to the authority and powers conferred elsewhere in this chapter, and notwithstanding any city, town, or fire district charter provision, or local ordinance, or rule or regulation to the contrary, the budget commission shall have the power to:

(1) Amend, formulate, and execute the annual municipal or fire district budget and supplemental municipal or fire district budgets of the city, town, or fire district, including the establishment, increase, or decrease of any appropriations and spending authority for all departments, budget commissions, committees, agencies or other units of the city, town, or fire district; provided, however, that notwithstanding §§ 16-2-9 and 16-2-18, this clause shall fully apply to the school department and all school spending purposes;

(2) Implement and maintain uniform budget guidelines and procedures for all departments;

(3) Amend, formulate and execute capital budgets, including ~~to amend~~ amending any borrowing authorization, or ~~finance~~ financing or ~~refinance~~ refinancing of any debt in accordance with the law;

(4) Amortize operational deficits in an amount as the director of revenue approves and for a term not longer than five (5) years;

(5) Develop and maintain a uniform system for all financial planning and operations in all departments, offices, boards, commissions, committees, agencies, or other units of the city's, town's, or fire district's government;

(6) Review and approve or disapprove all proposed contracts for goods or services;

(7) Notwithstanding any general or special law to the contrary, establish, increase, or decrease any fee, rate, or charge, for any service, license, permit, or other municipal or fire district activity, otherwise within the authority of the city, town, or fire district;

(8) Appoint, remove, supervise, and control all city, town, or fire district employees and have control over all personnel matters other than disciplinary matters; provided, that the budget commission shall hold all existing powers to hire and fire and set the terms and conditions of employment held by other employees or officers of the city, town, or fire district; provided, further, that the budget commission shall have the authority to exercise all powers otherwise

available to a municipality or fire district regarding contractual obligations during a fiscal emergency; provided, further, that no city, town, or fire district employee or officer shall hire, fire, transfer, or alter the compensation or benefits of a city, town, or fire district employee except with the written approval of the budget commission; and provided, further, that the budget commission may delegate or otherwise assign these powers with the approval of the director of revenue;

(9) Alter or eliminate the compensation and/or benefits of elected officials of the city, town, or fire district to reflect the fiscal emergency and changes in the responsibilities of the officials as provided by this chapter;

(10) Employ, retain, and supervise such managerial, professional, and clerical staff as are necessary to carry out its responsibilities; provided, however, that such employment, retention and supervisory decisions are subject to the approval of the director of revenue; provided, further, that the budget commission shall not be subject to chapter 2 of title 37 or chapter 55 of title 45 in employing such staff; provided, further, that the budget commission, with the approval of the director of revenue, shall have authority to set the compensation, terms, and conditions of employment of its own staff; provided, further, that the city, town, or fire district shall annually appropriate amounts sufficient for the compensation of personnel hired under this clause as determined and fixed by the budget commission; provided, further, that, if the city, town, or fire district fails to appropriate such amounts, the director of revenue shall direct the general treasurer to deduct the necessary funds from the city's, town's, or fire district's distribution of state aid and shall expend those funds directly for the benefit of the budget commission;

(11) Reorganize, consolidate, or abolish departments, commissions, authorities, boards, offices, or functions of the city, town, or fire district, in whole or in part, and to establish such new departments, commissions, authorities, boards, offices, or functions as it deems necessary, and to transfer the duties, powers, functions and appropriations of one department, commission, board, office, or other unit to another department, commission, authority, board, or office, and in connection therewith, remove and appoint new members for any such commission, authority, board, or department which appointees shall serve the remainder of any unexpired term of their predecessor;

(12) Appoint, in consultation with the director of revenue, persons to fill vacancies on any authority, board, committee, department, or office;

(13) Sell, lease, or otherwise transfer, real property and other assets of the city, town, or fire district with the approval of the director of revenue;

(14) Purchase, lease, or otherwise acquire, property or other assets on behalf of the city,

town, or fire district with the approval of the director of revenue;

(15) Enter into contracts, including, but not limited to, contracts with other governmental entities, and such other governmental entities are hereby authorized to enter into such contracts;

(16) Adopt rules and regulations governing the operation and administration of the city, town, or fire district that permit the budget commission to effectively carry out this chapter under § 42-35-3(b);

(17) Alter or rescind any action or decision of any municipal or fire district officer, employee, board, authority, or commission within fourteen (14) days after receipt of notice of such action or decision;

(18) Suspend, in consultation with the director of revenue, any rules and regulations of the city, town, or fire district;

(19) Notwithstanding any other general law, special act, charter provision, or ordinance, and in conformity with the reserved powers of the general assembly pursuant to Article XIII, section 5 of the constitution of the state, a budget commission is authorized to issue bonds, notes, or certificates of indebtedness to fund the deficit of a city, town, or fire district without regard to § 45-12-22.4, to fund cash flow and to finance capital projects. Bonds, notes, or certificates of indebtedness issued under authority of this chapter shall be general obligation bonds backed by the full faith and credit and taxing power of the city, town, or fire district; provided, however, that the budget commission may pledge future distributions of state aid for the purpose of retiring such bonds, notes, or certificates of indebtedness. If any state aid is so pledged, the budget commission shall execute on behalf of the city, town, or fire district a trust agreement with a corporate trustee, which may be any bank or trust company having the powers of a trust company within the state, and any state aid so pledged shall be paid by the general treasurer directly to the trustee to be held in trust and applied to the payment of principal and interest on such bonds, notes, or certificates of indebtedness; any earnings derived from the investment of such pledged aid shall be applied as needed to the payment of that principal and interest and for trustee's fees and related expenses, with any excess to be paid to the city, town, or fire district. Bonds, notes, or certificates of indebtedness authorized under authority of this chapter shall be executed on behalf of the city, town, or fire district by a member of the commission and, except as provided for in this chapter, may be subject to the provisions of chapter 12 of title 45 so far as apt, or may be subject to the provisions of any special bond act enacted authorizing the issuance of bonds of a city, town, or fire district so far as apt; provided, however, that any bonds or notes issued for school purposes must be approved by the general assembly in order to qualify for school housing aid as set forth in chapter 7 of title 16; and

(20) Exercise all powers under the general laws and this chapter, or any special act, any charter provision or ordinance that any elected official of the city, town, or fire district may exercise, acting separately or jointly; provided, however, that with respect to any such exercise of powers by the budget commission, the elected officials shall not rescind nor take any action contrary to such action by the budget commission so long as the budget commission continues to exist.

(21) Certify to the Rhode Island department of revenue the need to advance payments of the state's basic education program under chapter 7 of title 16 in the amount determined by the budget commission. Said amount shall be advanced, subject to approval of the director of the department of revenue, notwithstanding any general or public law to the contrary. The director of the department of revenue shall provide notice of any advance payments to the fiscal advisors of the house and senate finance committees. The state general treasurer shall deduct the estimated cost to the state's general fund resulting from any advance payments.

SECTION 33. This act shall take effect upon passage.

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EXPLANATION

BY THE LEGISLATIVE COUNCIL

OF

A N A C T

RELATING TO STATUTES AND STATUTORY CONSTRUCTION

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This act is the annual statutory construction bill. The act would make a number of technical amendments to the general laws, prepared at the recommendation of the Law Revision Office.

This act would take effect upon passage.

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