

ARTICLE 2

RELATING TO STATE FUNDS

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

5-20.7-15. Fees.

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

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

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

5-20.9-7. Initial registration, renewals, forms and fees.

(a) An applicant for registration as an appraisal management company shall submit to the department an application on forms prescribed by the department and pay the required fee(s).

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

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

~~(e)~~(d) Every appraisal management company that desires to renew a registration for the next term shall apply for the renewal of the registration upon a form furnished by the director and containing information that is required by this chapter. Renewal of a registration is subject to the same provisions as the initial registration.

1 ~~(e)~~(e) The department shall receive applications for registration for initial licensing and
2 renewal and establish administrative procedures for processing applications and issuing and
3 renewing registrations.

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

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

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

14 **22-13-1. Appointment -- Qualifications -- Oath -- Bond -- Office space -- Rules and**
15 **regulations.**

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

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

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

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

30 (d) The auditor general shall be covered by the state's blanket position bond and
31 conditioned that he or she will well and faithfully discharge the duties of his or her office, promptly
32 report any delinquency or shortage discovered in any accounts and records audited by him or her,
33 and promptly pay over and account for any and all funds that shall come into his or her hands as
34 auditor.

1 (e)(1) All auditors employed by the auditor general shall be covered by a blanket position
2 bond. The bonds or bond shall meet and contain the same conditions as are required in the bond of
3 the auditor general.

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

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

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

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

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

25 **22-13-4. Definitions -- Duties of auditor general -- Investigations by committee.**

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

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

33 (2) "Political subdivision" means a separate agency or unit of local government created or
34 established by law and includes, but is not limited to, the following and the officers of the following:

1 authority, board, branch, bureau, city, commission, council, consolidated government, county,
2 department, district, institution, metropolitan government, municipality, office, officer, public
3 corporation, town, or village.

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

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

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

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

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

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

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

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

1 (2) The audit report shall make special mention of:

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

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

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

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

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

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

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

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

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

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

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

34 **23-77-2. Establishment of the healthcare information technology and infrastructure**

1 **development fund.**

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

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

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

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

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

25 SECTION 5. Section 35-3-24 of the General Laws in Chapter 35-3 entitled "State Budget"
26 is hereby amended to read as follows:

27 **35-3-24. Control of state spending.**

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

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

33 (c) In the event of an obligation, encumbrance, or expenditure in excess of amounts
34 appropriated, the department or agency head with oversight responsibility shall make a written

1 determination of the amount and the cause of the overobligation or overexpenditure, the person(s)
2 responsible, and corrective actions taken to prevent reoccurrence. The plan of corrective actions
3 contained within the report shall detail an appropriate plan to include, but not limited to, such issues
4 as the implementation of waiting lists, pro-rata reduction in payments and changes in eligibility
5 criteria as methods to address the shortfall. The report will be filed within thirty (30) days of the
6 discovery of the overobligation or overexpenditure with the budget officer, the controller, the
7 auditor general, and the chairpersons of the house and senate finance committees.

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

16 (e) The controller shall not authorize payments for additional staff, contracts, or purchases
17 for any department or agency not projected to end a fiscal year within amounts appropriated unless
18 necessitated by immediate health and safety reasons, which shall be documented upon discovery
19 and reported, along with anticipated or actual expenditures, to the chairpersons of the house and
20 senate finance committees within fifteen (15) days.

21 ~~(f)~~ A state employee who has knowingly and willingly encumbered, obligated, or
22 authorized the expenditure of state funds in excess of amounts appropriated for those purposes or
23 entered into contracts without proper authorization may be placed on disciplinary suspension
24 without pay for up to thirty (30) days in accordance with § 36-4-36.

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

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

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

3 **35-4-27. Indirect cost recoveries on restricted receipt accounts.**

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

- 12 Executive Office of Health and Human Services
- 13 Organ Transplant Fund
- 14 HIV Care Grant Drug Rebates
- 15 [Health System Transformation Project](#)
- 16 Department of Human Services
- 17 Veterans' home -- Restricted account
- 18 Veterans' home -- Resident benefits
- 19 Pharmaceutical Rebates Account
- 20 Demand Side Management Grants
- 21 Veteran's Cemetery Memorial Fund
- 22 Donations -- New Veterans' Home Construction
- 23 Department of Health
- 24 Pandemic medications and equipment account
- 25 Miscellaneous Donations/Grants from Non-Profits
- 26 State Loan Repayment Match
- 27 [Healthcare Information Technology](#)
- 28 Department of Behavioral Healthcare, Developmental Disabilities and Hospitals
- 29 Eleanor Slater non-Medicaid third-party payor account
- 30 Hospital Medicare Part D Receipts
- 31 RICLAS Group Home Operations
- 32 Commission on the Deaf and Hard of Hearing
- 33 Emergency and public communication access account
- 34 Department of Environmental Management

1 National heritage revolving fund
2 Environmental response fund II
3 Underground storage tanks registration fees
4 [De Coppet Estate Fund](#)
5 Rhode Island Historical Preservation and Heritage Commission
6 Historic preservation revolving loan fund
7 Historic Preservation loan fund -- Interest revenue
8 Department of Public Safety
9 [E-911 Uniform Emergency Telephone System](#)
10 Forfeited property -- Retained
11 Forfeitures -- Federal
12 Forfeited property -- Gambling
13 Donation -- Polygraph and Law Enforcement Training
14 Rhode Island State Firefighter's League Training Account
15 Fire Academy Training Fees Account
16 Attorney General
17 Forfeiture of property
18 Federal forfeitures
19 Attorney General multi-state account
20 Forfeited property -- Gambling
21 Department of Administration
22 OER Reconciliation Funding
23 [Health Insurance Market Integrity Fund](#)
24 RI Health Benefits Exchange
25 Information Technology Investment Fund
26 Restore and replacement -- Insurance coverage
27 Convention Center Authority rental payments
28 Investment Receipts -- TANS
29 OPEB System Restricted Receipt Account
30 Car Rental Tax/Surcharge-Warwick Share
31 Executive Office of Commerce
32 Housing Resources Commission Restricted Account
33 Department of Revenue
34 DMV Modernization Project

1 Jobs Tax Credit Redemption Fund
2 Legislature
3 Audit of federal assisted programs
4 Department of Children, Youth and Families
5 Children's Trust Accounts -- SSI
6 Military Staff
7 RI Military Family Relief Fund
8 RI National Guard Counterdrug Program
9 Treasury
10 Admin. Expenses -- State Retirement System
11 Retirement -- Treasury Investment Options
12 Defined Contribution -- Administration - RR
13 Violent Crimes Compensation -- Refunds
14 Treasury Research Fellowship
15 Business Regulation
16 Banking Division Reimbursement Account
17 Office of the Health Insurance Commissioner Reimbursement Account
18 Securities Division Reimbursement Account
19 Commercial Licensing and Racing and Athletics Division Reimbursement Account
20 Insurance Division Reimbursement Account
21 Historic Preservation Tax Credit Account
22 Judiciary
23 Arbitration Fund Restricted Receipt Account
24 Third-Party Grants
25 RI Judiciary Technology Surcharge Account
26 Department of Elementary and Secondary Education
27 Statewide Student Transportation Services Account
28 School for the Deaf Fee-for-Service Account
29 School for the Deaf -- School Breakfast and Lunch Program
30 Davies Career and Technical School Local Education Aid Account
31 Davies -- National School Breakfast & Lunch Program
32 School Construction Services
33 Office of the Postsecondary Commissioner
34 Higher Education and Industry Center

1 Department of Labor and Training

2 Job Development Fund

3 SECTION 7. Section 39-1-62 of the General Laws in Chapter 39-1 entitled "Public Utilities
4 Commission" is hereby repealed.

5 ~~**39-1-62. Geographic information system (GIS) and technology fund.**~~

6 ~~(a) Preamble. To allow Rhode Island emergency and first response agencies to associate
7 latitude and longitude coordinates provided by wireless carriers with physical locations throughout
8 the state, the agency must establish and maintain a GIS database of street addresses and landmarks.
9 The database will allow local emergency response personnel to dispatch police, fire, and rescue
10 personnel to a specific address or landmark of a cellular caller in the event the caller is unaware of
11 his or her location, or is physically unable to communicate it. Because more than half of the 530,000
12 9-1-1 phone calls received in 2003 came from cellular phones, it is critical that the GIS database
13 be developed and maintained in order to improve caller location identification and reduce
14 emergency personnel response times.~~

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

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

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

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

19 ~~(4) "GIS and technology fund" means the programs and funding made available to the
20 emergency 911 uniform telephone system to assist in paying the costs of the GIS database
21 development project and GIS systems maintenance, which will enable the system to locate cellular
22 phone callers by geocoding all addresses and landmarks in cities and towns throughout the state.
23 GIS and technology fund also includes programs and funding to create system redundancy, fund
24 the construction of a new E-911 facility, and operate and maintain other state-of-the-art equipment
25 in public safety agencies.~~

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

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

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

- 1 ~~(2) Create system redundancy to ensure the reliability of 9-1-1 service to the public;~~
2 ~~(3) Operate and maintain other state-of-the-art equipment in public safety agencies;~~
3 ~~(4) Fund the construction of a new E-911 facility; and~~
4 ~~(5) Encourage the development of opportunities for and agreements on the sharing and~~
5 ~~integration of services across municipalities in the implementation of the E-911 uniform emergency~~
6 ~~telephone system.~~

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

10 ~~(1) The general assembly shall determine the amount of a monthly surcharge to be levied~~
11 ~~upon each wireless instrument, device, or means including cellular, telephony, internet, voice over~~
12 ~~internet protocol (VoIP), satellite, computer, radio, communication, data, or any other wireless~~
13 ~~instrument, device, or means that has access to, connects with, interfaces with, or is capable of~~
14 ~~delivering two-way interactive communications services to the Rhode Island uniform emergency~~
15 ~~telephone system. Prepaid wireless E911 telecommunications services shall not be included in this~~
16 ~~act, but shall be governed by chapter 21.2 of this title. The agency will provide the general assembly~~
17 ~~with information and recommendations regarding the necessary level of funding to effectuate the~~
18 ~~purposes of this article. The surcharge shall be billed monthly by each wireless telecommunications~~
19 ~~services provider as defined in § 39-21.1-3, which shall not include prepaid wireless~~
20 ~~telecommunications service, and shall be payable to the wireless telecommunications services~~
21 ~~provider by the subscriber of the telecommunications services. Each telecommunication services~~
22 ~~provider shall establish a special (escrow) account to which it shall deposit on a monthly basis the~~
23 ~~amounts collected as a surcharge under this section. The money collected by each wireless~~
24 ~~telecommunication services provider shall be transferred within sixty (60) days after its inception~~
25 ~~of wireless, cellular, telephony, voice over internet protocol (VoIP), satellite, computer, internet,~~
26 ~~or communications, information, or data services in this state and every month thereafter. Any~~
27 ~~money not transferred in accordance with this paragraph shall be assessed interest at the rate set~~
28 ~~forth in § 44-1-7 from the date the money should have been transferred. State, local, and quasi-~~
29 ~~governmental agencies shall be exempt from the surcharge. The surcharge shall be deposited in a~~
30 ~~restricted receipt account, hereby created within the agency and known as the GIS and technology~~
31 ~~fund, to pay any and all costs associated with the provisions of subsection (c). Beginning July 1,~~
32 ~~2007, the surcharge shall be deposited in the general fund as general revenues to pay any and all~~
33 ~~costs associated with the provisions of subsection (c). The GIS and technology fund restricted-~~
34 ~~receipt account shall be terminated June 30, 2008. The amount of the surcharge under this section~~

1 ~~shall not exceed thirty five cents (\$.35) per wireless phone.~~

2 ~~(2) The surcharge is hereby determined to be twenty six cents (\$.26) per wireless phone,~~
3 ~~cellular, telephony, voice over internet protocol (VoIP), satellite, computer, data or data only~~
4 ~~wireless lines or internet communication or data instrument, device, or means that has access to,~~
5 ~~connects with, activates or interfaces with or any combination of the above, with the Rhode Island~~
6 ~~E-911 uniform emergency telephone system per month and shall be in addition to the wireless~~
7 ~~surcharge charged under § 39-21.1-14. The twenty six cents (\$.26) is to be billed to all wireless~~
8 ~~telecommunication service providers' subscribers upon the inception of services.~~

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

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

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

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

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

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

31 ~~(i) The attorney general shall, at the request of the E-911 uniform emergency telephone~~
32 ~~system division, or any other agency that may replace it, or on its own initiative, commence judicial~~
33 ~~proceedings in the superior court against any telecommunication services provider as defined in §~~
34 ~~39-21.1-3(12) providing communication services to enforce the provisions of this chapter.~~

1 SECTION 8. Section 39-21.1-14 of the General Laws in Chapter 39-21.1 entitled "911
2 Emergency Telephone Number Act" is hereby amended to read as follows:

3 **39-21.1-14. ~~Emergency services and first response surcharge~~ Emergency services**
4 **surcharge and first response surcharge.**

5 (a)(i) A monthly E-911 surcharge of ~~one dollar (\$1.00)~~ fifty cents (\$.50) cents is hereby
6 levied upon each residence and business telephone line or trunk or path and data, telephony,
7 internet, voice over internet protocol (VoIP) wireline, line, trunk or path in the state including PBX
8 trunks and centrex equivalent trunks and each line or trunk serving, and upon each user interface
9 number or extension number or similarly identifiable line, trunk, or path to or from a digital network
10 (such as, but not exclusive of, integrated services digital network (ISDN), Flexpath, or comparable
11 digital private branch exchange, or connecting to or from a customer-based or dedicated telephone
12 switch site (such as, but not exclusive of, a private branch exchange (PBX)), or connecting to or
13 from a customer-based or dedicated central office (such as, but not exclusive of, a centrex system
14 but exclusive of trunks and lines provided to wireless communication companies) that can access
15 to, connect with, or interface with the Rhode Island E-911 uniform emergency telephone system
16 (RI E-911). In each instance where a surcharge is levied pursuant to this subsection (a)(i) above
17 there shall also be a monthly first response surcharge of fifty cents (\$.50). The ~~surcharge~~ surcharges
18 shall be billed by each telecommunication services provider at the inception of services and shall
19 be payable to the telecommunication services provider by the subscriber of the services.

20 (ii) A monthly E-911 surcharge of ~~one dollar (\$1.00)~~ fifty cents (\$.50) is hereby levied
21 ~~effective July 1, 2002~~, on each wireless instrument, device, or means including prepaid, cellular,
22 telephony, internet, voice over internet protocol (VoIP), satellite, computer, radio, communication,
23 data or data only wireless lines or any other wireless instrument, device, or means that has access
24 to, connects with, or activates or interfaces or any combination thereof with the E 9-1-1 uniform
25 emergency telephone system. In each instance where a surcharge is levied pursuant to this
26 subsection (a)(ii) above there shall also be a monthly first response surcharge of seventy-five cents
27 (\$.75). The ~~surcharge~~ surcharges shall be in addition to the surcharge collected under § 39-1-62
28 and shall be billed by each telecommunication services provider and shall be payable to the
29 telecommunication services provider by the subscriber. Prepaid wireless telecommunications
30 services shall not be included in this act, but shall be governed by chapter 21.2 of this title. The E-
31 911 uniform emergency telephone system shall establish, by rule or regulation, an appropriate
32 funding mechanism to recover from the general body of ratepayers this surcharge.

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

1 purpose of computing the tax under chapter 13 of title 44.

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

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

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

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

26 (g) Included within, but not limited to, the purposes for which the money collected from
27 the E-911 surcharge may be used are rent, lease, purchase, improvement, construction,
28 maintenance, repair, and utilities for the equipment and site or sites occupied by the ~~state's first~~
29 ~~responder and emergency services agencies~~ E-911 uniform emergency telephone system; salaries,
30 benefits, and other associated personnel costs; acquisition, upgrade, or modification of PSAP
31 equipment to be capable of receiving E 9-1-1 information, including necessary computer hardware,
32 software, and database provisioning, addressing, and non-recurring costs of establishing emergency
33 services; network development, operation, and maintenance; database development, operation, and
34 maintenance; on-premise equipment maintenance and operation; training emergency service

1 personnel regarding use of E 9-1-1; educating consumers regarding the operations, limitations, role,
2 and responsible use of E 9-1-1; reimbursement to telephone common carriers or telecommunication
3 services providers of rates or recurring costs associated with any services, operation,
4 administration, or maintenance of E 9-1-1 services as approved by the division; reimbursement to
5 telecommunication services providers or telephone common carriers of other costs associated with
6 providing E 9-1-1 services, including the cost of the design, development, and implementation of
7 equipment or software necessary to provide E 9-1-1 service information to PSAP's, as approved by
8 the division.

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

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

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

14 SECTION 9. Sections 39-21.2-2, 39-21.2-4 and 39-21.2-5 of the General Laws in Chapter
15 39-21.2 entitled "Prepaid Wireless Charge Act" are hereby amended to read as follows:

16 **39-21.2-2. Findings.**

17 The legislature finds that:

18 (1) Maintaining effective and efficient emergency services ~~and first responder agencies~~
19 across the state benefits all citizens;

20 (2) 911 fees imposed upon the consumers of telecommunications services that have the
21 ability to dial 911 are an important funding mechanism to assist state and local governments with
22 the deployment of emergency services to the citizens of this state;

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

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

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

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

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

1 and

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

8 **39-21.2-4. Emergency services and first response surcharge E-911 surcharge.**

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

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

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

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

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

34 ~~(f) Re-setting of charge. The prepaid wireless charge shall be proportionately increased or~~

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

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

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

23 **39-21.2-5. Administration of E911 charge.**

24 (a) Time and manner of payment. Prepaid wireless E911 charges collected by sellers shall
25 be remitted to the division at the times and in the manner provided by the streamlined sales and use
26 tax as described in § 44-18.1-34. The division shall establish registration and payment procedures
27 that substantially coincide with the registration and payment procedures that apply to the
28 streamlined sales and use tax.

29 (b) Seller administrative deduction. A seller shall be permitted to deduct and retain one
30 percent (1%) of prepaid wireless E911 charges that are collected by the seller from consumers.

31 (c) Audit and appeal procedures. The audit and appeal procedures applicable to sales and
32 use tax under § 44-19-18 of the general laws shall apply to prepaid wireless E911 charges.

33 (d) Exemption documentation. The division shall establish procedures by which a seller of
34 prepaid wireless telecommunications service may document that a sale is not a retail transaction,

1 which procedures shall substantially coincide with the procedures form documenting sale for resale
2 transactions for sales tax purposes under § 44-19-18 of the general laws.

3 (e) All E-911 fees collected pursuant to this section shall be deposited ~~as general revenues~~
4 in a restricted receipt account and used solely for the operation of the E 9-1-1 uniform emergency
5 telephone system.

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

8 **42-7.2-10. Appropriations and disbursements.**

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

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

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

24 **42-9-19. Acceptance of settlements - Attorney General settlement restricted account.**

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

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

34 (c) Expenditure of all settlement proceeds accepted by the attorney general as part of the

1 [terms of the relevant master settlement agreement shall be subject to the annual appropriation](#)
2 [process and approval by the general assembly.](#)

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

5 **42-11-2.5. Information technology investment fund.**

6 (a) All sums from the sale of any land and the buildings and improvements thereon, and
7 other real property, title to which is vested in the state, except as provided in §§ 37-7-15(b) and 37-
8 7-15(c), shall be transferred to an information technology investment fund restricted-receipt
9 account that is hereby established. This fund shall consist of such sums from the sale of any land
10 and the buildings and improvements thereon, and other real property, title to which is vested in the
11 state, except as provided in §§ 37-7-15(b) and 37-7-15(c), as well as a share of ~~emergency services~~
12 ~~and~~ first response surcharge revenues collected under the provisions of § 39-21.1-14. This fund
13 may also consist of such sums as the state may from time to time appropriate; as well as money
14 received from the disposal of information technology equipment, loan, interest, and service charge
15 payments from benefiting state agencies; as well as interest earnings, money received from the
16 federal government, gifts, bequest, donations, or otherwise from any public or private source. Any
17 such funds shall be exempt from the indirect cost recovery provisions of § 35-4-27.

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

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

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

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

29