

2011 -- H 5894

=====
LC02105
=====

STATE OF RHODE ISLAND

IN GENERAL ASSEMBLY

JANUARY SESSION, A.D. 2011

A N A C T

RELATING TO MAKING APPROPRIATIONS FOR THE SUPPORT OF THE STATE FOR
THE FISCAL YEAR ENDING JUNE 30, 2012

Introduced By: Representative Helio Melo

Date Introduced: March 09, 2011

Referred To: House Finance

It is enacted by the General Assembly as follows:

- 1 ARTICLE 1 RELATING TO MAKING APPROPRIATIONS IN SUPPORT OF FY 2012
- 2 ARTICLE 2 RELATING TO MAKING SUPPLEMENTAL APPROPRIATIONS FOR F2011
- 3 ARTICLE 3 RELATING TO BUDGET RESERVE FUND
- 4 ARTICLE 4 RELATING TO SECURITY--UNEMPLOYMENT INSURANCE
- 5 ARTICLE 5 RELATING TO EDUCATION AID
- 6 ARTICLE 6 RELATING TO DEPARTMENT OF ENVIRONMENTAL MANAGEMENT
- 7 ARTICLE 7 RELATING TO THE RHODE ISLAND TELECOMMUNICATIONS
- 8 EDUCATION ACCESS FUND
- 9 ARTICLE 8 RELATING TO LONGEVITY PAYMENTS
- 10 ARTICLE 9 RELATING TO GOVERNMENTAL ORGANIZATION
- 11 ARTICLE 10 RELATING TO THE DEPARTMENT OF EDUCATION
- 12 ARTICLE 11 RELATING TO THE CHILDREN'S HEALTH ACCOUNT
- 13 ARTICLE 12 RELATING TO SCHOOL HOUSING AID FOR CHARTER PUBLIC
- 14 SCHOOLS
- 15 ARTICLE 13 RELATING TO RETIREMENT--CONTRIBUTION RATES
- 16 ARTICLE 14 RELATING TO THE TOURISM ASSET PROTECTION FUND
- 17 ARTICLE 15 RELATING TO MANAGEMENT AND DISPOSAL OF PROPERTY
- 18 ARTICLE 16 RELATING TO THE MEDICAID REFORM ACT

1 ARTICLE 17 RELATING TO GENERAL PUBLIC ASSISTANCE HARDSHIP
2 CONTINGENCY FUND
3 ARTICLE 18 RELATING TO HOSPITAL UNCOMPENSATED CARE
4 ARTICLE 19 RELATING TO LICENSING OF HOSPITAL FACILITIES
5 ARTICLE 20 RELATING TO LICENSES AND FEES
6 ARTICLE 21 RELATING TO RHODE ISLAND PUBLIC RAIL CORPORATION
7 ARTICLE 22 RELATING TO REGISTRATION FEES
8 ARTICLE 23 RELATING TO DIVISION OF SHERIFFS
9 ARTICLE 24 RELATING TO DEPARTMENT OF REVENUE--
10 REVENUES/FEES/COLLECTIONS
11 ARTICLE 25 RELATING TO THE DEPARTMENT OF REVENUE--CORPORATE
12 COMPETITIVENESS TAX REFORM
13 ARTICLE 26 RELATING TO SALES TAX MODERNIZATION
14 ARTICLE 27 RELATING TO PHARMACEUTICAL ASSISTANCE TO THE ELDERLY
15 ARTICLE 28 RELATING TO VETERANS' HOME
16 ARTICLE 29 RELATING TO DEPARTMENT OF HEALTH--ELIMINATION OF
17 CERTIFICATE OF NEED
18 ARTICLE 30 RELATING TO MEDICAL ASSISTANCE NURSING FACILITIES RATE
19 REFORM
20 ARTICLE 31 RELATING TO HUMAN SERVICES--ABUSED AND NEGLECTED
21 CHILDREN
22 ARTICLE 32 RELATING TO EDUCATION--JUVENILE CORRECTIONS
23 ARTICLE 33 RELATING TO HOSPITAL PAYMENT RATES
24 ARTICLE 34 RELATING TO DEPARTMENT OF TRANSPORTATION--TOLLING OF
25 STATE HIGHWAYS
26 ARTICLE 35 RELATING TO REGISTRATION OF MOTOR VEHICLES
27 ARTICLE 36 RELATING TO STATE PROPERTY--LEASES
28 ARTICLE 37 RELATING TO THE UNCLASSIFIED SERVICE
29 ARTICLE 38 RELATING TO RETIREE HEALTH CARE TRUST FUND
30 ARTICLE 39 RELATING TO MUNICIPAL ACCOUNTABILITY, STABILITY AND
31 TRANSPARENCY FUND
32 ARTICLE 40 RELATING TO DISTRESSED COMMUNITIES
33 ARTICLE 41 RELATING TO RESTRICTED RECEIPTS ACCOUNTS
34 ARTICLE 42 RELATING TO BORROWING IN ANTICIPATION OF RECEIPTS FROM

- 1 TAXES
- 2 ARTICLE 43 RELATING TO EFFECTIVE DATE
- 3

1 **ARTICLE 1**

2 RELATING TO MAKING APPROPRIATIONS IN SUPPORT OF FY 2012

3 SECTION 1. Subject to the conditions, limitations and restrictions hereinafter contained
4 in this act, the following general revenue amounts are hereby appropriated out of any money in
5 the treasury not otherwise appropriated to be expended during the fiscal year ending June 30,
6 2012. The amounts identified for federal funds and restricted receipts shall be made available
7 pursuant to section 35-4-22 and Chapter 41 of Title 42 of the Rhode Island General Laws. For
8 the purposes and functions hereinafter mentioned, the state controller is hereby authorized and
9 directed to draw his or her orders upon the general treasurer for the payment of such sums or such
10 portions thereof as may be required from time to time upon receipt by him or her of properly
11 authenticated vouchers.

12 **Administration**

13 *Central Management*

14	General Revenue Total	1,960,324
15	Total - Central Management	1,960,324

16 *Legal Services*

17	General Revenue Total	1,825,486
18	Total - Legal Services	1,825,486

19 *Accounts and Control*

20	General Revenue Total	3,751,998
21	Total - Accounts and Control	3,751,998

22 *Budgeting*

23	General Revenue Total	2,219,064
24	Total - Budgeting	2,219,064

25 *Purchasing*

26	General Revenue Total	2,415,901
27	Federal Funds Total	68,956
28	Other Funds	265,489
29	Total - Purchasing	2,750,346

30 *Auditing*

31	General Revenue Total	1,376,922
32	Total - Auditing	1,376,922

33 *Human Resources*

34	General Revenue Total	8,952,981
----	-----------------------	-----------

1	Federal Funds Total	770,374
2	Restricted Receipts Total	426,866
3	Other Funds Total	1,360,618
4	Total - Human Resources	11,510,839
5	<i>Personnel Appeal Board</i>	
6	General Revenue Total	73,560
7	Total - Personnel Appeal Board	73,560
8	<i>Facilities Management</i>	
9	General Revenue Total	31,874,366
10	Federal Funds Total	1,014,835
11	Restricted Receipts Total	513,740
12	Other Funds Total	3,003,387
13	Total – Facilities Management	36,406,328
14	<i>Capital Projects and Property Management</i>	
15	General Revenue Total	2,429,894
16	Federal Funds - Stimulus	58,363
17	Restricted Receipts Total	1,433,822
18	Total – Capital Projects and Property Management	3,922,079
19	<i>Information Technology</i>	
20	General Revenue Total	21,249,105
21	Federal Funds Total	6,775,106
22	Restricted Receipts Total	863,153
23	Other Funds Total	1,792,590
24	Total – Information Technology	30,679,954
25	<i>Library and Information Services</i>	
26	General Revenue Total	932,971
27	Federal Funds Total	1,288,445
28	Restricted Receipts Total	1,895
29	Total – Library and Information Services	2,223,311
30	<i>Planning</i>	
31	General Revenue Total	3,397,511
32	Federal Funds	
33	Federal Funds	11,414,909
34	Federal Funds – Stimulus	1,053,053

1	Federal Funds Total	12,467,962
2	Other Funds	
3	Federal Highway - PL Systems Planning	5,126,163
4	Air Quality Modeling	10,000
5	Other Funds Total	5,136,163
6	Total - Planning	21,001,636
7	<i>General</i>	
8	General Revenues	
9	Economic Development Corporation	4,903,534
10	EDC - Airport Impact Aid	1,025,000
11	Sixty percent (60%) of the first \$1,000,000 appropriated for airport impact aid shall be	
12	distributed to each airport serving more than 1,000,000 passengers based upon its percentage of	
13	the total passengers served by all airports serving more than 1,000,000 passengers. Forty percent	
14	(40%) of the first \$1,000,000 shall be distributed based on the share of landings during the	
15	calendar year 2011 at North Central Airport, Newport-Middletown Airport, Block Island Airport,	
16	Quonset Airport, TF Green Airport, and Westerly Airport, respectively. The Economic	
17	Development Corporation shall make an impact payment to the towns or cities in which the	
18	airport is located based on this calculation.	
19	Each community upon which any parts of the above airports are located shall receive at	
20	least \$25,000.	
21	EDC EPScore (Research Alliance)	1,500,000
22	Miscellaneous Grants	395,956
23	Slater Centers of Excellence	2,000,000
24	Torts – Court	400,000
25	Teachers Retiree Health Subsidy	2,321,057
26	Resource Sharing and State Library Aid	8,773,398
27	Library Construction Aid	2,821,772
28	General Revenue Total	24,140,717
29	Restricted Receipts Total	1,341,680
30	Other Funds	
31	RICAP - Statehouse Renovations	1,500,000
32	RICAP - Cranston Street Armory	500,000
33	RICAP – Cannon Building	225,000
34	RICAP - Zambarano Building Rehabilitation	848,000

1	RICAP - Old State House	500,000
2	RICAP - State Office Building	750,000
3	RICAP - Old Colony House	200,000
4	RICAP - William Powers Building	500,000
5	RICAP - Fire Code Compliance State Buildings	250,000
6	RICAP - Pastore Center Fire Code Compliance	500,000
7	RICAP – Pastore Center Water Tanks	650,000
8	RICAP - Replacement of Fueling Tanks	300,000
9	RICAP - Environmental Compliance	300,000
10	RICAP – Pastore Utilities Upgrade	1,000,000
11	RICAP – Pastore Center Building Demolition	1,500,000
12	RICAP – McCoy Stadium	500,000
13	RICAP – Washington County Government Center	500,000
14	RICAP – Veterans Memorial Auditorium	1,400,000
15	RICAP – Chapin Health Laboratory	500,000
16	RICAP – Pastore Center Parking	225,000
17	Board of Elections New Location	100,000
18	Building 79 Stabilization	300,000
19	RICAP – RIFANS Implementation	2,500,000
20	RICAP – Interdepartmental Weapons Range	150,000
21	Other Funds Total	16,698,000
22	Total - General	42,180,397
23	<i>Debt Service Payments</i>	
24	General Revenue Total	143,446,413
25	Federal Funds Total	743,348
26	Restricted Receipts Total	7,634,798
27	Other Funds	
28	RIPTA Debt Service	1,198,372
29	Transportation Debt Service	46,206,772
30	Investment Receipts – Bond Funds	100,000
31	COPS - DLT Building – TDI	278,848
32	Other Funds Total	47,783,992
33	Total - Debt Service Payments	199,608,551
34	<i>Energy Resources</i>	

1	Federal Funds	
2	Federal Funds	34,004,073
3	Federal Funds – Stimulus	11,865,689
4	Federal Funds Total	45,869,762
5	Restricted Receipts Total	7,682,130
6	Total – Energy Resources	53,551,892
7	Grand Total - General Revenue	250,047,213
8	Grand Total - Administration	415,042,687
9	Business Regulation	
10	<i>Central Management</i>	
11	General Revenue Total	1,162,041
12	Total - Central Management	1,162,041
13	<i>Banking Regulation</i>	
14	General Revenue Total	1,732,238
15	Restricted Receipts Total	125,000
16	Total - Banking Regulation	1,857,238
17	<i>Securities Regulation</i>	
18	General Revenue Total	1,051,512
19	Restricted Receipts Total	15,000
20	Total - Securities Regulation	1,066,512
21	<i>Insurance Regulation</i>	
22	General Revenue Total	4,031,865
23	Federal Funds Total	148,312
24	Restricted Receipts Total	1,140,825
25	Total - Insurance Regulation	5,321,002
26	<i>Office of the Health Commissioner</i>	
27	General Revenue Total	547,168
28	Federal Funds Total	1,312,549
29	Restricted Receipts Total	10,500
30	Total – Office of the Health Commissioner	1,870,217
31	<i>Board of Accountancy</i>	
32	General Revenue Total	170,668
33	Total – Board of Accountancy	170,668
34	<i>Commercial Licensing, Racing and Athletics</i>	

1	General Revenue Total	753,526
2	Restricted Receipts Total	476,122
3	Total - Commercial Licensing, Racing and Athletics	1,229,648
4	<i>Boards for Design Professionals</i>	
5	General Revenue Total	247,360
6	Total – Boards for Design Professionals	247,360
7	Grand Total - General Revenue	9,696,378
8	Grand Total - Business Regulation	12,924,686
9	Labor and Training	
10	<i>Central Management</i>	
11	General Revenue Total	113,640
12	Restricted Receipts Total	534,274
13	Other Funds	
14	RICAP – Asset Protection	208,500
15	Other Funds Total	208,500
16	Total - Central Management	856,414
17	<i>Workforce Development Services</i>	
18	Federal Funds Total	29,292,898
19	Restricted Receipts Total	6,694,730
20	Other Funds	
21	Shared Youth Vision	45,900
22	Other Funds Total	45,900
23	Total - Workforce Development Services	36,033,528
24	<i>Workforce Regulation and Safety</i>	
25	General Revenue Total	2,613,140
26	Total - Workforce Regulation and Safety	2,613,140
27	<i>Income Support</i>	
28	General Revenue Total	4,121,041
29	Federal Funds	
30	Federal Funds	19,194,869
31	Federal Funds – Stimulus - UI	857,635
32	Federal Funds Total	20,052,504
33	Restricted Receipts Total	1,320,268
34	Other Funds	

1	Temporary Disability Insurance Fund	172,306,860
2	Employment Security Fund	249,404,146
3	Other Funds Total	421,711,006
4	Total - Income Support	447,204,819
5	<i>Injured Workers Services</i>	
6	Restricted Receipts Total	8,555,089
7	Total - Injured Workers Services	8,555,089
8	<i>Labor Relations Board</i>	
9	General Revenue Total	415,133
10	Total - Labor Relations Board	415,133
11	Grand Total - General Revenue	7,262,954
12	Grand Total - Labor and Training	495,678,123
13	Department of Revenue	
14	<i>Director of Revenue Office</i>	
15	General Revenue Total	784,261
16	Total – Director of Revenue Office	784,261
17	<i>Office of Revenue Analysis</i>	
18	General Revenue Total	495,910
19	Total – Office of Revenue Analysis	495,910
20	<i>Lottery Division</i>	
21	Other Funds Total	218,537,728
22	Total – Lottery Division	218,537,728
23	<i>Municipal Finance</i>	
24	General Revenue Total	2,352,609
25	Total – Municipal Finance	2,352,609
26	<i>Facilities Management</i>	
27	General Revenue Total	16,913,223
28	Federal Funds Total	1,348,756
29	Restricted Receipts Total	888,899
30	Other Funds	
31	Motor Fuel Tax Evasion	43,178
32	Temporary Disability Insurance	987,032
33	RICAP - Tax Data Warehouse	655,000
34	RICAP – Corporate Tax Model	125,000

1	Other Funds Total	1,810,210
2	Total - Taxation	20,961,088
3	<i>Registry of Motor Vehicles</i>	
4	General Revenue Total	17,184,142
5	Federal Funds Total	1,287,303
6	Restricted Receipts Total	15,100
7	Total – Registry of Motor Vehicles	18,486,545
8	<i>State Aid</i>	
9	General Revenue Total	53,989,867
10	Restricted Receipts Total	20,287,728
11	Total – State Aid	74,277,595
12	Grand Total - General Revenue	91,720,012
13	Grand Total – Revenue	335,895,736
14	Legislature	
15	General Revenue Total	37,048,053
16	Restricted Receipts Total	1,649,199
17	Grand Total - Legislature	38,697,252
18	Lieutenant Governor	
19	General Revenue Total	997,002
20	Grand Total - Lieutenant Governor	997,002
21	Secretary of State	
22	<i>Administration</i>	
23	General Revenue Total	2,056,734
24	Total - Administration	2,056,734
25	<i>Corporations</i>	
26	General Revenue Total	1,978,821
27	Total - Corporations	1,978,821
28	<i>State Archives</i>	
29	General Revenue Total	122,785
30	Restricted Receipts Total	496,548
31	Total - State Archives	619,333
32	<i>Elections and Civics</i>	
33	General Revenue Total	1,345,089
34	Total – Elections and Civics	1,345,089

1	<i>State Library</i>	
2	General Revenue Total	596,876
3	Total - State Library	596,876
4	<i>Office of Public Information</i>	
5	General Revenue Total	334,439
6	Total - Office of Public Information	334,439
7	Grand Total - General Revenue	6,434,744
8	Grand Total - Secretary of State	6,931,292
9	General Treasurer	
10	<i>Treasury</i>	
11	General Revenue Total	2,137,282
12	Federal Funds Total	269,173
13	Other Funds	
14	Temporary Disability Insurance Fund	217,021
15	Other Funds Total	217,021
16	Total – Treasury	2,623,476
17	<i>State Retirement System</i>	
18	Restricted Receipts	
19	Administrative Expenses - State Retirement System	11,040,461
20	Retirement - Treasury Investment Operations	1,080,790
21	Restricted Receipts Total	12,121,251
22	Total - State Retirement System	12,121,251
23	<i>Unclaimed Property</i>	
24	Restricted Receipts Total	15,508,524
25	Total - Unclaimed Property	15,508,524
26	<i>Crime Victim Compensation Program</i>	
27	General Revenue Total	102,846
28	Federal Funds Total	848,310
29	Restricted Receipts Total	1,473,266
30	Total - Crime Victim Compensation Program	2,424,422
31	Grand Total - General Revenue	2,240,128
32	Grand Total - General Treasurer	32,677,673
33	Board of Elections	
34	General Revenue Total	1,915,905

1	Federal Funds Total	50,000
2	Grand Total - Board of Elections	1,965,905
3	Rhode Island Ethics Commission	
4	General Revenue Total	1,560,008
5	Grand Total - Rhode Island Ethics Commission	1,560,008
6	Office of Governor	
7	General Revenues	
8	General Revenues	4,088,521
9	Contingency Fund	250,000
10	General Revenue Total	4,338,521
11	Federal Funds Total	139,898
12	Restricted Receipts - OERR	777,676
13	Grand Total - Office of Governor	5,256,095
14	Commission for Human Rights	
15	General Revenue Total	1,154,038
16	Federal Funds Total	301,532
17	Grand Total – Commission for Human Rights	1,455,570
18	Public Utilities Commission	
19	Federal Funds	
20	Federal Funds	109,394
21	Federal Funds - Stimulus	199,979
22	Federal Funds Total	309,373
23	Restricted Receipts Total	7,795,633
24	Grand Total - Public Utilities Commission	8,105,006
25	Office of Health and Human Services	
26	General Revenue Total	9,623,834
27	Federal Funds Total	6,250,134
28	Restricted Receipts Total	904,712
29	Total – Health and Human Services	16,778,680
30	Children, Youth, and Families	
31	<i>Central Management</i>	
32	General Revenue Total	4,894,560
33	Federal Funds Total	1,699,440
34	Restricted Receipts Total	301,122

1	Total - Central Management	6,895,122
2	<i>Children's Behavioral Health Services</i>	
3	General Revenue Total	10,838,296
4	Federal Fund	
5	Federal Funds	10,222,578
6	Other Funds	
7	RICAP – Groden Center Mt. Hope	0
8	RICAP – NAFI Center	530,000
9	RICAP – Mt. Hope – Building Façade	275,000
10	RICAP – Various Repairs and Improvements	1,200,000
11	Other Funds Total	2,005,000
12	Total - Children's Behavioral Health Services	23,065,874
13	<i>Juvenile Correctional Services</i>	
14	General Revenue Total	28,410,148
15	Federal Funds	
16	Federal Funds	1,930,508
17	Federal Funds – Stimulus	386,667
18	Restricted Receipts Total	2,075,000
19	RICAP – Adolph Meyer Renovations	0
20	Total - Juvenile Correctional Services	32,802,323
21	<i>Child Welfare</i>	
22	General Revenues	
23	General Revenue	95,070,045
24	18 to 21 Year Olds	0
25	General Revenue Total	95,070,045
26	Federal Funds	
27	Federal Funds	46,128,784
28	18 to 21 Year Olds	2,501,548
29	Federal Funds Total	48,630,332
30	Federal Funds – Stimulus	0
31	Restricted Receipts Total	3,195,101
32	Other Funds	
33	RICAP – Camp E-Hun-Tee	85,000
34	RICAP – Fire Code Upgrades	1,000,000

1	Other Funds Total	1,085,000
2	Total - Child Welfare	147,980,478
3	<i>Higher Education Incentive Grants</i>	
4	General Revenue Total	200,000
5	Total - Higher Education Incentive Grants	200,000
6	Grand Total - General Revenue	139,413,049
7	Grand Total - Children, Youth, and Families	210,943,797
8	Elderly Affairs	
9	General Revenues	
10	General Revenues	9,318,304
11	RIPAE	0
12	Care and Safety of the Elderly	1,287
13	General Revenue Total	9,319,591
14	Federal Funds	
15	Federal Funds	17,769,466
16	Federal Funds – Stimulus	0
17	Restricted Receipts Total	397,091
18	Grand Total – General Revenue	9,319,591
19	Grand Total - Elderly Affairs	27,486,148
20	Health	
21	<i>Central Management</i>	
22	General Revenue Total	1,411,003
23	Federal Funds Total	10,989,379
24	Restricted Receipts Total	3,548,953
25	Total - Central Management	15,949,335
26	<i>State Medical Examiner</i>	
27	General Revenue Total	2,012,467
28	Federal Funds Total	237,653
29	Total - State Medical Examiner	2,250,120
30	<i>Environmental and Health Services Regulation</i>	
31	General Revenue Total	7,883,544
32	Federal Funds Total	5,266,567
33	Restricted Receipts Total	4,250,400
34	Total - Environmental and Health Services Regulation	17,400,511

1	<i>Health Laboratories</i>	
2	General Revenue Total	6,118,944
3	Federal Funds Total	1,571,150
4	Federal Funds – Stimulus	257,946
5	Total - Health Laboratories	7,948,040
6	<i>Public Health Information</i>	
7	General Revenue Total	1,599,404
8	Federal Funds Total	1,370,411
9	Federal Funds – Stimulus	541,916
10	Total – Public Health Information	3,511,731
11	<i>Community and Family Health and Equity</i>	
12	General Revenue Total	5,591,178
13	Federal Funds	
14	Federal Funds	71,949,826
15	Federal Funds – Stimulus	3,008,603
16	Restricted Receipts Total	18,871,386
17	Other Funds	
18	Walkable Communities Initiative	0
19	Safe And Active Commuting	63,400
20	RI Airport Corporation Funds	0
21	Other Funds Total	63,400
22	Total – Community and Family Health and Equity	99,484,393
23	<i>Infectious Disease and Epidemiology</i>	
24	General Revenue Total	2,131,704
25	Federal Funds Total	2,671,876
26	Federal Funds – Stimulus	119,986
27	Total – Infectious Disease and Epidemiology	4,923,566
28	Grand Total - General Revenue	26,748,244
29	Grand Total - Health	151,467,696
30	Human Services	
31	<i>Central Management</i>	
32	General Revenue Total	5,952,912
33	Federal Funds Total	5,364,162
34	Federal Funds Stimulus	0

1	Restricted Receipts Total	499,999
2	Total - Central Management	11,817,073
3	<i>Child Support Enforcement</i>	
4	General Revenue Total	2,214,781
5	Federal Funds Total	6,140,841
6	Federal Funds – Stimulus	0
7	Total – Child Support Enforcement	8,355,622
8	<i>Individual and Family Support</i>	
9	General Revenue Total	19,499,949
10	Federal Funds Total	63,630,873
11	Restricted Receipts Total	180,000
12	Other Funds	
13	RICAP – Blind Vending Facilities	165,000
14	Intermodal Surface Transportation Fund	4,290,357
15	Other Funds Total	4,455,357
16	Total - Individual and Family Support	87,766,179
17	<i>Veterans' Affairs</i>	
18	General Revenue Total	0
19	Federal Funds Total	0
20	Restricted Receipts Total	0
21	Total - Veterans' Affairs	0
22	<i>Health Care Quality, Financing and Purchasing</i>	
23	General Revenue Total	18,528,179
24	Federal Funds Total	40,585,382
25	Restricted Receipts Total	60,000
26	Total - Health Care Quality, Financing & Purchasing	59,173,561
27	<i>Medical Benefits</i>	
28	General Revenue	
29	Managed Care	305,535,338
30	Hospitals	105,210,175
31	Nursing Facilities	157,551,110
32	Home and Community Based Services	37,455,395
33	Other	39,227,241
34	Pharmacy	51,886,710

1	Rhody Health	88,757,388
2	General Revenue Total	785,623,357
3	Federal Funds	
4	Managed Care	348,746,664
5	Hospitals	117,157,823
6	Nursing Facilities	172,948,890
7	Home and Community Based Services	41,116,843
8	Other	61,672,645
9	Pharmacy	5,913,290
10	Rhody Health	97,433,854
11	Special Education	20,837,655
12	Federal Funds Total	865,827,664
13	Federal Funds – Stimulus	0
14	Restricted Receipts Total	11,133,995
15	Total - Medical Benefits	1,662,585,016
16	<i>Supplemental Security Income Program</i>	
17	General Revenue Total	18,912,600
18	Total - Supplemental Security Income Program	18,912,600
19	<i>Rhode Island Works</i>	
20	General Revenues	
21	Child Care	10,640,335
22	General Revenue Total	10,640,335
23	Federal Funds Total	78,735,117
24	Total – Rhode Island Works	89,375,452
25	<i>State Funded Programs</i>	
26	General Revenues	
27	General Public Assistance	2,736,740
28	General Revenue Total	2,736,740
29	Federal Funds Total	299,270,842
30	Total - State Funded Programs	302,007,582
31	Grand Total - General Revenue	864,108,853
32	Grand Total - Human Services	2,239,993,085
33	Behavioral Healthcare, Developmental Disabilities, and Hospitals	
34	<i>Central Management</i>	

1	General Revenue Total	829,195
2	Federal Funds Total	320,449
3	Total - Central Management	1,149,644
4	<i>Hospital and Community System Support</i>	
5	General Revenue Total	2,080,418
6	Restricted Receipt Total	435,237
7	Other Funds	
8	RICAP - Medical Center Rehabilitation	750,000
9	RICAP – Community Facilities Fire Code	750,000
10	Other Funds Total	1,500,000
11	Total – Behavioral Healthcare, Developmental Disabilities and Hospitals	4,015,655
12	<i>Services for the Developmentally Disabled</i>	
13	General Revenue Total	102,948,860
14	Federal Funds	
15	Federal Funds	116,840,754
16	Federal Funds – Stimulus	0
17	Restricted Receipts Total	2,006,522
18	Other Funds	
19	RICAP – DD Private Waiver Com. Fac	909,832
20	RICAP - Regional Center Repair/Rehabilitation	750,000
21	RICAP – MR Community Facilities/Access to Independence	1,000,000
22	RICAP - Developmental Disability Group Homes	0
23	Other Funds Total	2,659,832
24	Total - Services for the Developmentally Disabled	223,546,136
25	<i>Integrated Mental Health Services</i>	
26	General Revenue Total	36,034,104
27	Federal Funds Total	58,781,051
28	Federal Funds – Stimulus	50,000
29	Restricted Receipts Total	90,000
30	Other Funds	
31	RICAP – MH Community Facilities Repairs	300,000
32	RICAP – MH Housing Development-Thresholds	500,000
33	RICAP – MH Residences Furniture	25,000
34	RICAP - Substance Abuse Asset Protection	300,000

1	Other Funds Total	1,125,000
2	Total – Integrated Mental Health Service	96,080,155
3	<i>Hospital and Community Rehabilitation Services</i>	
4	General Revenue Total	48,627,307
5	Federal Funds Total	44,057,676
6	Federal Funds – Stimulus	0
7	Restricted Receipts Total	5,466,220
8	Other Funds	
9	RICAP - Zambarano Buildings and Utilities	500,000
10	RICAP – Hospital Consolidation	16,000,000
11	RICAP – Eleanor Slater HVAC/Elevators	0
12	RICAP – MR Community Facilities	1,100,000
13	RICAP – BHDDH Administrative Building	500,000
14	Other Funds Total	18,100,000
15	Total - Hospital and Community Rehabilitation Services	116,251,203
16	Grand Total - General Revenue	190,519,884
17	Grand Total – Behavioral, Healthcare, Developmental Disabilities	
18	and Hospitals	441,042,793
19	Department of Veterans’ Affairs	
20	General Revenue Total	19,039,528
21	Federal Funds Total	8,005,072
22	Restricted Receipts Total	1,643,512
23	Grand Total – Department of Veterans’ Affairs	28,688,112
24	Office of the Child Advocate	
25	General Revenue Total	603,384
26	Federal Funds	49,048
27	Grand Total – Office of the Child Advocate	652,432
28	<i>Facilities Management</i>	
29	General Revenue Total	387,985
30	Grand Total – Com. on the Deaf and Hard of Hearing	387,985
31	Governor's Commission on Disabilities	
32	General Revenue Total	388,786
33	Federal Funds Total	181,842
34	Restricted Receipts Total	9,264

1	Other Funds	
2	RICAP – Facility Renovation – Handicapped Accessibility	250,000
3	Other Funds Total	250,000
4	Grand Total - Governor's Commission on Disabilities	829,892
5	Office of the Mental Health Advocate	
6	General Revenue Total	468,718
7	Grand Total – Office of the Mental Health Advocate	468,718
8	Elementary and Secondary Education	
9	<i>Administration of the Comprehensive Education Strategy</i>	
10	General Revenue Total	19,799,462
11	Federal Funds Total	191,187,703
12	Federal Funds – Stimulus	21,536,413
13	Education Jobs Fund	5,248,761
14	RITT LEA Share	12,850,155
15	Restricted Receipts	
16	Restricted Receipts	1,111,416
17	HRIC Adult Education Grants	3,500,000
18	Restricted Receipts Total	4,611,416
19	Other Funds	
20	Statewide Transportation - RIPTA Grant	0
21	RICAP – State Owned Schools – Chariho Repairs	400,000
22	RICAP – State Owned Cranston	890,000
23	RICAP – State Owned Newport	300,000
24	RICAP – State Owned Warwick	200,000
25	RICAP – State Owned Woonsocket	475,788
26	Other Funds Total	2,265,788
27	Total – Administration of the Comprehensive Education Strategy	239,400,782
28	<i>Davies Career and Technical School</i>	
29	General Revenue Total	13,310,129
30	Federal Funds Total	1,439,216
31	Federal Funds – Stimulus	1,003,933
32	Restricted Receipts Total	685,495
33	Other Funds	
34	RICAP - Davies Roof Repair	387,275

1	RICAP – Davies HVAC	414,628
2	RICAP - Davies Asset Protection	150,000
3	Other Funds Total	951,903
4	Total - Davies Career and Technical School	17,390,676
5	<i>RI School for the Deaf</i>	
6	General Revenue Total	5,956,834
7	Federal Funds Total	275,393
8	Federal Funds – Stimulus – Medicaid	0
9	Restricted Receipt Total	651,482
10	Total - RI School for the Deaf	6,883,709
11	<i>Metropolitan Career and Technical School</i>	
12	General Revenue Total	11,571,987
13	Federal Funds Total – Stimulus	0
14	Other Funds	
15	RICAP – MET School East Bay	4,000,000
16	Total Other Funds	4,000,000
17	Total - Metropolitan Career and Technical School	15,571,987
18	<i>Education Aid</i>	
19	General Revenue Total	624,713,215
20	Federal Funds Total - Stimulus	3,515,045
21	Restricted Receipt Total	18,091,028
22	Total – Education Aid	646,319,288
23	<i>Central Falls School District</i>	
24	General Revenue Total	38,484,766
25	Federal Funds Total – Stimulus	1,089,396
26	Other Funds	
27	Permanent School Fund – Central Falls	183,624
28	Other Funds Total	183,624
29	Total - Central Falls School District	39,757,786
30	<i>Housing Aid</i>	
31	General Revenue Total	72,507,180
32	Total – Housing Aid	72,507,180
33	<i>Teachers’ Retirement</i>	
34	General Revenue Total	82,671,070

1	Total – Teachers’ Retirement	82,671,070
2	Grand Total - General Revenue	869,014,643
3	Grand Total - Elementary and Secondary Education	1,120,502,478
4	Public Higher Education	
5	<i>Board of Governors/Office of Higher Education</i>	
6	General Revenue Total	7,099,605
7	Federal Funds Total	4,588,294
8	Total – Board of Governors/Office of Higher Education	11,687,899
9	<i>University of Rhode Island</i>	
10	General Revenues	
11	General Revenue	59,701,458
12	Debt Service	15,164,218
13	General Revenue Total	74,865,676
14	Other Funds	
15	University and College Funds	586,841,049
16	Debt - Dining Services	1,144,008
17	Debt - Educational and General	3,292,622
18	Debt - Health Services	150,299
19	Debt - Housing Loan Funds	8,462,539
20	Debt - Memorial Union	121,827
21	Debt - Ryan Center	2,800,626
22	Debt - Alton Jones Services	115,886
23	Debt - Parking Authority	1,018,369
24	Debt – Sponsored Research	102,388
25	Debt - URI Energy Conservation	1,932,338
26	RICAP - Asset Protection	5,842,364
27	RICAP - New Chemistry Building	0
28	RICAP - URI Biotechnology Center	0
29	RICAP – Fine Arts Center Advance	400,000
30	Other Funds Total	612,224,315
31	Total – University of Rhode Island	687,089,991

32 Notwithstanding the provisions of section 35-3-15 of the general laws, all unexpected or
33 unencumbered balances as of June 30, 2011 relating to the University of Rhode Island are hereby
34 reappropriated to fiscal year 2012.

1	<i>Rhode Island Forensics Lab (RISCL)</i>	
2	General Revenues Total	775,000
3	Federal Funds Total	6,462
4	Total – Rhode Island State Forensics Lab	781,462
5	<i>Rhode Island College</i>	
6	General Revenues	
7	General Revenue	39,621,787
8	Debt Service	1,978,374
9	General Revenues Total	41,600,161
10	Other Funds	
11	University and College Funds	107,550,237
12	Debt - Education and General	890,878
13	Debt - Housing	413,346
14	Debt - Student Center and Dining	172,960
15	Debt - Student Union	231,531
16	Debt - G.O. Debt Service	1,623,984
17	RICAP - Asset Protection	2,561,160
18	RICAP - New Art Center Advanced	0
19	Other Funds Total	113,444,096
20	Total – Rhode Island College	155,044,257
21	Notwithstanding the provisions of section 35-3-15 of the general laws, all unexpected or	
22	unencumbered balances as of June 30, 2011 relating to the Rhode Island College are hereby	
23	reappropriated to fiscal year 2012.	
24	<i>Community College of Rhode Island</i>	
25	General Revenues	
26	General Revenue	47,384,078
27	Debt Service	1,676,118
28	General Revenue Total	49,060,196
29	Restricted Receipts Total	941,338
30	Other Funds	
31	University and College Funds	88,671,187
32	Debt – Bookstore	24,830
33	RICAP - Asset Protection	1,657,101
34	Other Funds Total	90,353,118

1	Total – Community College of Rhode Island	140,354,652
2	Notwithstanding the provisions of section 35-3-15 of the general laws, all unexpected or	
3	unencumbered balances as of June 30, 2011 relating to the Community College of Rhode Island	
4	are hereby reappropriated to fiscal year 2012.	
5	Grand Total – General Revenue	173,400,638
6	Grand Total – Public Higher Education	994,958,261
7	RI State Council on the Arts	
8	General Revenues	
9	Operating Support	716,635
10	Grants	902,475
11	General Revenue Total	1,619,110
12	Federal Funds Total	973,064
13	Other Funds – Art for Public Facilities	435,000
14	Grand Total - RI State Council on the Arts	3,027,174
15	RI Atomic Energy Commission	
16	General Revenue Total	879,592
17	Federal Funds Total	324,104
18	Other Funds	
19	URI Sponsored Research	257,830
20	RICAP – RINSC Asset Protection	50,000
21	Other Funds Total	307,830
22	Grand Total - RI Atomic Energy Commission	1,511,526
23	RI Higher Education Assistance Authority	
24	General Revenues	
25	Needs Based Grants and Work Opportunities	5,264,003
26	Authority Operations and Other Grants	899,101
27	General Revenue Total	6,163,104
28	Federal Fund Total	13,508,323
29	Other Funds	
30	Tuition Savings Program – Needs Based Grants & Work Op.	5,800,000
31	Tuition Savings Program - Administration	721,425
32	Other Funds Total	7,740,720
33	Grand Total – RI Higher Education Assistance Authority	27,412,147
34	RI Historical Preservation and Heritage Commission	

1	General Revenue Total	1,501,641
2	Federal Funds Total	846,195
3	Restricted Receipts Total	478,181
4	Grand Total - RI Historical Pres. and Heritage Comm.	2,826,017
5	RI Public Telecommunications Authority	
6	General Revenue Total	1,097,960
7	Other Funds	
8	Corporation for Public Broadcasting	683,212
9	Other Funds Total	683,212
10	Grand Total – RI Public Telecommunications Authority	1,781,172
11	Attorney General	
12	<i>Criminal</i>	
13	General Revenue Total	13,726,863
14	Federal Funds Total	1,366,480
15	Restricted Receipts Total	398,888
16	Total - Criminal	15,492,231
17	<i>Civil</i>	
18	General Revenue Total	4,842,836
19	Restricted Receipts Total	723,347
20	Total - Civil	5,566,183
21	<i>Bureau of Criminal Identification</i>	
22	General Revenue Total	1,101,532
23	Federal Funds Total	25,040
24	Total – Bureau of Criminal Identification	1,126,572
25	<i>General</i>	
26	General Revenue Total	2,909,135
27	Other Funds	
28	RICAP – Building Renovations and Repairs	250,000
29	Other Funds Total	250,000
30	Total - General	3,159,135
31	Grand Total - General Revenue	22,580,366
32	Grand Total - Attorney General	25,344,121
33	Corrections	
34	<i>Central Management</i>	

1	General Revenue Total	8,596,603
2	Total - Central Management	8,596,603
3	<i>Parole Board</i>	
4	General Revenue Total	1,365,771
5	Federal Funds Total	36,850
6	Total - Parole Board	1,402,621
7	<i>Institutional Corrections</i>	
8	General Revenue Total	163,573,034
9	Federal Funds Total	1,911,173
10	Federal Funds – Stimulus	408,000
11	Other Funds	
12	RICAP – Administration HVAC	150,000
13	RICAP - Women's Bathroom Renovations	410,800
14	RICAP - Asset Protection	3,000,000
15	RICAP – Maximum – General Renovations	625,000
16	RICAP - General Renovations – Women’s	474,517
17	RICAP - ISC Exterior Envelope and HVAC	1,400,000
18	RICAP - Minimum Security Kitchen Ex	325,000
19	RICAP – Medium Infrastructure	1,500,000
20	Other Funds Total	7,885,317
21	Total - Institutional Corrections	173,777,524
22	<i>Community Corrections</i>	
23	General Revenue Total	14,605,957
24	Federal Funds Total	558,522
25	Restricted Receipts	34,371
26	Total – Community Corrections	15,198,850
27	Grand Total - General Revenue	188,141,365
28	Grand Total - Corrections	198,975,598
29	Judiciary	
30	<i>Supreme Court</i>	
31	General Revenues	
32	General Revenue	26,609,104
33	Defense of Indigents	3,562,240
34	General Revenue Total	30,171,344

1	Federal Funds Total	174,579
2	Federal Funds Stimulus	16,590
3	Restricted Receipts Total	1,359,947
4	Other Funds	
5	RICAP - Judicial HVAC	500,000
6	RICAP - Judicial Complexes Asset Protection	600,000
7	Other Funds Total	1,100,000
8	Total - Supreme Court	32,822,460
9	<i>Judicial Tenure and Discipline</i>	
10	General Revenue Total	111,282
11	Total – Judicial Tenure and Discipline	111,282
12	<i>Superior Court</i>	
13	General Revenue Total	21,129,439
14	Federal Funds Total	72,985
15	Restricted Receipts Total	498,996
16	Total - Superior Court	21,701,420
17	<i>Family Court</i>	
18	General Revenue Total	17,773,686
19	Federal Funds Total	2,940,801
20	Federal Funds Stimulus	57,611
21	Restricted Receipts Total	252,350
22	Total - Family Court	21,024,448
23	<i>District Court</i>	
24	General Revenue Total	11,068,106
25	Federal Funds Total	31,185
26	Restricted Receipts Total	332,092
27	Total - District Court	11,431,383
28	<i>Traffic Tribunal</i>	
29	General Revenue Total	7,857,951
30	Total - Traffic Tribunal	7,857,951
31	<i>Workers' Compensation Court</i>	
32	Restricted Receipts Total	7,754,978
33	Total - Workers' Compensation Court	7,754,978
34	Grand Total - General Revenue	88,111,808

1	Grand Total - Judiciary	102,703,922
2	Military Staff	
3	<i>National Guard</i>	
4	General Revenue Total	1,336,401
5	Federal Funds Total	11,675,448
6	Restricted Funds Total	235,000
7	Other Funds	
8	RICAP – AMC Roof Replacement	750,000
9	RICAP – State Armories Fire Code Comp.	15,000
10	RICAP – Federal Armories Fire Code	3,750
11	RICAP – Asset Protection	270,000
12	RICAP – Logistics/Maintenance Fac. Fire Code	6,250
13	RICAP – FMS#3 Roof	0
14	RICAP – Command Center Readiness	50,000
15	RICAP – Emergency Management Build	125,000
16	Other Funds Total	1,220,000
17	Total - National Guard	14,466,849
18	<i>Emergency Management</i>	
19	General Revenue Total	2,281,627
20	Federal Funds Total	18,258,538
21	Restricted Receipts Total	154,311
22	Total - Emergency Management	20,694,476
23	Grand Total - General Revenue	3,618,028
24	Grand Total - Military Staff	26,731,138
25	Public Safety	
26	<i>Central Management</i>	
27	General Revenue Total	780,113
28	Federal Funds Total	4,122,042
29	Federal Funds – Stimulus	266,476
30	Restricted Receipts Total	850
31	Total – Central Management	5,169,481
32	<i>E-911 Emergency Telephone System</i>	
33	General Revenue Total	4,772,358
34	Grand Total - E-911 Emergency Telephone System	4,772,358

1	<i>State Fire Marshal</i>	
2	General Revenue Total	2,568,574
3	Federal Funds Total	53,000
4	Restricted Funds Total	280,899
5	Other Funds	
6	RICAP – Fire Academy	1,325,000
7	Quonset Development Corporation	64,261
8	Other Funds Total	1,389,261
9	Grand Total - State Fire Marshal	4,291,734
10	<i>Security Services</i>	
11	General Revenue Total	19,963,594
12	Grand Total – Security Services	19,963,594
13	<i>Municipal Police Training Academy</i>	
14	General Revenue Total	352,118
15	Federal Funds Total	221,319
16	Federal Funds - Stimulus	86,061
17	Grand Total - Municipal Police Training Academy	659,498
18	<i>State Police</i>	
19	General Revenue Total	60,970,954
20	Federal Funds Total	1,669,885
21	Federal Funds – Stimulus	123,082
22	Restricted Receipts Total	54,000
23	Other Funds	
24	RICAP – Barracks and Training	1,025,000
25	RICAP – State Police New Headquarters	0
26	RICAP – Headquarters Repairs/Rehabilitation	200,000
27	RICAP – State Microwave Upgrade	0
28	RICAP - HQ Expansion (NG Facilities)	300,000
29	Traffic Enforcement - Municipal Training	133,842
30	Lottery Commission Assistance	232,363
31	Airport Corporation	232,363
32	Road Construction Reimbursement	2,546,100
33	Other Funds Total	4,669,668
34	Grand Total - State Police	67,487,589

1	Grand Total – General Revenue	89,407,711
2	Grand Total – Public Safety	102,344,254
3	Office of Public Defender	
4	General Revenue Total	10,300,580
5	Federal Funds Total	575,478
6	Federal Funds – Stimulus	883
7	Grand Total - Office of Public Defender	10,876,941
8	Environmental Management	
9	<i>Office of the Director</i>	
10	General Revenue Total	4,887,414
11	Federal Funds Total	476,300
12	Restricted Receipts Total	2,833,219
13	Total – Office of the Director	8,196,933
14	<i>Natural Resources</i>	
15	General Revenue Total	18,508,312
16	Federal Funds Total	24,455,444
17	Restricted Receipts Total	5,479,269
18	Other Funds	
19	DOT Recreational Projects	80,672
20	Blackstone Bikepath Design	36,270
21	Transportation MOU	82,172
22	RICAP – Dam Repair	850,000
23	RICAP – Recreational Facilities Improvements	1,250,000
24	RICAP – Fort Adams Rehabilitation	250,000
25	RICAP - Galilee Piers Upgrade	950,000
26	RICAP - Newport Piers	250,000
27	RICAP – Fish and Wildlife Maintenance	0
28	RICAP – Blackstone Valley Bikepath	500,000
29	Other Funds Total	4,249,114
30	Total - Natural Resources	52,692,139
31	<i>Environmental Protection</i>	
32	General Revenue Total	12,099,861
33	Federal Funds Total	12,576,798
34	Federal Funds – Stimulus	848,000

1	Restricted Receipts Total	7,518,547
2	Other Funds	
3	Transportation - MOU	90,107
4	Retrofit Heavy-Duty Diesel Vehicles	3,560,000
5	Other Funds Total	3,650,107
6	Total - Environmental Protection	36,693,313
7	Grand Total - General Revenue	35,495,587
8	Grand Total - Environmental Management	97,582,385
9	Coastal Resources Management Council	
10	General Revenue Total	2,236,814
11	Federal Funds Total	1,837,361
12	Federal Funds – Stimulus	201,100
13	Restricted Receipts Total	250,000
14	Other Funds	
15	RICAP – South Cost Restoration Project	429,100
16	Grand Total – Coastal Resources Management Council	4,954,375
17	Water Resources Board	
18	General Revenue Total	1,230,267
19	Other Funds	
20	RICAP – Big River Management Area	200,000
21	Grand Total – General Revenue	1,230,267
22	Grand Total – Water Resources Board	1,430,267
23	Transportation	
24	<i>Central Management</i>	
25	Federal Funds Total	11,394,390
26	Other Funds	
27	Gasoline Tax	1,108,923
28	Other Funds Total	1,108,923
29	Total - Central Management	12,503,313
30	<i>Management and Budget</i>	
31	Other Funds	
32	Gasoline Tax	1,176,686
33	Other Funds Total	1,176,686
34	Total - Management and Budget	1,176,686

1	<i>Infrastructure – Engineering – Garvee/Motor Fuel Tax Bonds</i>	
2	Federal Funds Total	291,594,814
3	Federal Funds – Stimulus	13,602,754
4	Restricted Receipts Total	1,000,000
5	Other Funds	
6	Gasoline Tax	52,721,729
7	State Infrastructure Bank	0
8	Land Sale Revenue	16,603,398
9	Highway Logo Program	0
10	RICAP - RIPTA Land and Buildings	70,000
11	RICAP - RIPTA Paratransit	190,400
12	Other Funds Total	69,585,527
13	Total - Infrastructure – Engineering – Garvee/Motor Fuel Tax Bonds	375,783,095
14	<i>Infrastructure Maintenance</i>	
15	Other Funds	
16	Gasoline Tax	42,204,430
17	Non-land Surplus Property	10,000
18	Outdoor Advertising	100,000
19	RICAP – Cherry Hill/Lincoln Facility	337,000
20	RICAP – Maintenance Facility Improvements	300,000
21	RICAP – East Providence Facility	0
22	RICAP – DOT Maintenance Facilities – Fire Alarms	125,000
23	RICAP – Portsmouth Facility	1,435,000
24	Other Funds Total	45,511,430
25	Total - Infrastructure Maintenance	45,511,430
26	Grand Total - Transportation	434,974,524
27	Statewide Totals	
28	General Revenue Total	3,169,836,026
29	Federal Funds Total	2,557,164,416
30	Restricted Receipts Total	209,472,234
31	Other Funds Total	1,724,828,932
32	Statewide Grand Total	7,661,301,608

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

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

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

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

23	Account	Expenditure Limit
24	State Assessed Fringe Benefit Internal Service Fund	13,602,321
25	Administration Central Utilities Internal Service Fund	20,244,491
26	State Central Mail Internal Service Fund	5,585,439
27	State Telecommunications Internal Service Fund	3,882,141
28	State Automotive Fleet Internal Service Fund	13,926,504
29	State Fleet Replacement Revolving Loan Fund	0
30	Capital Police Internal Service Fund	739,072
31	Health Insurance Internal Service Fund	306,399,745
32	Corrections General Services & Warehouse Internal Service Fund	6,804,849
33	Correctional Industries Internal Service Fund	7,285,903
34	Secretary of State Record Center Internal Service Fund	866,270

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

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

11 SECTION 7. *Appropriation of Temporary Disability Insurance Funds* -- There is hereby
12 appropriated pursuant to sections 28-39-5 and 28-39-8 of the Rhode Island General Laws all
13 funds required to be disbursed for the benefit payments from the Temporary Disability Insurance
14 Fund and Temporary Disability Insurance Reserve Fund for the fiscal year ending June 30, 2012.

15 SECTION 8. *Appropriation of Employment Security Funds* -- There is hereby
16 appropriated pursuant to section 28-42-19 of the Rhode Island General Laws all funds required to
17 be disbursed for benefit payments from the Employment Security Fund for the fiscal year ending
18 June 30, 2012.

19 SECTION 9. *Appropriation of University and College Funds* -- There is hereby
20 appropriated pursuant to section 16-59-9 of the Rhode Island General Laws relating to the
21 appropriation of funds by the General Assembly for Higher Education, and section 16-59-18 of
22 the General Laws relating to receipts from sources other than appropriations, any funds received
23 by the Board of Governors for Higher Education for the fiscal year ending June 30, 2012 payable
24 out of the University and College Funds.

25 SECTION 10. *Appropriation of Lottery Division Funds* -- There is hereby appropriated
26 to the Lottery Division any funds required to be disbursed by the Lottery Division for the
27 purposes of paying commissions or transfers to the prize fund for the fiscal year ending June 30,
28 2012.

29 SECTION 11. Departments and agencies listed below may not exceed the number of full-
30 time equivalent (FTE) positions shown below in any pay period. Full-time equivalent positions
31 do not include seasonal or intermittent positions whose scheduled period of employment does not
32 exceed twenty-six consecutive weeks or whose scheduled hours do not exceed nine hundred and
33 twenty-five (925) hours, excluding overtime, in a one-year period. Nor do they include
34 individuals engaged in training, the completion of which is a prerequisite of employment.

1 Provided, however, that the Governor or designee, Speaker of the House of Representatives or
 2 designee, and the President of the Senate or designee may authorize an adjustment to any
 3 limitation. Prior to the authorization, the State Budget Officer shall make a detailed written
 4 recommendation to the Governor, the Speaker of the House, and the President of the Senate. A
 5 copy of the recommendation and authorization to adjust shall be transmitted to the chairman of
 6 the House Finance Committee, Senate Finance Committee, the House Fiscal Advisor and the
 7 Senate Fiscal Advisor.

8 No agency or department may employ contracted employees or employee services where
 9 the contracted employees would work under state employee supervisors without determination of
 10 need by the Director of Administration acting upon positive recommendations of the Budget
 11 Officer and the Personnel Administrator and 15 days after a public hearing.

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

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

19 **FY 2012 FTE POSITION AUTHORIZATION**

20	Departments and Agencies	Full-Time Equivalent
21	Administration	693.6
22	Business Regulation	93.0
23	Labor and Training	470.2
24	Revenue	428.5
25	Legislature	298.5
26	Office of the Lieutenant Governor	7.0
27	Office of the Secretary of State	57.0
28	Office of the General Treasurer	82.0
29	Board of Elections	12.0
30	Rhode Island Ethics Commission	12.0
31	Office of the Governor	45.0
32	Commission for Human Rights	14.5
33	Public Utilities Commission	46.0
34	Office of Health and Human Services	149.0

1	Children, Youth, and Families	662.5
2	Elderly Affairs	32.0
3	Health	473.3
4	Human Services	674.0
5	Veterans Affairs	268.2
6	Behavioral Healthcare, Developmental Disabilities and Hospitals	1376.2
7	Office of the Child Advocate	5.8
8	Commission on Deaf and Hard of Hearing	3.0
9	Governor's Commission on Disabilities	4.0
10	Office of the Mental Health Advocate	3.7
11	Elementary and Secondary Education	156.4
12	School for the Deaf	60.0
13	Davies Career and Technical School	132.0
14	Office of Higher Education	19.4
15	Provided that 1.0 of the total authorization would be available only for a position that is supported	
16	by third- party funds.	
17	University of Rhode Island	2,436.9
18	Provided that 602.0 of the total authorization would be available only for positions that are	
19	supported by third-party funds.	
20	Rhode Island College	909.2
21	Provided that 82.0 of the total authorization would be available only for positions that are	
22	supported by third-party funds.	
23	Community College of Rhode Island	869.1
24	Provided that 100.0 of the total authorization would be available only for positions that are	
25	supported by third-party funds.	
26	Rhode Island State Council on the Arts	8.6
27	RI Atomic Energy Commission	8.6
28	Higher Education Assistance Authority	41.6
29	Historical Preservation and Heritage Commission	16.6
30	Public Telecommunications Authority	16.0
31	Office of the Attorney General	231.1
32	Corrections	1,419.0
33	Judiciary	723.3
34	Military Staff	117.0

1	Public Safety	603.2
2	Office of the Public Defender	93.0
3	Environmental Management	410.0
4	Coastal Resources Management Council	30.0
5	Water Resources Board	6.0
6	Transportation	772.6
7	Total	14,990.6

8 SECTION 12. The amounts reflected in this Article include the appropriation of Rhode
9 Island Capital Plan funds for fiscal year 2011 and supersede appropriations provided for FY 2011
10 within Section 12 of Article 1 of Chapter 68 of the P.L. of 2009.

11 The following amounts are hereby appropriated out of any money in the State’s Rhode
12 Island Capital Plan Fund not otherwise appropriated to be expended during the fiscal years ending
13 June 30, 2012, June 30, 2013, and June 30, 2014. These amounts supersede appropriations
14 provided within Section 12 of Article 1 of Chapter 68 of the P.L. of 2009. For the purposes and
15 functions hereinafter mentioned, the State Controller is hereby authorized and directed to draw
16 his or her orders upon the General Treasurer for the payment of such sums and such portions
17 thereof as may be required by him or her upon receipt of properly authenticated vouchers.

	Fiscal Yr Ending	Fiscal Yr Ending	Fiscal Yr Ending
<u>Project</u>	<u>June 30, 2013</u>	<u>June 30, 2014</u>	<u>June 30, 2015</u>
19 <u>DOA-Pastore Utilities Upgrade</u>	2,000,000	2,000,000	0
20 <u>DOA-State House Renovations</u>	3,000,000	4,500,000	4,500,000
21 <u>DCYF-Fire Code Upgrades-Group Homes</u>	1,000,000	0	0
22 <u>ELSEC-Met. Career and Tech – East Bay</u>	3,600,000	0	0
23 <u>Higher Ed-Asset Protection-CCRI</u>	1,700,000	1,743,509	1,788,305
24 <u>Higher Ed-Asset Protection-RIC</u>	2,625,000	2,693,250	2,763,548
25 <u>Higher Ed-Asset Protection-URI</u>	6,000,000	6,157,500	6,320,000
26 <u>DOC Asset Protection</u>	3,500,000	3,500,000	3,000,000
27 <u>Judicial-Asset Protection</u>	625,000	650,000	675,000
28 <u>Mil Staff-Asset Protection</u>	280,000	300,000	300,000
29 <u>DEM-Dam Repairs</u>	1,000,000	550,000	550,000
30 <u>DEM-Recreation Facility Improvements</u>	1,075,000	1,390,000	1,500,000

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

32 Any unexpended and unencumbered funds from Rhode Island Capital Plan Fund project
33 appropriations may be reappropriated at the recommendation of the Governor in the ensuing
34

1 fiscal year and made available for the same purpose. The Governor shall submit a report of such
 2 reappropriations to the chairperson of the house finance committee and the chairperson of the
 3 senate finance committee stating the final enacted amount by project, the amounts expended and
 4 the amounts reappropriated by August 15, 2011.

5 SECTION 14. Extension of previous authorizations.- The general assembly, pursuant to
 6 the provisions of section 35-8-25 of the general laws, hereby extends to the termination date
 7 contained herein the authority to issue the following general obligation bond authorization in the
 8 amount stated. The original authorization enacted by public law and approved by the people that
 9 remains unissued as of January 1, 2011 is as follows:

		Unissued	
		Amount to be	
12	<u>Purpose</u>	<u>Statutory Reference</u>	<u>Extended</u> <u>Termination Date</u>
13	Perservation, Recreation & Heritage	Ch. 65-PL of 2002	\$1,200,000 June 30, 2014
14	Emergency Water Interconnect	Ch. 595-P.L. of 2004	\$5,020,000 Nov. 2, 2014
15	Open Space Recreation, Bay		
16	& Watershed Protection	Ch. 595 P.L. of 2004 as	\$21,885,000 Nov. 2, 2014

17 SECTION 15. Notwithstanding any provisions of Chapter 19 in Title 23 of the Rhode
 18 Island General Laws, the Resource Recovery Corporation shall transfer to the State Controller the
 19 sum of three million five hundred thousand dollars (\$3,500,000) by June 30, 2012.

20 SECTION 16. For the Fiscal Year ending June 30, 2012, the Rhode Island Housing and
 21 Mortgage Finance Corporation shall provide from its resources a minimum of one million five
 22 hundred thousand dollars (\$1,500,000) in support of the Neighborhood Opportunities Program.
 23 The Corporation shall provide a report detailing the amount of funding provided to this program,
 24 as well as information on the number of units of housing provided as a result to the Director of
 25 Administration, the Chair of the Housing Resources Commission, the Chair of the House Finance
 26 Committee, the Chair of the Senate Finance Committee and the State Budget Officer.

27 SECTION 17. This article shall take effect as of July 1, 2011.

28 **ARTICLE 2**

29 **RELATING TO MAKING SUPPLEMENTAL APPROPRIATIONS FOR FY 2011**

30 SECTION 1. Subject to the conditions, limitations and restrictions hereinafter contained
 31 in this article, the following general revenue amounts are hereby appropriated out of any money
 32 in the treasury not otherwise appropriated to be expended during the fiscal year ending June 30,
 33 2011. The amounts identified for federal funds and restricted receipts shall be made available
 34 pursuant to Section 35-4-22 and Chapter 42-41 of the Rhode Island General Laws. For the

1 purposes and functions hereinafter mentioned, the state controller is hereby authorized and
 2 directed to draw his or her orders upon the general treasurer for the payment of such sums or such
 3 portions thereof as may be required from time to time upon receipt by him or her of properly
 4 authenticated vouchers.

	FY 2011	FY 2011	FY 2011
	Enacted	Change	Final
7 Administration			
8 <i>Central Management</i>			
9 General Revenues	1,475,743	117,815	1,593,558
10 Total - Central Management	1,475,743	117,815	1,593,558
11 <i>Legal Services</i>			
12 General Revenue	1,653,248	117,472	1,770,720
13 Other Funds	0	0	0
14 Legal Support/DOT	40,034	(40,034)	0
15 Other Funds Total	40,034	(40,034)	0
16 Total - Legal Services	1,693,282	77,438	1,770,720
17 <i>Accounts and Control</i>			
18 General Revenues	3,806,968	(201,726)	3,605,242
19 Total – Accounts and Control	3,806,968	(201,726)	3,605,242
20 <i>Budgeting</i>			
21 General Revenues	2,007,066	(83,553)	1,923,513
22 Total - Budgeting	2,077,066	(83,553)	1,923,513
23 <i>Purchasing</i>			
24 General Revenues	2,281,261	(84,302)	2,196,959
25 Federal Funds	83,458	(20,616)	62,842
26 Restricted Receipts – Other Funds	189,996	8,722	198,718
27 Total – Purchasing	2,554,715	(96,196)	2,458,519
28 <i>Auditing</i>			
29 General Revenues	1,287,300	(47,140)	1,240,160
30 Restricted Receipts - OERR	149,215	(149,215)	0
31 Total – Auditing	1,436,515	(196,355)	1,240,160
32 <i>Human Resources</i>			
33 General Revenues	8,751,900	(521,596)	8,230,304
34 Federal Funds	619,186	64,057	683,243

1	Restricted Receipts	373,650	14,827	388,477
2	Other Funds	1,402,085	(37,302)	1,364,783
3	Total - Human Resources	11,146,821	(480,014)	10,666,807
4	<i>Personnel Appeal Board</i>			
5	General Revenues	80,803	(2,631)	78,172
6	Total – Personnel Appeal Board	80,803	(2,631)	78,172
7	<i>Facilities Management</i>			
8	General Revenues	31,912,385	(350,201)	31,562,184
9	Federal Funds	813,073	8,083	821,156
10	Restricted Receipts	356,921	4,388	361,309
11	Other Funds	3,769,381	40,754	3,810,135
12	Total – Facilities Management	36,851,760	(296,976)	36,554,784
13	<i>Capital Projects & Property Management</i>			
14	General Revenues	2,582,383	(6,556)	2,575,827
15	Federal Funds - Stimulus	125,625	(67,262)	58,363
16	Restricted Receipts	1,068,084	18,116	1,086,200
17	Total – Capital Projects & Property Mgmt	3,776,902	(55,702)	3,720,390
18	<i>Information Technology</i>			
19	General Revenues	19,226,491	(348,382)	18,878,109
20	Federal Funds	5,367,473	832,003	6,199,476
21	Federal Stimulus	316,490	(316,490)	0
22	Restricted Receipts	913,984	(131,547)	782,437
23	Other Funds	1,765,587	(140,527)	1,625,060
24	Total – Information Technology	27,590,025	(104,943)	27,485,082
25	<i>Library and Information Services</i>			
26	General Revenues	886,847	(1,893)	884,954
27	Federal Funds	1,383,354	260,959	1,644,313
28	Restricted Receipts	3,000	(1,105)	1,895
29	Total - Library and Information Services	2,273,201	257,961	2,531,162
30	<i>Planning</i>			
31	General Revenues	3,331,033	(99,172)	3,231,861
32	Federal Funds	7,589,208	2,609,103	10,198,311
33	Federal Funds - Stimulus	2,011,598	5,340	2,016,938
34	Other Funds			

1	Federal Highway - PL Systems Planning	4,979,556	(179,428)	4,800,128
2	Air Quality Modeling	10,000	0	10,000
3	Other Funds Total	4,989,556	(179,428)	4,810,128
4	Total - Planning	17,921,395	2,335,843	20,257,238

5 *General*

6 General Revenues

7	Economic Development Corporation	5,500,807	0	5,500,807
8	EDC – RI Airport Corporation Impact Aid	1,025,000	0	1,025,000

9 Sixty percent (60%) of the first \$1,000,000 appropriated for airport impact aid shall be
10 distributed to each airport serving more than 1,000,000 passengers based upon its percentage of
11 the total passengers served by all airports serving more than 1,000,000 passengers. Forty percent
12 (40%) of the first \$1,000,000 shall be distributed based on the share of landings during the
13 calendar year 2010 at North Central Airport, and Westerly Airport, respectively. The Economic
14 Development Corporation shall make an impact payment to the towns of cities in which the
15 airport is located based on this calculation.

16 Each community upon which any parts of the above airports are located shall receive at
17 least \$25,000.

18	EDC – EPScore (Research Alliance)	1,500,000	0	1,500,000
19	Miscellaneous Grants	395,956	0	395,956
20	Transition Costs for Elected Officials	100,000	(100,000)	0
21	Slater Centers of Excellence	2,000,000	0	2,000,000
22	Torts – Courts	400,000	0	400,000
23	Teachers Retiree Health Subsidy	2,344,502	(11,723)	2,332,779
24	Property Revaluation Program	1,000,000	(210,000)	790,000
25	Payment in Lieu of Tax Exempt Properties	27,580,409	0	27,580,409
26	Distressed Communities Relief Program	10,384,458	6,992,229	17,376,687
27	Resource Sharing and State Library Aid	8,773,398	0	8,773,398
28	Library Construction Aid	2,492,974	0	2,492,974
29	Motor Vehicle Excise Tax	10,000,000	0	10,000,000
30	Transfer to RICAP	22,000,000	(22,000,000)	0
31	Restricted Receipts	1,378,997	0	1,378,997
32	Rhode Island Capital Plan Funds			
33	Statehouse Renovations	1,825,000	175,000	2,000,000
34	Cranston Street Armory	500,000	(427,342)	72,658

1	Cannon Building	0	550,023	550,023
2	Pastore Center Rehabilitation	1,000,000	0	1,000,000
3	Zambarano Building Rehabilitation	450,000	550,000	1,000,000
4	Old State House	275,000	25,000	300,000
5	State Office Building	1,000,000	0	1,000,000
6	Old Colony House	300,000	200,000	500,000
7	William Powers Building	300,000	195,491	495,491
8	Fire Code Compliance State Buildings	450,000	350,000	800,000
9	Pastore Center Fire Code Compliance	500,000	450,000	950,000
10	Pastore Center Utility Systems	620,000	(58,410)	561,590
11	Ladd Center Water System	0	56,490	56,490
12	Replacement of Fueling Tanks	170,073	629,927	800,000
13	Environmental Compliance	600,000	(343,023)	256,977
14	Pastore Utilities Upgrade	1,000,000	(200,000)	800,000
15	Station Park	200,000	(200,000)	0
16	Pastore Center Building Demolition	1,500,000	0	1,500,000
17	Health Laboratory Feasibility Study	175,000	(175,000)	0
18	McCoy Stadium	372,500	527,500	900,000
19	Washington County Government Center	875,000	225,000	1,100,000
20	Hazard Building Renovations	0	311,085	311,085
21	DOiT Operations Center	3,900,000	430,946	4,330,946
22	Pastore Center Power Plant	900,000	106,602	1,006,602
23	Veterans Memorial Auditorium	2,500,000	956,990	3,456,990
24	Neighborhood Opportunities Program	1,500,000	0	1,500,000
25	Chapin Health Laboratory	0	66,763	66,763
26	Pastore Center Parking	225,000	(225,000)	0
27	Total – General	118,014,074	(11,151,452)	106,862,622
28	<i>Debt Service Payments</i>			
29	General Revenues	138,595,566	13,312,742	151,908,308
30	Federal Funds	744,172	(30)	744,142
31	Restricted Receipts	5,961,330	1,611,522	7,572,852
32	Other Funds			
33	RIPTA Debt Service	1,110,876	(129,185)	981,691
34	Transportation Debt Service	44,477,387	(13,414,137)	31,063,250

1	Investment Receipts – Bond Funds	100,000	0	100,000
2	COPS - DLT Building – TDI	279,166	(11)	279,155
3	Other Funds Total	45,967,429	(13,543,333)	32,424,096
4	Total - Debt Service Payments	191,268,497	1,380,901	192,649,398
5	<i>Energy Resources</i>			
6	General Revenues	0	104,332	104,332
7	Federal Funds	34,017,221	9,624,591	43,641,812
8	Federal Funds – Stimulus	27,799,664	9,750,053	37,549,717
9	Restricted Receipts	7,423,118	6,694,370	14,117,488
10	Total – Energy Resources	69,240,003	26,173,346	95,413,349
11	<i>Personnel Reform</i>			
12	General Revenues			
13	Pension Reform 2010	(5,654,329)	5,654,329	0
14	Federal Funds			
15	Pension Reform 2010	(1,297,977)	1,297,977	0
16	Restricted Receipts			
17	Pension Reform 2010	(487,960)	487,960	0
18	Other Funds			
19	Pension Reform	(738,091)	738,091	0
20	Total – Pension Reform	(8,178,357)	8,178,357	0
21	Sheriffs General Revenues	16,341,206	(364,640)	15,976,566
22	General Revenues Total	324,063,375	25,487,473	325,728,779
23	Grand Total – Administration	499,299,809	5,487,473	524,787,282
24	Business Regulation			
25	<i>Central Management</i>			
26	General Revenues	1,024,858	35,337	1,060,195
27	Total - Central Management	1,024,858	35,337	1,060,195
28	<i>Banking Regulation</i>			
29	General Revenues	1,696,156	(183,111)	1,513,045
30	Restricted Receipts Total	125,000	0	125,000
31	Total - Banking Regulation	1,821,156	(183,111)	1,638,045
32	<i>Securities Regulation</i>			
33	General Revenues	839,862	27,317	867,179
34	Restricted Receipts Total	15,000	0	15,000

1	Total - Securities Regulation	854,862	27,317	882,179
2	<i>Insurance Regulation</i>			
3	General Revenues	4,439,718	(172,217)	4,267,501
4	Federal Funds	0	758,454	758,454
5	Restricted Receipts	1,143,213	(1,344)	1,141,869
6	Total - Insurance Regulation	5,582,931	584,893	6,167,824
7	<i>Board of Accountancy</i>			
8	General Revenues	164,031	(1,186)	162,845
9	Total - Board of Accountancy	164,031	(1,186)	162,845
10	<i>Commercial Licensing, Racing & Athletics</i>			
11	General Revenues	735,531	(3,233)	732,298
12	Restricted Receipts	460,170	(3,060)	457,110
13	Total - Commercial Licensing, Racing & Athletics	1,195,701	(6,293)	1,189,408
14	<i>Board for Design Professionals</i>			
15	General Revenues	255,891	60,401	316,292
16	Grand Total - Business Regulation	10,899,430	517,358	11,416,788
17	Labor and Training			
18	<i>Central Management</i>			
19	General Revenues	127,131	(14,362)	112,769
20	Restricted Receipts	621,097	120,719	741,816
21	Rhode Island Capital Plan Funds			
22	Center General Roof	745,056	43,528	788,584
23	Total - Central Management	1,493,284	149,885	1,643,169
24	<i>Workforce Development Services</i>			
25	General Revenues	65,119	(65,119)	0
26	Federal Funds	29,742,240	3,246,833	32,989,073
27	Federal Funds – Stimulus	5,477,236	3,108,295	8,585,531
28	Restricted Receipts	6,298,170	986,974	7,285,144
29	Other Funds	0	45,450	45,450
30	Total - Workforce Development Services	41,582,765	7,322,433	48,905,198
31	<i>Workforce Regulation and Safety</i>			
32	General Revenues	2,404,353	94,604	2,498,957
33	Total - Workforce Regulation and Safety	2,404,353	94,604	2,498,957
34	<i>Income Support</i>			

1	General Revenues	4,117,831	(124,233)	3,993,598
2	Federal Funds	18,693,187	(3,391,449)	15,301,738
3	Federal Funds – Stimulus	0	600,300	600,300
4	Federal Funds - Stimulus - UI	128,045,000	(32,091,500)	95,953,500
5	Restricted Receipts	1,529,556	(228,479)	1,301,077
6	Other Funds			
7	Temporary Disability Insurance Fund	173,002,366	(3,778,109)	169,224,257
8	Employment Security Fund	448,928,000	60,306,146	509,234,146
9	Reed Act/UC Modernization	4,279,178	1,944,128	6,223,306
10	The entire amount is appropriated from the Unemployment Compensation Modernization			
11	Incentive Payments solely for the administration of this state’s unemployment compensation law			
12	(Section 903(f), SSA).			
13	Total - Income Support	778,595,118	23,236,804	801,831,922
14	<i>Injured Workers Services</i>			
15	Restricted Receipts	9,080,322	(403,514)	8,676,808
16	Total - Injured Workers Services	9,080,322	(403,514)	8,676,808
17	<i>Labor Relations Board</i>			
18	General Revenues	402,597	(2,308)	400,289
19	Grand Total - Labor and Training	833,558,439	30,397,904	863,956,343
20	Department of Revenue			
21	<i>Director of Revenue</i>			
22	General Revenues	500,231	92,649	592,880
23	Total - Director of Revenue	500,231	92,649	592,880
24	<i>Office of Revenue Analysis</i>			
25	General Revenues	555,607	(120,534)	435,073
26	Total - Office of Revenue Analysis	555,607	(120,534)	435,073
27	<i>Lottery Division</i>			
28	Lottery Funds	192,140,596	22,865,910	215,006,506
29	Total - Lottery Division	192,140,596	22,865,910	215,006,506
30	<i>Municipal Finance</i>			
31	General Revenues	1,159,585	922,226	2,081,811
32	Total – Municipal Finance	1,159,585	922,226	2,081,811
33	<i>Taxation</i>			
34	General Revenues	16,726,289	(437,429)	16,288,860

1	Federal Funds	1,234,831	(1,508)	1,233,323
2	Federal Funds Stimulus	16,408	3,214	19,622
3	Restricted Receipts	809,091	(997)	808,094
4	Other Funds			
5	Motor Fuel Tax Evasion	83,735	(38,258)	45,477
6	Temporary Disability Insurance	908,539	(1,110)	907,429
7	Tax Data Warehouse	500,000	(155,000)	345,000
8	Total – Taxation	20,278,893	(631,088)	19,647,805
9	<i>Registry of Motor Vehicles</i>			
10	General Revenues	16,537,373	194,653	16,732,026
11	Federal Funds	1,038,531	73,524	1,112,055
12	Restricted Receipts	15,100	1,143,265	1,158,365
13	Rhode Island Capital Plan Funds			
14	Registry of Motor Vehicles	4,104,501	(767,743)	3,336,758
15	Total – Registry of Motor Vehicles	21,695,505	643,699	22,339,204
16	Grand Total – Revenue	236,330,417	23,772,862	260,103,279
17	Legislature			
18	General Revenues	37,474,136	(504,045)	36,970,091
19	Restricted Receipts	1,575,008	306	1,575,314
20	Grand Total – Legislature	39,049,144	(503,7390)	38,545,405
21	Lieutenant Governor			
22	General Revenues	924,479	(35,379)	889,100
23	Grand Total - Lieutenant Governor	924,479	(35,379)	889,100
24	Secretary of State			
25	<i>Administration</i>			
26	General Revenues	1,943,053	1,713	1,944,766
27	Total - Administration	1,943,053	1,713	1,944,766
28	<i>Corporations</i>			
29	General Revenues	2,070,271	40,135	2,110,406
30	Total - Corporations	2,070,271	40,135	2,110,406
31	<i>State Archives</i>			
32	General Revenues	80,084	30,658	110,742
33	Restricted Receipts	494,567	(35,131)	459,436
34	Total - State Archives	574,651	(4,473)	570,178

1	<i>Elections & Civics</i>			
2	General Revenues	1,913,831	(230,165)	1,683,666
3	Federal Funds	100,000	27,092	127,092
4	Total – Elections and Civics	2,013,831	(203,073)	1,810,758
5	<i>State Library</i>			
6	General Revenues	571,887	1,656	573,543
7	Total - State Library	571,887	1,656	573,543
8	<i>Office of Public Information</i>			
9	General Revenues	329,581	1,513	331,094
10	Grand Total – Secretary of State	7,503,274	(162,529)	7,340,745
11	General Treasurer			
12	<i>Treasury</i>			
13	General Revenues	2,183,087	(20,138)	2,162,949
14	Federal Funds	261,617	8,094	269,711
15	Other Funds			
16	Temporary Disability Insurance Fund	218,915	8,238	227,153
17	Total – Treasury	2,663,619	(3,806)	2,659,813
18	<i>State Retirement System</i>			
19	Restricted Receipts			
20	Admin Expenses - State Retirement System	10,978,332	(4,822,026)	6,156,306
21	Retirement - Treasury Investment Operations	1,143,087	(168,494)	974,593
22	Total - State Retirement System	12,121,419	(4,990,520)	7,130,899
23	<i>Unclaimed Property</i>			
24	Restricted Receipts	15,789,173	(658,023)	15,131,150
25	Total - Unclaimed Property	15,789,173	(658,023)	15,131,150
26	<i>Crime Victim Compensation Program</i>			
27	General Revenues	87,562	3,103	90,665
28	Federal Funds	846,563	(666)	845,897
29	Restricted Receipts	1,510,022	(15,596)	1,494,426
30	Total - Crime Victim Compensation Program	2,444,147	(13,159)	2,430,988
31	Grand Total – General Treasurer	33,018,358	(5,665,508)	27,352,850
32	Board of Elections			
33	General Revenues	1,847,971	1,371,861	3,219,832
34	Public Financing of General Elections	2,110,000	(2,110,000)	0

1	Grand Total - Board of Elections	3,957,971	(738,139)	3,219,832
2	Rhode Island Ethics Commission			
3	General Revenues	1,482,659	(27,790)	1,454,869
4	Grand Total - Rhode Island Ethics Commission	1,482,659	(27,790)	1,454,869
5	Office of Governor			
6	General Revenues	4,502,606	(337,701)	4,164,905
7	Contingency Fund	250,000	0	250,000
8	Federal Stimulus – OERR	0	132,605	132,605
9	Restricted Receipts - OERR	1,498,546	(778,562)	719,684
10	Grand Total – Office of Governor	6,251,152	(983,958)	5,267,194
11	Commission for Human Rights			
12	General Revenues	1,014,978	207,569	1,222,547
13	Federal Funds	356,689	(192,322)	164,367
14	Grand Total - Commission for Human Rights	1,371,667	15,247	1,386,914
15	Public Utilities Commission			
16	Federal Funds	102,225	0	102,225
17	Federal Funds – Stimulus	194,105	0	194,105
18	Restricted Receipts	7,430,326	(11,636)	7,418,690
19	Grand Total - Public Utilities Commission	7,726,656	(11,636)	7,715,020
20	Office of Health and Human Services			
21	General Revenues	3,420,163	120,949	3,541,112
22	Federal Funds	2,873,533	435,483	3,309,016
23	Restricted Receipts	874,013	17,844	891,857
24	Grand Total – Health and Human Services	7,167,709	574,276	7,741,985
25	Children, Youth, and Families			
26	<i>Central Management</i>			
27	General Revenues	4,451,118	(387,195)	4,063,923
28	Federal Funds	1,960,809	(125,205)	1,835,604
29	Restricted Receipts	301,122	0	301,122
30	Total - Central Management	6,713,049	(512,400)	6,200,649
31	<i>Children's Behavioral Health Services</i>			
32	General Revenues	11,706,718	(1,275,160)	10,431,558
33	Federal Funds	10,893,490	(660,039)	10,233,451
34	Federal Funds – Stimulus	1,121,026	(190,530)	930,496

1	Rhode Island Capital Plan Funds			
2	Groden Center Mt. Hope	275,000	(258,545)	16,455
3	NAFI Center	550,000	(50,000)	500,000
4	Mt. Hope Fire Towers	0	275,000	275,000
5	Sprinkler Head Retrofit	0	25,360	25,360
6	Various Repairs/Improv. YDC	0	125,000	125,000
7	Old Training School Close	0	75,000	75,000
8	Total - Children's Behavioral Health Services	24,546,234	(1,933,914)	22,612,320
9	<i>Juvenile Correctional Services</i>			
10	General Revenues	31,886,768	201,052	32,087,820
11	Federal Funds	2,224,548	(247,558)	1,976,990
12	Federal Funds – Stimulus	714,156	(56,318)	657,838
13	Adolp Meyer renovations Girls Training School	2,500,000	(2,500,000)	0
14	Total - Juvenile Correctional Services	37,325,472	(2,602,824)	34,722,648
15	<i>Child Welfare</i>			
16	General Revenues			
17	General Revenues	95,697,218	262,757	95,959,975
18	18 to 21 Year Olds	9,104,273	1,025,900	10,130,173
19	Federal Funds	50,991,522	(791,480)	50,200,042
20	18 to 21 Year Olds	4,187,196	(1,685,648)	2,501,548
21	Federal Funds – Stimulus	5,762,416	(1,329,256)	4,433,160
22	Restricted Receipts	2,005,793	178,222	2,184,015
23	Rhode Island Capital Plan Funds			
24	Camp E-Hun-Tee	65,000	0	65,000
25	Fire Code Upgrades	1,000,000	(100,000)	900,000
26	Total Other Funds	1,065,000	(100,000)	965,000
27	Total - Child Welfare	168,813,418	(2,439,505)	166,373,913
28	<i>Higher Education Incentive Grants</i>			
29	General Revenues	200,000	0	200,000
30	Total – Higher Education Incentive Grants	200,000	0	200,000
31	Grand Total - Children, Youth, and Families	237,598,173	(7,488,643)	230,109,530
32	Elderly Affairs			
33	General Revenue			
34	General Revenues	8,758,124	(544,215)	8,213,909

1	RIPAE	1,341,175	91,861	1,433,036
2	Care and Safety of the Elderly	1,300	(6)	1,294
3	Federal Funds	15,053,664	5,697,989	20,751,653
4	Federal Funds – Stimulus	882,402	186,363	1,068,765
5	Restricted Receipts	675,931	69,160	745,091
6	Grand Total - Elderly Affairs	26,712,596	5,501,152	32,213,748
7	Health			
8	<i>Central Management</i>			
9	General Revenues	1,604,353	(74,056)	1,530,297
10	Federal Funds	9,194,894	3,658,314	12,853,208
11	Restricted Receipts	2,635,336	326,778	2,962,114
12	Total - Central Management	13,434,583	3,911,036	17,345,619
13	<i>State Medical Examiner</i>			
14	General Revenues	2,056,373	32,694	2,089,067
15	Federal Funds	212,509	32,421	244,930
16	Total - State Medical Examiner	2,268,882	65,115	2,333,997
17	<i>Environmental and Health Services Regulation</i>			
18	General Revenues	8,411,277	412,317	8,823,594
19	Federal Funds	4,426,864	738,036	5,164,900
20	Restricted Receipts	3,669,775	474,773	4,144,548
21	Total - Environmental and Health Services			
22	Regulation	16,507,916	1,625,126	18,133,042
23	<i>Health Laboratories</i>			
24	General Revenues	7,050,149	(135,927)	6,914,222
25	Federal Funds	1,186,887	294,735	1,481,622
26	Laboratory Capacity for Infectious Disease	0	111,030	111,030
27	Total - Health Laboratories	8,237,036	269,838	8,506,874
28	<i>Public Health Information</i>			
29	General Revenues	1,909,149	(153,378)	1,755,771
30	Federal Funds	1,571,266	418,697	1,989,963
31	Electronic health Records & Immunization	0	395,165	395,165
32	Total – Health Services Regulation	3,480,415	660,484	4,140,899
33	<i>Community and Family Health and Equity</i>			
34	General Revenues	4,324,134	933,730	5,257,864

1	Federal Funds	40,295,603	31,591,200	71,886,803
2	Federal Stimulus – Medicaid	4,219,716	1,583,497	5,803,213
3	Restricted Receipts	18,777,842	(14,820)	18,763,022
4	Walkable Communities Initiative	13,091	(13,091)	0
5	Safe and Active Commuting	83,958	32,242	116,200
6	RI Airport Corporation Funds	82,792	(82,792)	0
7	Other Funds Total	179,841	(63,641)	116,200
8	Total – Community & Family Health & Equity	67,797,136	34,029,966	101,827,102
9	<i>Infectious Disease and Epidemiology</i>			
10	General Revenues	2,269,468	(317,707)	1,951,761
11	Federal Funds Total	2,151,372	315,499	2,466,871
12	Federal Funds – Stimulus	0	155,709	155,709
13	Total – Infectious Disease and Epidemiology	4,420,840	153,501	4,574,341
14	Grand Total – General Revenue	27,624,903	697,673	28,322,576
15	Grand Total – Health	116,146,808	40,715,066	156,861,874
16	Human Services			
17	<i>Central Management</i>			
18	General Revenues	5,144,596	1,026,888	6,171,484
19	Federal Funds - Total	5,155,633	68,083	5,223,716
20	Federal Funds – Stimulus	3,784,249	0	3,784,249
21	Restricted Receipts	800,001	(1)	800,000
22	Total - Central Management	14,884,479	1,094,970	15,979,449
23	<i>Child Support Enforcement</i>			
24	General Revenues	2,358,873	(88,475)	2,270,398
25	Federal Funds	6,072,456	269,483	6,341,939
26	Federal Funds – Stimulus	813,300	28,348	841,648
27	Total – Child Support Enforcement	9,244,629	209,356	9,453,985
28	<i>Individual and Family Support</i>			
29	General Revenues	22,152,712	(1,590,700)	20,562,012
30	Federal Funds	80,216,754	(18,874,787)	61,341,967
31	Federal Funds – Stimulus	36,328,397	(29,032,193)	7,296,204

32 In addition to the activities that are part of the approved federal plan for the state’s use of
33 Temporary Assistance to Needy Families Emergency Contingency funding provided by the
34 American Recovery and Reinvestment Act of 2009, the Department may, with the remaining

1 federal funds, give priority to employment support activities for families reaching the Rhode
 2 Island Works program's time limits and to housing assistance programs administered through the
 3 Department of Administration's Housing Resources Commission to address homelessness issues,
 4 including mortgage and rental assistance.

5	Restricted Receipts	180,000	0	180,000
6	Food Stamp Bonus Funding	0	559,871	559,871
7	Blind Vending Facilities	75,000	129,064	204,064
8	Intermodal Surface Transportation Fund	4,210,000	57,685	4,267,685
9	Other Funds Total	4,285,000	746,620	5,031,620
10	Total - Individual and Family Support	143,162,863	(48,751,060)	94,411,803
11	<i>Veterans' Affairs</i>			
12	General Revenues	19,437,637	599,689	20,037,326
13	Federal Funds	6,682,784	1,400,292	8,083,076
14	Restricted Receipts	1,491,200	1,141,000	2,632,200
15	Total - Veterans' Affairs	27,611,621	3,140,981	30,752,602
16	Health Care Quality, Financing and Purchasing			
17	General Revenues	21,047,376	301,371	21,348,747
18	Federal Funds	45,026,382	2,549,669	47,576,051
19	Federal Funds Stimulus	0	2,039,672	2,039,672
20	Restricted Receipts	60,000	0	60,000
21	Total - Health Care Quality,			
22	Financing & Purchasing	66,133,758	4,890,712	71,024,470
23	<i>Medical Benefits</i>			
24	General Revenues			
25	Managed Care	224,653,257	1,260,574	225,913,831
26	Hospitals	108,579,127	548,089	109,127,216
27	Long Term Care			
28	Nursing Facilities	115,209,692	11,596,708	126,806,400
29	Home and Community Based Services	25,070,500	2,064,560	27,135,060
30	Other	37,096,383	(1,025,447)	36,070,936
31	Pharmacy	39,167,569	1,346,091	40,513,660
32	Rhody Health	64,665,364	1,614,134	66,279,498
33	Federal Funds			
34	Managed Care	335,553,819	(11,078,258)	324,475,561

1	Hospitals	127,120,272	(2,724,586)	124,395,686
2	Nursing Facilities	170,120,468	7,589,932	177,710,400
3	Home and Community Based Services	37,019,500	1,008,410	38,027,910
4	Other	64,798,735	(4,896,472)	59,902,263
5	Pharmacy	5,923,120	(158,110)	5,765,010
6	Rhody Health	95,485,908	(2,599,757)	92,886,151
7	Special Education	20,837,655	0	20,837,655
8	Federal Funds Total	856,859,477	(12,858,841)	844,000,636
9	Federal Funds – Stimulus	159,192,031	(26,190,231)	133,001,800
10	Restricted Receipts	6,915,000	0	6,915,000
11	Total - Medical Benefits	1,637,408,400	(21,644,363)	1,615,764,037
12	<i>Supplemental Security Income Program</i>			
13	General Revenues	19,310,887	1,326,513	20,637,400
14	Total – Supplemental Security Income Program	19,310,887	1,326,513	20,637,400
15	<i>Rhode Island Works</i>			
16	General Revenues			
17	Child Care	8,780,999	2,289,536	11,070,535
18	General Revenue Total	8,780,999	2,289,536	11,070,535
19	Federal Funds	78,138,767	(314,051)	77,824,716
20	Federal Funds – Stimulus	596,350	314,051	910,401
21	Total – Rhode Island Works	87,516,116	2,289,536	89,805,652
22	<i>State Funded Programs</i>			
23	General Revenues			
24	General Public Assistance	2,653,682	(31,828)	2,621,854
25	General Revenue Total	2,653,682	(31,828)	2,621,854
26	Federal Funds	234,379,115	30,260,589	264,639,704
27	Federal Funds – Stimulus	43,000,000	(35,455,891)	7,544,109
28	Total - State Funded Programs	280,032,797	(5,227,130)	274,805,667
29	Grand Total General Revenue	715,328,654	21,237,703	736,566,357
30	Grand Total - Human Services	2,285,305,550	(62,670,485)	2,222,635,065
31	Behavioral Health, Developmental Disabilities, and Hospitals			
32	<i>Central Management</i>			
33	General Revenues	795,281	(14,182)	781,099
34	Federal Funds	131,287	80,135	211,422

1	Restricted Receipts	632,882	(632,882)	0
2	Total - Central Management	1,559,450	(566,929)	992,521
3	<i>Hospital and Community System Support</i>			
4	General Revenues	1,829,075	(33,255)	1,795,820
5	Restricted Receipts Total	0	437,679	437,679
6	Rhode Island Capital Plan Funds			
7	Medical Center Rehabilitation	1,420,000	498,793	1,918,793
8	Community Facilities Fire Code	1,000,000	(250,000)	750,000
9	Other Funds Total	2,420,000	248,793	2,668,793
10	DD Private Waiver Com Facilities-Fire Code	602,691	(602,691)	0
11	Total - Hospital and Community System Support	4,851,766	50,526	4,902,292
12	<i>Services for the Developmentally Disabled</i>			
13	General Revenues	81,508,130	5,850,584	87,358,714
14	General Revenue Total	81,508,130	5,850,584	87,358,714
15	Federal Funds	121,373,476	3,941,104	125,314,580
16	Federal Funds – Stimulus	24,661,865	(3,708,393)	20,953,472
17	Restricted Receipts	2,007,500	(977)	2,006,523
18	Rhode Island Capital Plan Funds			
19	Regional Center Repair/Rehabilitation	500,000	500,000	1,000,000
20	MR Community Facilities	1,100,000	(100,000)	1,000,000
21	Developmental Disability Group Homes	1,000,000	(1,000,000)	0
22	DD Private Waiver Comm.	0	601,676	601,676
23	Total - Svcs for the Developmentally Disabled	232,150,971	6,083,994	238,234,965
24	<i>Behavioral Healthcare Services</i>			
25	General Revenues	41,614,835	747,924	42,362,759
26	Federal Funds	55,902,313	1,818,882	57,721,195
27	Federal Funds – Stimulus	8,044,623	(1,398,679)	6,645,944
28	Restricted Receipts	90,000	37,633	127,633
29	Rhode Island Capital Plan Funds			
30	MH Community Facilities Repair	300,000	89,375	389,375
31	MH Housing Development-Thresholds	500,000	0	500,000
32	MH Residence Furniture	56,000	(36,000)	20,000
33	Substance Abuse Asset Production	200,000	0	200,000
34	Total Other Funds	1,056,000	53,375	1,109,375

1	Total – Behavioral Healthcare Services	106,707,771	1,259,135	107,966,906
2	<i>Hospital and Community Rehabilitative Services</i>			
3	General Revenues	37,936,923	693,725	38,630,648
4	Federal Funds	41,236,882	4,795,619	46,032,501
5	Federal Funds – Stimulus	8,568,312	(1,025,052)	7,543,260
6	Restricted Receipts	7,958,252	(2,480,609)	5,477,643
7	Rhode Island Capital Plan Funds			
8	Zambarano Buildings and Utilities	780,000	604,085	1,384,085
9	Eleanor Slater HVAC	2,000,000	(2,000,000)	0
10	Hospital Consolidation	3,000,000	0	3,000,000
11	MR Community Facilities	0	1,100,000	1,100,000
12	Other Funds Total	5,780,000	(295,915)	5,484,085
13	Total - Hospital & Community Rehab Svcs	101,480,369	1,687,768	103,168,137
14	Grand Total – General Revenue	163,684,244	7,244,796	170,929,040
15	Grand Total – Behavioral Health,			
16	Developmental Disabilities, & Hospitals	446,750,327	8,514,494	455,264,821
17	Office of the Child Advocate			
18	General Revenues	543,822	12,225	556,047
19	Federal Funds	45,805	897	46,702
20	Grand Total – Office of the Child Advocate	589,627	13,122	602,749
21	Commission on the Deaf and Hard of Hearing			
22	General Revenues	362,824	1,978	364,802
23	Governor's Commission on Disabilities			
24	General Revenues	367,229	(3,921)	363,308
25	Federal Funds	193,598	2,615	196,213
26	Restricted Receipts	13,626	(4,518)	9,108
27	Rhode Island Capital Plan Funds			
28	Facility Renovation – Handicapped	250,000	0	250,000
29	Grand Total - Governor's Commission on			
30	Disabilities	824,453	(5,824)	818,629
31	Mental Health Advocate			
32	General Revenues	440,950	(2,217)	438,733
33	Grand Total – Mental Health Advocate	440,950	(2,217)	438,733
34	Elementary and Secondary Education			

1	<i>Administration of the Comprehensive Education Strategy</i>			
2	General Revenues	20,063,593	(846,409)	19,217,184
3	Federal Funds	190,900,733	(133,109)	190,767,624
4	Federal Funds – Stimulus – Title I	28,557,969	22,613,408	51,171,377
5	RTTT LEA Share	0	5,570,633	5,570,633
6	Education Jobs Fund	0	26,716,766	26,716,766
7	Restricted Receipts			
8	Restricted Receipts	951,487	47,590	999,077
9	HRIC Adult Education Grants	4,640,000	(1,140,000)	3,500,000
10	Restricted Receipts Total	5,591,487	(1,092,410)	4,499,077
11	Statewide Transportation - RIPTA Grant	200,000	(95,000)	105,000
12	Rhode Island Capital Plan Funds			
13	Shepards Building Air Quality	0	13,221	13,221
14	State-Owned Schools Chariho Repairs	700,000	500,000	1,200,000
15	State Owned Schools – East Providence	107,872	842,128	950,000
16	State Owned School – Cranston Repairs	560,000	(110,949)	449,051
17	State Owned Schools – Newport Repairs	343,362	56,638	400,000
18	State Owned Schools – Warwick Repairs	258,036	0	258,036
19	State Owned Schools – Woonsocket Repairs	450,788	(450,788)	0
20	Other Funds Total	2,620,058	755,250	3,375,308
21	Total – Administration of the Comprehensive			
22	Education Strategy	247,733,840	53,584,129	301,317,969
23	<i>Davies Career and Technical School</i>			
24	General Revenues	14,320,912	(2,080)	14,318,832
25	Federal Funds	1,377,959	464,954	1,842,913
26	Federal Funds – Stimulus	690,087	398,811	1,088,898
27	Rhode Island Capital Plan Funds			
28	Davies Roof Repair	800,000	436,725	1,236,725
29	Davies HVAC	999,000	0	999,000
30	Davies Asset Protection	150,000	(37,059)	112,941
31	Davies Lighting	0	375,453	375,453
32	Other Funds Total	1,949,000	775,119	2,724,119
33	Total - Davies Career and Technical School	18,337,958	1,636,804	19,974,762
34	<i>RI School for the Deaf</i>			

1	General Revenues	6,032,357	(118,345)	5,914,012
2	Federal Funds	325,509	13,822	339,331
3	Federal Funds – Stimulus	249,940	378,073	628,013
4	Restricted Receipts	720,941	(103,289)	617,652
5	Total - RI School for the Deaf	7,328,747	170,261	7,499,008
6	<i>Metropolitan Career and Technical School</i>			
7	General Revenues	12,616,028	0	12,616,028
8	Federal Funds – Stimulus	467,191	(467,191)	0
9	Rhode Island Capital Plan Funds			
10	MET School East Bay	4,000,000	(2,905,122)	1,094,878
11	Total – Metropolitan Career and Technical School	17,083,219	(3,372,313)	13,710,906
12	<i>Education Aid</i>			
13	General Revenues	614,888,594	1,009,125	615,897,719
14	Federal Funds	0	42,766	42,766
15	Federal Funds – Stimulus	16,322,112	3,839,007	20,161,119
16	Restricted Receipts	17,618,322	(3,715,168)	13,903,154
17	Total – Education Aid	648,829,028	1,175,730	650,004,758
18	<i>Central Falls School District</i>			
19	General Revenues	41,774,118	0	41,774,118
20	Federal Funds – Stimulus	1,089,396	0	1,089,396
21	Permanent School Fund – Central Falls	183,624	0	183,624
22	Total - Central Falls School District	43,047,138	0	43,047,138
23	<i>Housing Aid</i>			
24	General Revenues	70,774,727	(2,751,718)	68,023,009
25	<i>Teachers' Retirement</i>			
26	General Revenues	75,598,212	(5,944,919)	69,653,293
27	Total – Teacher's Retirement	75,598,212	(5,944,919)	69,653,293
28	Grand Total – General Revenue	856,068,541	(8,654,346)	847,414,195
29	Grand Total - Elementary and Secondary			
30	Education	1,128,732,869	44,497,974	1,173,230,843
31	Public Higher Education			
32	<i>Board of Governors/Office of Higher Education</i>			
33	General Revenues	6,973,398	0	6,973,398
34	Federal Funds	3,733,780	849,999	4,583,779

1	Total - Board of Governors/Office of Higher			
2	Education	10,707,178	849,999	11,557,177
3	<i>University of Rhode Island</i>			
4	General Revenue			
5	General Revenues	56,618,919	0	56,618,919
6	Debt Service	15,967,304	(960,577)	15,006,727
7	General Revenue Total	72,586,223	(960,577)	71,625,646
8	Federal Funds			
9	Stabilization Funds – Fire Safety	5,002,975	7,495,381	12,498,356
10	Federal Stimulus Funds	33,769	(33,769)	0
11	Federal Funds – Total	5,036,744	7,461,612	12,498,356
12	Other Funds			
13	University and College Funds	528,635,501	37,582,036	566,217,537
14	Debt – Dining Services	1,138,100	2,970	1,141,070
15	Debt – Education and General	4,436,435	(1,405,233)	3,031,202
16	Debt – Health Services	156,415	(6,718)	149,697
17	Debt – Housing Loan Funds	8,529,091	(56,575)	8,472,516
18	Debt – Memorial Union	127,290	(6,243)	121,047
19	Debt – Ryan Center	2,798,555	(8,275)	2,790,280
20	Debt – Alton Jones Services	115,211	(249)	114,962
21	Debt - Parking Authority	1,187,081	(280,752)	906,329
22	Debt – Sponsored Research	102,388	(791)	101,597
23	Debt – URI Energy Conservation	1,896,738	0	1,896,738
24	Rhode Island Capital Plan Funds			
25	Asset Protection	5,327,980	13,346	5,341,326
26	New Chemistry Building	4,500,000	67,310	4,567,310
27	Joint Nursing Building Feasibility	150,000	18,500	168,500
28	Provided that the feasibility study include enrollment projections, operating costs, space			
29	sharing plans, governance plans and a comparison to alternate plans for separate facilities.			
30	URI Biotechnology Center	2,334,910	2,765,090	5,100,000
31	Other Funds Total	561,435,695	38,684,416	600,120,111
32	Total – University of Rhode Island	639,058,662	45,185,451	684,244,113

33 Notwithstanding the provisions of section 35-3-15 of the general laws, all unexpended or
34 unencumbered balances as of June 30, 2011 relating to the University of Rhode Island are hereby

1 reappropriated to fiscal year 2012.

2 *Rhode Island College*

3	General Revenues	37,567,515	0	37,567,515
4	Debt Service	1,972,215	(35,527)	1,936,688
5	General Revenue – Total	39,539,730	(35,527)	39,504,203
6	Federal Funds – Stimulus	3,973,232	5,953,452	9,926,684
7	Other Funds			
8	University and College Funds	105,117,720	434,351	105,552,071
9	Debt – Education and General	295,196	0	295,196
10	Debt – Housing	412,704	0	412,704
11	Debt – Student Center and Dining	172,692	215,094	387,786
12	Debt – Student Union	235,031	0	235,031
13	Debt – G.O. Debt Service	1,615,685	0	1,615,685
14	Rhode Island Capital Plan Funds			
15	Asset Protection	2,337,800	0	2,337,800
16	New Art Center Advanced	1,700,000	100,000	1,800,000
17	Other Funds – Total	111,886,828	749,445	112,636,273
18	Total – Rhode Island College	155,399,790	6,667,370	162,067,160

19 Notwithstanding the provisions of section 35-3-15 of the general laws, all unexpended or
20 unencumbered balances as of June 30, 2011 relating to Rhode Island College are hereby
21 reappropriated to fiscal year 2012.

22 *Community College of Rhode Island*

23	General Revenues			
24	General Revenues	42,884,078	0	42,884,078
25	Debt Service	1,623,414	(37,545)	1,585,869
26	General Revenue Total	44,507,492	(37,545)	44,469,947
27	Federal Funds – Stimulus	2,260,911	3,387,727	5,648,638
28	Restricted Receipts	930,000	0	930,000
29	University and College Funds			
30	University and College Funds	81,597,956	784,583	82,382,539
31	Debt – Bookstore	25,430	0	25,430
32	Rhode Island Capital Plan Funds			
33	Asset Protection	1,514,970	6,503	1,521,473
34	Fire Code and HVAC	1,800,000	1,434,075	3,234,075

1	Other Funds Total	84,938,356	2,225,161	87,163,517
2	Total – Community College of RI	132,636,759	5,575,343	138,212,102
3	Notwithstanding the provisions of section 35-3-15 of the general laws, all unexpended or			
4	unencumbered balances as of June 30, 2011 relating to the Community College of Rhode Island			
5	are hereby reappropriated to fiscal year 2012.			
6	Grand Total – General Revenue	163,606,843	(1,033,649)	162,573,194
7	Grand Total – Public Higher Education	937,802,389	58,278,163	996,080,552
8	RI State Council on the Arts			
9	General Revenues			
10	Operating Support	665,871	18,940	684,811
11	Grants	1,002,475	0	1,002,475
12	General Revenue Total	1,668,346	18,940	1,687,286
13	Federal Funds	950,990	(421)	950,569
14	Other Funds			
15	Arts for Public Facilities	435,000	0	435,000
16	Grand Total - RI State Council on the Arts	3,054,336	18,519	3,072,855
17	RI Atomic Energy Commission			
18	General Revenues	875,781	(14,750)	861,031
19	Federal Funds	300,159	13,945	314,104
20	Other Funds			
21	URI Sponsored Research	266,410	(19,363)	247,047
22	Rhode Island Capital Plan Funds			
23	RINSC Asset Protection	50,000	0	50,000
24	Other Funds Total	316,410	(19,363)	297,047
25	Grand Total - RI Atomic Energy Commission	1,492,350	(20,168)	1,472,182
26	RI Higher Education Assistance Authority			
27	General Revenues			
28	Needs Based Grants and Work Opportunities	5,882,700	580,000	6,462,700
29	Authority Operations and Other Grants	840,647	16,839	857,486
30	General Revenue Total	6,723,347	596,839	7,320,186
31	Federal Funds	12,044,337	1,131,591	13,175,928
32	Other Funds			
33	Tuition Savings Pgm. – Needs Based Grants	6,300,000	0	6,017,300
34	Tuition Savings Program – Administration	721,425	(766)	758,920

1	Grand Total – RI Higher Education Assistance			
2	Authority	25,789,109	1,727,664	27,516,773
3	RI Historical Preservation and Heritage Commission			
4	General Revenues	1,348,717	53,802	1,402,519
5	Federal Funds	835,804	5,704	841,508
6	Restricted Receipts	479,450	(3,898)	475,552
7	Grand Total – RI Historical Preservation			
8	and Heritage Commission	2,663,971	55,608	2,719,579
9	RI Public Telecommunications Authority			
10	General Revenues	1,035,967	(56,642)	979,325
11	Corporation for Public Broadcasting	636,750	9,984	646,734
12	Grand Total – RI Public Telecommunications			
13	Authority	1,672,717	(46,658)	1,626,059
14	Attorney General			
15	<i>Criminal</i>			
16	General Revenues	13,048,850	(164,939)	12,883,911
17	Federal Funds	1,151,910	110,989	1,262,899
18	Federal Funds – Stimulus	40,370	575,122	615,492
19	Restricted Receipts	413,472	34,642	448,114
20	Total – Criminal	14,654,602	555,814	15,210,416
21	<i>Civil</i>			
22	General Revenues	4,297,585	418,837	4,716,422
23	Restricted Receipts	789,187	80,356	869,543
24	Total – Civil	5,086,772	499,193	5,585,965
25	<i>Bureau of Criminal Identification</i>			
26	General Revenues	1,075,046	(33,328)	1,041,718
27	Federal Funds	56,550	43,392	99,942
28	Total - Bureau of Criminal Identification	1,131,596	10,064	1,141,660
29	<i>General</i>			
30	General Revenues	2,788,249	13,066	2,801,315
31	Rhode Island Capital Plan Funds			
32	Building Renovations and Repairs	200,000	237,270	437,270
33	Total – General	2,988,249	250,336	3,238,585
34	Grand Total - Attorney General	23,861,219	1,315,407	25,176,626

1	Corrections			
2	Central Management General Revenues	8,071,545	(175,275)	7,896,270
3	Federal Funds – Stimulus	200,000	0	200,000
4	Total Central Management	8,271,545	(175,275)	8,096,270
5	<i>Parole Board</i>			
6	General Revenues	1,336,212	(67,786)	1,268,426
7	Federal Funds	38,000	(3,000)	35,000
8	Total - Parole Board	1,374,212	(70,786)	1,303,426
9	<i>Institutional Corrections</i>			
10	General Revenues	155,261,526	272,944	155,534,470
11	Federal Funds	1,723,983	461,322	2,185,305
12	Federal Funds – Stimulus	36,733	555,307	592,040
13	Rhode Island Capital Plan Funds			
14	General Renovations	0	744,480	744,480
15	Women's Bathroom Renovations	655,400	632,780	1,288,180
16	Benadette Guay Bldg Roof	0	351,381	351,381
17	Asset Protection	2,500,000	1,201,639	3,701,639
18	Reintegration Center Match	0	1,409,968	1,409,968
19	General Renovations - Women	2,389,724	1,627,757	4,017,481
20	ISC Exterior Envelope and HVAC	100,000	0	100,000
21	Minimum Security Kitchen Ex	325,000	(325,000)	0
22	Other Funds Total	5,970,124	5,643,005	11,613,129
23	Total - Institutional Corrections	162,992,366	6,932,578	169,924,944
24	<i>Community Corrections</i>			
25	General Revenues	13,660,118	202,281	13,862,399
26	Federal Funds	353,444	298,549	651,993
27	Federal Funds - Stimulus	0	31,280	31,280
28	Restricted Receipts	87,134	37,640	124,774
29	Total – Community Corrections	14,743,396	(72,950)	14,670,446
30	Grand Total – Corrections	187,181,519	6,813,567	193,995,086
31	Judiciary			
32	<i>Supreme Court</i>			
33	General Revenues			
34	General Revenues	25,316,693	138,350	25,455,043

1	Defense of Indigents	3,365,689	60,428	3,426,117
2	General Revenue Total	28,682,382	198,778	28,881,160
3	Federal Funds	121,120	553,331	674,451
4	Federal Funds – Stimulus	0	26,838	26,838
5	Restricted Receipts	1,308,353	140,116	1,448,469
6	Rhode Island Capital Plan Funds			
7	Judicial HVAC	300,000	0	300,000
8	Judicial Complexes Asset Protection	550,000	787	550,787
9	Rhode Island Capital Plan Funds Total	850,000	787	850,878
10	Total - Supreme Court	30,961,855	919,850	31,881,705
11	Judicial Tenure and Discipline			
12	General Revenue Total	109,620	(3,544)	106,076
13	<i>Superior Court</i>			
14	General Revenues	20,407,009	(103,167)	20,303,842
15	Federal Funds Total	0	33,265	33,265
16	Federal Funds – Stimulus	0	54,530	54,530
17	Restricted Receipts	312,000	177,987	489,987
18	Total - Superior Court	20,719,009	162,615	20,881,624
19	<i>Family Court</i>			
20	General Revenues	17,506,835	(628,588)	16,878,247
21	Federal Funds	2,205,407	721,062	2,926,469
22	Federal Funds – Stimulus	0	86,543	86,543
23	Restricted Receipts Total	0	245,000	245,000
24	Total - Family Court	19,712,242	424,017	20,136,259
25	<i>District Court</i>			
26	General Revenues	10,248,515	401,832	10,650,347
27	Federal Funds Total	0	134,915	134,915
28	Restricted Receipts	424,421	(97,738)	326,683
29	Total - District Court	10,672,936	439,009	11,111,945
30	<i>Traffic Tribunal</i>			
31	General Revenues	7,620,894	(48,138)	7,572,756
32	<i>Workers' Compensation Court</i>			
33	Restricted Receipts	7,583,440	(74,789)	7,508,651
34	Grand Total – General Revenue	84,575,255	(182,827)	84,392,428

1	Grand Total – Judiciary	97,379,996	1,819,020	99,199,016
2	Military Staff			
3	<i>National Guard</i>			
4	General Revenues	1,446,704	154,353	1,601,057
5	Federal Funds	10,984,193	76,563	11,060,756
6	Federal Funds – Stimulus	0	174,496	174,496
7	Restricted Receipts	190,000	45,000	235,000
8	Rhode Island Capital Plan Funds			
9	AMC – Roof Replacement	550,000	750,000	1,300,000
10	State Armories Fire Code Comp.	25,000	219,496	244,496
11	Federal Armories Fire Code	6,250	70,869	77,119
12	Asset Protection	260,000	240,000	500,000
13	Logistics/Maint Facilities Fire Code	6,250	59,313	65,563
14	FMS #3 Roof	15,000	0	15,000
15	Other Funds Total	862,500	1,339,678	2,202,178
16	Total - National Guard	13,483,397	1,790,090	15,275,487
17	<i>Emergency Management</i>			
18	General Revenues	1,335,731	1,229,357	2,565,088
19	Federal Funds	11,166,561	32,392,436	43,558,997
20	Restricted Receipts	652,475	(510,693)	141,782
21	Total - Emergency Management	13,154,767	33,111,100	46,265,876
22	Grand Total – General Revenue	2,782,435	1,383,710	4,166,145
23	Grand Total - Military Staff	26,638,164	34,901,190	61,539,354
24	Public Safety			
25	Central Management			
26	General Revenues	712,968	(10,265)	702,703
27	Federal Funds	4,244,982	(172,342)	4,072,640
28	Federal Funds – Stimulus	689,747	2,103,041	2,792,788
29	Restricted Receipts	508,345	(504, 556)	3,789
30	Total – Central Management	6,156,042	1,415,878	7,571,920
31	<i>E-911 Emergency Telephone System</i>			
32	General Revenues	4,655,752	195,254	4,851,006
33	Federal Funds Total	0	240,937	240,937
34	Total – E-911 Emergency Telephone System	4,655,752	436,191	5,091,943

1	<i>State Fire Marshal</i>			
2	General Revenues	2,461,060	42,974	2,504,034
3	Federal Funds	261,250	635,042	896,292
4	Restricted Receipts	50,000	47,950	97,950
5	Quonset Development Corp	0	21,640	21,640
6	Grand Total - State Fire Marshal	2,772,310	747,606	3,519,916
7	<i>Security Services</i>			
8	General Revenues	3,308,669	(145,634)	3,163,035
9	<i>Municipal Police Training Academy</i>			
10	General Revenues	334,567	684	335,251
11	Federal Funds	189,704	107,649	297,353
12	Federal Funds – Stimulus	101,638	17,052	118,690
13	Grand Total - Municipal Police Training Academy	625,909	125,385	751,294
14	<i>State Police</i>			
15	General Revenues	55,551,474	1,457,769	57,009,243
16	Federal Funds	1,498,517	1,560,816	3,059,333
17	Federal Funds – Stimulus	145,716	231,248	376,964
18	Restricted Receipts	244,761	37,913	282,674
19	<i>Rhode Island Capital Plan Funds</i>			
20	State Police Offsite Operation	0	175,000	175,000
21	Barracks & Training	1,500,000	379,859	1,879,859
22	State Police New Headquarters	4,750,000	(772,095)	3,977,905
23	Parking Area Improvements	200,000	(150,000)	50,000
24	Headquarters Repairs/Rehabilitation	100,000	84,979	184,979
25	State Microwave Upgrade	2,512,140	(234,568)	2,277,572
26	HQ Expansion (NG Facilities)	50,000	(50,000)	0
27	Traffic Enforcement - Municipal Training	116,617	19,125	135,742
28	Lottery Commission Assistance	180,044	26,231	206,275
29	Airport Corporation	207,764	(1,489)	206,275
30	Road Construction Reimbursement	2,173,855	372,245	2,546,100
31	Other Funds Total	11,790,420	(150,713)	11,639,707
32	Grand Total - State Police	69,230,888	3,137,033	72,367,921
33	Grand Total –General Revenue	67,024,490	1,540,782	68,565,272
34	Grand Total – Public Safety	86,749,570	5,716,459	92,466,029

1	Office of Public Defender			
2	General Revenues	9,590,261	(48,813)	9,541,448
3	Federal Funds	333,574	217,197	550,771
4	Federal Funds – Stimulus	96,566	(28,567)	67,999
5	Grand Total - Office of Public Defender	10,020,401	139,817	10,160,218
6	Environmental Management			
7	<i>Office of the Director</i>			
8	General Revenues	4,635,985	(88,394)	4,547,591
9	Federal Funds	566,300	0	566,300
10	Federal Funds – Stimulus	0	108,000	108,000
11	Restricted Receipts	2,437,098	322,113	2,759,211
12	Total – Office of the Director	7,639,383	341,719	7,981,102
13	<i>Natural Resources</i>			
14	General Revenues	17,797,447	(34,309)	17,763,138
15	Federal Funds	21,379,160	4,560,980	25,940,140
16	Restricted Receipts	3,930,478	(96,797)	3,833,681
17	Other Funds			
18	DOT Recreational Projects	67,608	797	68,405
19	Blackstone Bikepath Design	1,013,705	1,831	1,015,536
20	Transportation MOU	81,243	556	81,799
21	Rhode Island Capital Plan Funds			
22	Dam Repair	750,000	0	750,000
23	Recreational Facilities Improvement	1,200,000	200,000	1,400,000
24	Fort Adams Rehabilitation	500,000	67,666	567,666
25	Galilee Piers Upgrade	1,080,000	0	1,080,000
26	Blackstone Valley Bike Path	500,000	0	500,000
27	Newport Piers	250,000	0	250,000
28	Fish and Wildlife Maintenance	75,000	(75,000)	0
29	Other Funds total	5,517,556	195,850	5,713,406
30	Total - Natural Resources	48,624,641	4,625,724	53,250,365
31	<i>Environmental Protection</i>			
32	General Revenues	11,969,897	(12,432)	11,957,465
33	Federal Funds	12,849,946	(145,554)	12,704,392
34	Federal Funds – Stimulus	590,769	2,421,231	3,012,000

1	Restricted Receipts	7,769,340	312,195	8,081,535
2	Transportation MOU	116,735	1,050	117,785
3	Retrofit Heavy-Duty Diesel Vehicles	3,560,000	0	3,560,000
4	Total - Environmental Protection	36,856,687	2,576,490	39,433,177
5	Grand Total - Environmental Management	93,120,711	7,543,933	100,664,644
6	Coastal Resources Management Council			
7	General Revenues	2,038,515	24,688	2,063,203
8	Federal Funds	2,095,196	1,590,400	3,685,596
9	Federal Funds – Stimulus	0	3,266,300	3,266,300
10	Restricted Receipts	250,000	0	250,000
11	Grand Total - Coastal Resources Mgmt. Council	4,383,711	4,881,388	9,265,099
12	State Water Resources Board			
13	General Revenues	1,316,540	(18,178)	1,298,362
14	Big River Management Area	120,000	75,163	195,163
15	Well Development	0	336,015	336,015
16	Grand Total – General Revenue	1,316,540	(18,178)	1,298,362
17	Rhode Island Capital Plan Funds			
18	Grand Total - State Water Resources Board	1,436,540	393,000	1,829,540
19	Transportation			
20	<i>Central Management</i>			
21	Federal Funds	14,118,217	(2,768,656)	11,349,561
22	Other Funds			
23	Gasoline Tax	1,304,716	(609,615)	695,101
24	Other Funds Total	1,304,716	(609,615)	695,101
25	Total - Central Management	15,422,933	(3,378,271)	12,044,662
26	<i>Management and Budget</i>			
27	Other Funds			
28	Gasoline Tax	1,652,721	(947,264)	705,457
29	Total - Management and Budget	1,652,721	(947,264)	705,457
30	<i>Infrastructure Engineering- GARVEE/Motor Fuel Tax Bonds</i>			
31	Federal Funds	257,415,591	13,396,839	270,812,430
32	Federal Funds – Stimulus	47,274,319	10,679,716	57,954,035
33	Restricted Receipts	1,000,000	0	1,000,000
34	Other Funds			

1	Gasoline Tax	51,869,001	479,295	52,348,296
2	State Infrastructure Bank	1,445,000	(1,445,000)	0
3	Land Sale Revenue	18,205,826	(16,205,826)	2,000,000
4	Highway Logo Program	100,000	(100,000)	0
5	Rhode Island Capital Plan Funds			
6	RIPTA - Land and Buildings	70,000	(70,000)	0
7	RIPTA Paratransit	190,400	(190,400)	0
8	RICAP – Pawtucket/Central Falls Train Station	0	40,267	40,267
9	Total - Infrastructure Engineering – GARVEE	71,880,227	(17,491,663)	54,388,563
10	Motor Fuel Tax Bonds	377,570,137	6,584,891	384,155,028
11	<i>Infrastructure Maintenance</i>			
12	Other Funds			
13	Gasoline Tax	30,560,165	18,909,254	49,469,419
14	Non-Land Surplus Property	30,000	45,000	75,000
15	Outdoor Advertising	300,000	225,000	525,000
16	Rhode Island Capital Plan Funds			
17	Maintenance Facilities Improvements	650,000	159,008	809,008
18	East Providence Facility	1,582,810	(343,805)	1,239,005
19	Salt Storage Facilities	1,000,000	0	1,000,000
20	DOT Maintenance Facility Fire Alarm	125,000	25,000	150,000
21	Elmwood Expansion Project	0	685,880	685,880
22	Total - Infrastructure Maintenance	34,247,975	19,705,337	53,953,312
23	Grand Total – Transportation	428,893,766	21,964,693	450,858,459
24	Statewide Totals			
25	General Revenues	2,942,118,704	23,186,250	2,965,304,954
26	Federal Funds	2,903,497,922	107,715,277	3,011,213,199
27	Restricted Receipts	180,035,096	(1,495,726)	178,539,370
28	Other Funds	1,838,494,088	117,808,860	1,956,302,948
29	Statewide Grand Total	7,864,145,810	247,214,661	8,111,360,471

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

32 SECTION 3. The general assembly authorizes the state controller to establish the
33 internal service accounts shown below, and no other, to finance and account for the operations of
34 state agencies that provide services to other agencies, institutions and other governmental units on

1 a cost reimbursed basis. The purpose of these accounts is to ensure that certain activities are
 2 managed in a businesslike manner, promote efficient use of services by making agencies pay the
 3 full costs associated with providing the services, and allocate the costs of central administrative
 4 services across all fund types, so that federal and other non-general fund programs share in the
 5 costs of general government support. The controller is authorized to reimburse these accounts for
 6 the cost of work or services performed for any other department or agency subject to the
 7 following expenditure limitations:

	FY 2011	FY 2011	FY 2011
<u>Account</u>	<u>Enacted</u>	<u>Change</u>	<u>Final</u>
10 State Assessed Fringe Benefit Internal Service Acct	34,617,701	3,521,794	38,139,495
11 Administration Central Utilities Internal Service Acct	25,814,372	(10,500,219)	15,314,153
12 State Central Mail Internal Service Fund	5,453,349	(675,135)	4,796,214
13 State Telecommunications Internal Service Fund	3,470,957	(904,970)	2,565,987
14 State Automotive Fleet Internal Service Fund	13,830,806	(2,068,268)	11,762,538
15 State Fleet Replacement Revolving Loan Fund	2,500,000	(2,500,000)	0
16 Capital Police Internal Service Fund	665,713	(76,799)	588,914
17 Health Insurance Internal Service Fund	306,132,044	(57,776,958)	248,355,086
18 BHDD Central Pharmacy Internal Service Fund	0	7,857,390	7,857,390
19 BHDD Laundry Services Internal Service Fund	0	1,186,272	1,186,272
20 Corrections General Services & Warehouse Internal			
21 Service Acct	6,769,398	(828,810)	5,940,588
22 Correctional Industries Internal Service Acct	7,371,579	(2,079,136)	5,292,443
23 Secretary of State Record Center Internal Service Acct	825,368	(55,090)	770,278

24 SECTION 4. Departments and agencies listed below may not exceed the number of full-
 25 time equivalent (FTE) positions shown below in any pay period. Full-time equivalent positions
 26 do not include seasonal or intermittent positions whose scheduled period of employment does not
 27 exceed twenty-six consecutive weeks or whose scheduled hours do not exceed nine hundred and
 28 twenty-five (925) hours, excluding overtime, in a one-year period. Nor do they include
 29 individuals engaged in training, the completion of which is a prerequisite of employment.
 30 Provided, however, that the Governor or designee, Speaker of the House of Representatives or
 31 designee, and President of the Senate or designee may authorize an adjustment to any limitation.
 32 Prior to the authorization, the State Budget Officer shall make a detailed written recommendation
 33 to the Governor, the Speaker of the House, and the President of the Senate. A copy of the
 34 recommendation and authorization to adjust shall be transmitted to the chairman of the House

1 Finance Committee, the chairman of the Senate Finance Committee, the House Fiscal Advisor
2 and the Senate Fiscal Advisor.

3 No agency or department may employ contracted employees or employee services where
4 the contracted employees would work under state employee supervisors without determination of
5 need by the Director of Administration acting upon positive recommendations of the Budget
6 Officer and the Personnel Administrator and 15 days after a public hearing.

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

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

14 **FY 2011 FTE POSITION AUTHORIZATION**

15	<u>Departments and Agencies</u>	<u>Full-Time Equivalent</u>	
16	Administration	871.6	<u>873.6</u>
17	Business Regulation	90.0	<u>93.0</u>
18	Labor and Training	519.4	<u>512.2</u>
19	Revenue	426.0	<u>428.5</u>
20	Legislature	295.9	<u>298.5</u>
21	Office of the Lieutenant Governor	8.0	<u>7.0</u>
22	Secretary of State		57.0
23	General Treasurer		82.0
24	Board of Elections	12.0	<u>11.0</u>
25	Rhode Island Ethics Commission		12.0
26	Office of the Governor		45.0
27	Commission for Human Rights		14.5
28	Public Utilities Commission		46.0
29	Office of Health and Human Services	75.6	<u>77.6</u>
30	Children, Youth, and Families		691.0
31	Elderly Affairs		31.0
32	Health	410.7	<u>468.7</u>
33	Human Services	963.6	<u>988.2</u>
34	Behavioral Health, Developmental Disabilities, and Hospitals		1,372.2

1	Office of the Child Advocate		5.8
2	Commission on the Deaf and Hard of Hearing		3.0
3	Governor's Commission on Disabilities		4.0
4	Office of the Mental Health Advocate		3.7
5	Elementary and Secondary Education	133.4	<u>156.4</u>
6	School for the Deaf		60.0
7	Davies Career and Technical School		132.0
8	Office of Higher Education		19.4
9	Provided that 1.0 of the total authorization would be available only for a position that is		
10	supported by third-party funds.		
11	University of Rhode Island		2,436.5
12	Provided that 602.0 of the total authorization would be available only for positions that		
13	are supported by third-party funds.		
14	Rhode Island College		892.1
15	Provided that 82.0 of the total authorization would be available only for positions that are		
16	supported by third-party funds.		
17	Community College of Rhode Island	804.1	<u>869.1</u>
18	Provided that 100.0 of the total authorization would be available only for positions that		
19	are supported by third-party funds.		
20	Rhode Island State Council on the Arts		8.6
21	RI Atomic Energy Commission		8.6
22	Higher Education Assistance Authority		41.6
23	Historical Preservation and Heritage Commission		16.6
24	Public Telecommunications Authority		16.0
25	Office of the Attorney General		231.1
26	Corrections		1,419.0
27	Judicial		723.3
28	Military Staff	111.0	<u>117.0</u>
29	Public Safety	423.1	<u>423.2</u>
30	Office of the Public Defender		93.0
31	Environmental Management		410.0
32	Coastal Resources Management Council		30.0
33	Water Resources Board		6.0
34	Transportation	772.2	<u>772.6</u>

1 the amount of the difference based upon the revenues projected at latest state revenue estimating
2 conference pursuant to chapter 16 of title 35 as reported by the chairperson of that conference.

3 (e) Whenever a transfer has been made pursuant to subsection (d), that transfer shall be
4 considered as estimated general revenues for the purposes of determining the amount to be
5 transferred to the Rhode Island Capital Plan fund for the purposes of subsection 35-3-20.1(b).

6 (f) Whenever a transfer has been made pursuant to subsection (d), the amount of the
7 transfer shall be transferred to the Rhode Island Capital Plan fund from funds payable into the
8 general revenue fund pursuant to § 35-3-20.1 in the fiscal year following the fiscal year in which
9 the transfer was made, except that in fiscal year 2010 there shall be no repayment of the amount
10 transferred and the repayment shall be made in fiscal year ~~2011~~ 2013.

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

12 ARTICLE 4

13 RELATING TO SECURITY--UNEMPLOYMENT INSURANCE

14 SECTION 1. Section 28-43-7 of the General Laws in Chapter 28-43 entitled
15 “Employment Security – Contributions” is hereby amended to read as follows:

16 **28-43-7. Taxable wage base.** -- (a)The taxable wage base under this chapter for the tax
17 year beginning January 1, 1999, and ~~all subsequent tax years~~ ending with the tax year beginning
18 January 1, 2011 shall be:

19 (1) Twelve thousand dollars (\$12,000) if the amount of the employment security fund,
20 not including any federal disbursements made to the states pursuant to 42 U.S.C. § 1103, is more
21 than two hundred twenty-five million dollars (\$225,000,000);

22 (2) Fourteen thousand dollars (\$14,000) if the amount of the employment security fund is
23 more than one hundred seventy-five million dollars (\$175,000,000) but less than or equal to two
24 hundred twenty-five million dollars (\$225,000,000);

25 (3) Sixteen thousand dollars (\$16,000) if the amount of the employment security fund is
26 more than one hundred twenty-five million dollars (\$125,000,000) but less than or equal to one
27 hundred seventy-five million dollars (\$175,000,000);

28 (4) Eighteen thousand dollars (\$18,000) if the amount of the employment security fund is
29 less or equal to than one hundred twenty-five million dollars (\$125,000,000) but more than
30 seventy-five million dollars (\$75,000,000); or

31 (5) Nineteen thousand dollars (\$19,000) if the amount of the employment security is less
32 than or equal to seventy-five million (\$75,000,000).

33 ~~(b)(1) The taxable wage base shall be determined by the amount of the employment~~
34 ~~security fund on September 30th of each calendar year and that taxable wage base shall be~~

1 ~~effective for the tax year immediately following the determination date.~~ The taxable wage base
2 under this chapter for the tax year beginning January 1, 2012, shall be equal to forty-seven
3 percent (47%) of the average annual wage in covered employment during the calendar year
4 immediately preceding the computation date for the effective tax year; the computed figure shall
5 be rounded upward to the next higher even multiple of two hundred dollars (\$200). That taxable
6 wage base shall be computed as follows: On September 30, 2011, the total annual wages paid to
7 individuals in covered employment for the preceding calendar year by all employers who are
8 required to pay contributions under the provisions of chapters 42 – 44 of this title, shall be
9 divided by the monthly average number of individuals in covered employment during the
10 preceding calendar year, and the quotient shall be multiplied by forty-seven hundredths (.47). If
11 the result thus obtained is not an even multiple of two hundred dollars (\$200), it shall be rounded
12 upward to the next higher even multiple of two hundred dollars (\$200). That taxable wage base
13 shall be effective for the tax year beginning January 1, 2012.

14 (2) The taxable wage base under this chapter for the tax year beginning January 1, 2013,
15 shall be equal to forty-eight percent (48%) of the average annual wage in covered employment
16 during the calendar year immediately preceding the computation date for the effective tax year;
17 the computed figure shall be rounded upward to the next higher even multiple of two hundred
18 dollars (\$200). That taxable wage base shall be computed as follows: On September 30, 2012, the
19 total annual wages paid to individuals in covered employment for the preceding calendar year by
20 all employers who are required to pay contributions under the provisions of chapters 42 – 44 of
21 this title, shall be divided by the monthly average number of individuals in covered employment
22 during the preceding calendar year, and the quotient shall be multiplied by forty-eight hundredths
23 (.48). If the result thus obtained is not an even multiple of two hundred dollars (\$200), it shall be
24 rounded upward to the next higher even multiple of two hundred dollars (\$200). That taxable
25 wage base shall be effective for the tax year beginning January 1, 2013.

26 (3) The taxable wage base under this chapter for the tax year beginning January 1, 2014,
27 shall be equal to forty-nine percent (49%) of the average annual wage in covered employment
28 during the calendar year immediately preceding the computation date for the effective tax year;
29 the computed figure shall be rounded upward to the next higher even multiple of two hundred
30 dollars (\$200). That taxable wage base shall be computed as follows: On September 30, 2013, the
31 total annual wages paid to individuals in covered employment for the preceding calendar year by
32 all employers who are required to pay contributions under the provisions of chapters 42 – 44 of
33 this title, shall be divided by the monthly average number of individuals in covered employment
34 during the preceding calendar year, and the quotient shall be multiplied by forty-nine hundredths

1 (.49). If the result thus obtained is not an even multiple of two hundred dollars (\$200), it shall be
2 rounded upward to the next higher even multiple of two hundred dollars (\$200). That taxable
3 wage base shall be effective for the tax year beginning January 1, 2014.

4 (4) The taxable wage base under this chapter for the tax year beginning January 1, 2015,
5 and all subsequent tax years shall be equal to fifty percent (50%) of the average annual wage in
6 covered employment during the calendar year immediately preceding the computation date for
7 the effective tax year; the computed figure shall be rounded upward to the next higher even
8 multiple of two hundred dollars (\$200). That taxable wage base shall be computed as follows: On
9 September 30, 2014, and every computation date thereafter the total annual wages paid to
10 individuals in covered employment for the preceding calendar year by all employers who are
11 required to pay contributions under the provisions of chapters 42 – 44 of this title, shall be
12 divided by the monthly average number of individuals in covered employment during the
13 preceding calendar year, and the quotient shall be multiplied by fifty hundredths (.50). If the
14 result thus obtained is not an even multiple of two hundred dollars (\$200), it shall be rounded
15 upward to the next higher even multiple of two hundred dollars (\$200). That taxable wage base
16 shall be effective for the tax year beginning January 1, 2015.

17 (c) Notwithstanding the above, the taxable wage base for employers with reserve account
18 percentages of negative twenty-four and ninety-nine hundredths (-24.99) or less for the tax years
19 beginning January 1, 2012, and thereafter, shall be three thousand dollars (\$3,000) above the
20 taxable wage base computed for all other employers under subsection (b) of this section.

21 SECTION 2. Sections 28-44-6, 28-44-9, 28-44-17, 28-44-18, 28-44-20 and 28-44-59 of
22 the General Laws in Chapter 28-44 entitled “Employment Security – Benefits” are hereby
23 amended to read as follows:

24 **28-44-6. Weekly benefits for total unemployment – Year established – Dependents’**
25 **allowance. [Effective until January 1, 2011].** -- (a)(1) The benefit rate payable under this
26 chapter to any eligible individual with respect to any week of his or her total unemployment,
27 when that week occurs within a benefit year, shall be, for benefit years beginning on or after
28 October 1, 1989 and prior to July 1, 2012, four and sixty-two hundredths percent (4.62%) of the
29 wages paid to the individual in that calendar quarter of the base period in which the individual's
30 wages were highest;

31 (2) The benefit rate payable under this chapter to any eligible individual with respect to
32 any week of his or her total unemployment, when that week occurs within a benefit year, shall be,
33 for benefit years beginning on or after July 1, 2012 and prior to July 1, 2013, four and thirty-eight
34 hundredths percent (4.38%) of the average quarterly wage paid to the individual in the two

1 calendar quarters of the base period in which the individual's wages were highest;

2 (3) The benefit rate payable under this chapter to any eligible individual with respect to
3 any week of his or her total unemployment, when that week occurs within a benefit year, shall be,
4 for benefit years beginning on or after July 1, 2013 and prior to July 1, 2014, four and fifteen
5 hundredths percent (4.15%) of the average quarterly wage paid to the individual in the two
6 calendar quarters of the base period in which the individual's wages were highest;

7 (4) The benefit rate payable under this chapter to any eligible individual with respect to
8 any week of his or her total unemployment, when that week occurs within a benefit year, shall be,
9 for benefit years beginning on or after July 1, 2014, three and eighty-five hundredths percent
10 (3.85%) of the average quarterly wage paid to the individual in the two calendar quarters of the
11 base period in which the individual's wages were highest;

12 ~~(2)~~(5) Provided, that the benefit rate shall not be more than ~~sixty-seven percent (67%)~~
13 fifty-seven and one-half percent (57.5%) of the average weekly wage paid to individuals in
14 employment covered by the Employment Security Act for the preceding calendar year ending
15 December 31 or the maximum weekly benefit rate that was in effect as of July 1, 2011, whichever
16 is the higher. If the maximum weekly benefit rate is not an exact multiple of one dollar (\$1.00),
17 then the rate shall be rounded to the next lower multiple of one dollar (\$1.00).

18 ~~(3)~~(6) The average weekly wage of individuals in covered employment shall be computed
19 as follows: On or before May 31 of each year, the total annual wages paid to individuals in
20 covered employment for the preceding calendar year by all employers shall be divided by the
21 monthly average number of individuals in covered employment during that preceding calendar
22 year, and the quotient shall be divided by fifty-two (52). That weekly benefit rates shall be
23 effective throughout benefit years beginning on or after July 1 of that year and prior to July 1, of
24 the succeeding calendar year.

25 ~~(4)~~(7) The benefit rate of any individual, if not an exact multiple of one dollar (\$1.00),
26 shall be rounded to the next lower multiple of one dollar (\$1.00).

27 (b)(1)(i) An individual to whom benefits for total or partial unemployment are payable
28 under this chapter with respect to any week of unemployment beginning prior to July 1, 2012
29 shall, in addition to those benefits, be paid with respect to each week a dependents' allowance of
30 fifteen dollars (\$15.00) or five percent (5%) of the individual's benefit rate whichever is greater
31 for each of that individual's children, including adopted and stepchildren, or that individual's court
32 appointed wards who, at the beginning of the individual's benefit year, is under eighteen (18)
33 years of age, and who is at that time in fact dependent on that individual, including individuals
34 who have been appointed the legal guardian of such child by the appropriate court:

1 (ii) An individual to whom benefits for total or partial unemployment are payable under
2 this chapter with respect to any week of unemployment beginning on or after July 1, 2012 and
3 prior to July 1, 2013 shall, in addition to those benefits, be paid with respect to each week a
4 dependents' allowance of fifteen dollars (\$15.00) or four percent (4%) of the individual's benefit
5 rate, whichever is greater for each of that individual's children, including adopted and
6 stepchildren. This includes that individual's court appointed ward who, at the beginning of the
7 individual's benefit year, is under eighteen (18) years of age, and who is at that time in fact
8 dependent on that individual, including individuals who have been appointed the legal guardian
9 of such child by the appropriate court;

10 (iii) An individual to whom benefits for total or partial unemployment are payable under
11 this chapter with respect to any week of unemployment beginning on or after July 1, 2013 shall,
12 in addition to those benefits, be paid with respect to each week a dependents' allowance of fifteen
13 dollars (\$15.00) or three percent (3%) of the individual's benefit rate, whichever is greater for
14 each of that individual's children, including adopted and stepchildren. This includes that
15 individual's court appointed ward who, at the beginning of the individual's benefit year, is under
16 eighteen (18) years of age, and who is at that time in fact dependent on that individual, including
17 individuals who have been appointed the legal guardian of such child by the appropriate court.

18 (2) The total dependents' allowance paid to any individual shall not exceed the greater of
19 fifty dollars (\$50) or twenty-five percent (25%) of the individual's benefit rate. Notwithstanding
20 the above, the total amount of the dependents' allowance paid to individuals receiving partial
21 unemployment benefits for any week shall be based on the percentage that their partial weekly
22 benefit rate is compared to their full weekly benefit rate.

23 ~~(2)~~(3) The dependent's allowance shall also be paid to the individual for any child,
24 including an adopted child or a stepchild, eighteen (18) years of age or over, incapable of earning
25 any wages because of mental or physical incapacity, and who is dependent on that individual in
26 fact at the beginning of the individual's benefit year.

27 ~~(3)~~(4) In no instance shall the number of dependents for which an individual may receive
28 dependents' allowances exceed five (5) in total.

29 ~~(4)~~(5) The weekly total of dependents' allowances payable to any individual, if not an
30 exact multiple of one dollar (\$1.00), shall be rounded to the next lower multiple of one dollar
31 (\$1.00).

32 ~~(5)~~(6) The number of an individual's dependents, and the fact of their dependency, shall
33 be determined as of the beginning of that individual's benefit year. Only one individual shall be
34 entitled to a dependent's allowance for the same dependent with respect to any week. As to two

1 (2) or more parties making claim for an allowance for the same dependent for the same week, the
2 benefit shall be provided to the party who has actual custody of the dependent or in the case of
3 joint custody, to the party who has physical possession of the dependent.

4 ~~(6)~~(7) Each individual who claims a dependent's allowance shall establish his or her
5 claim to it to the satisfaction of the director under procedures established by the director.

6 ~~(7)~~(8) This subsection shall be effective for all benefit years beginning on or after ~~January~~
7 ~~1, 2011~~ July 1, 2012.

8 **28-44-9. Duration of benefits.** -- (a) ~~The maximum total amount of benefits payable~~
9 ~~during a benefit year to any eligible individual whose benefit year begins on or after November~~
10 ~~16, 1958, and prior to October 1, 1989, shall be determined in the following manner:~~

11 ~~(i) The total number of weeks of employment in his or her base period shall be multiplied~~
12 ~~by three-fifths (3/5), and the result, if not a whole number of weeks, shall be adjusted to the next~~
13 ~~higher whole number of weeks, and~~

14 ~~(ii) The number of weeks so obtained shall be multiplied by the individual's weekly~~
15 ~~benefit rate for total unemployment; and the result shall be the total amount of benefit credits to~~
16 ~~which that individual is entitled during his or her benefit year. However, no individual shall be~~
17 ~~paid total benefits in any benefit year which exceed twenty-six (26) times his or her weekly~~
18 ~~benefit rate. Dependents' allowances to which he or she might be entitled under § 28-44-6 shall be~~
19 ~~in addition to those total benefits.~~

20 ~~(2) Each week of employment within an individual's base period shall be counted as one~~
21 ~~week for the purpose of this section, regardless of the number of employers for whom an~~
22 ~~individual performed services in employment during that week. For the purpose of this section, a~~
23 ~~week of employment shall be any calendar week within which an individual has performed~~
24 ~~services in employment for one or more employers subject to chapters 42—44 of this title.~~

25 ~~(b)~~ The total amount of benefits payable during a benefit year to any eligible individual
26 whose benefit year begins on or after October 1, 1989, but prior to July 1, 2012, shall be an
27 amount equal to thirty-six percent (36%) of the individual's total wages for employment by
28 employers subject to chapters 42 – 44 of this title during his or her base period; provided, that the
29 total amount of benefits payable during a benefit year to any eligible individual, whose benefit
30 year begins on or after July 1, 2012, shall be an amount equal to thirty-three percent (33%) of the
31 individual's total wages for employment by employers subject to chapters 42 – 44 of this title
32 during the individual's base period; provided, that no individual shall be paid total benefits in any
33 benefit year which exceed twenty-six (26) times his or her weekly benefit rate. Dependents'
34 allowances to which he or she might be entitled under § 28-44-6 shall be in addition to the total

1 benefits. If the total amount of benefits is not an exact multiple of one dollar (\$1.00), then it shall
2 be rounded to the next lower multiple of one dollar (\$1.00).

3 **28-44-17. Voluntary leaving without good cause.** ~~Effective January 1, 2011.~~ -- (a)

4 For benefit years beginning on or after July 1, 2012, an individual who leaves work voluntarily
5 without good cause shall be ineligible for waiting period credit or benefits for the week in which
6 the voluntary quit occurred and until he or she establishes to the satisfaction of the director that he
7 or she has subsequent to that leaving had at least eight (8) weeks of work, and in each of those
8 eight (8) weeks has had earnings ~~of at least twenty (20) times the minimum hourly wage as~~
9 ~~defined in chapter 12 of this title~~ greater than or equal to his or her weekly benefit rate for
10 performing services in employment for one or more employers subject to chapters 42 – 44 of this
11 title. For the purposes of this section, "voluntarily leaving work with good cause" shall include:

12 (1) sexual harassment against members of either sex;

13 (2) voluntarily leaving work with an employer to accompany, join or follow his or her
14 spouse to a place, due to a change in location of the spouse's employment, from which it is
15 impractical for such individual to commute; and

16 (3) the need to take care for a member of the individual's immediate family due to illness
17 or disability as defined by the Secretary of Labor; provided that the individual shall not be
18 eligible for waiting period credit or benefits until he or she is able to work and is available for
19 work. For the purposes of this provision, the following terms apply:

20 (i) "immediate family member" means a spouse, parents, mother-in-law, father-in-law
21 and children under the age of eighteen (18);

22 (ii) "illness" means a verified illness which necessitates the care of the ill person for a
23 period of time longer than the employer is willing to grant leave, paid or otherwise; and

24 (iii) "disability" means all types of verified disabilities, including mental and physical
25 disabilities, permanent and temporary disabilities, and partial and total disabilities.

26 (b) For the purposes of this section, "voluntarily leaving work without good cause" shall
27 include voluntarily leaving work with an employer to accompany, join or follow his or her spouse
28 in a new locality in connection with the retirement of his or her spouse, or failure by a temporary
29 employee to contact the temporary help agency upon completion of the most recent work
30 assignment to seek additional work unless good cause is shown for that failure; provided, that the
31 temporary help agency gave written notice to the individual that the individual is required to
32 contact the temporary help agency at the completion of the most recent work assignment to seek
33 additional work.

34 **28-44-18. Discharge for misconduct.** – For benefit years beginning on or after July 1,

1 [2012](#), an individual who has been discharged for proved misconduct connected with his or her
2 work shall become ineligible for waiting period credit or benefits for the week in which that
3 discharge occurred and until he or she establishes to the satisfaction of the director that he or she
4 has, subsequent to that discharge, had at least eight (8) weeks of work, and in each of that eight
5 (8) weeks has had earnings ~~of at least twenty (20) times the minimum hourly wage as defined in~~
6 ~~chapter 12 of this title~~ [greater than or equal to his or her weekly benefit rate](#) for performing
7 services in employment for one or more employers subject to chapters 42 – 44 of this title. Any
8 individual who is required to leave his or her work pursuant to a plan, system, or program, public
9 or private, providing for retirement, and who is otherwise eligible, shall under no circumstances
10 be deemed to have been discharged for misconduct. If an individual is discharged and a complaint
11 is issued by the regional office of the National Labor Relations board or the state labor relations
12 board that an unfair labor practice has occurred in relation to the discharge, the individual shall be
13 entitled to benefits if otherwise eligible. For the purposes of this section, "misconduct" is defined
14 as deliberate conduct in willful disregard of the employer's interest, or a knowing violation of a
15 reasonable and uniformly enforced rule or policy of the employer, provided that such violation is
16 not shown to be as a result of the employee's incompetence. Notwithstanding any other provisions
17 of chapters 42 – 44 of this title, this section shall be construed in a manner that is fair and
18 reasonable to both the employer and the employed worker.

19 **28-44-20. Refusal of suitable work.** -- (a) [For benefit years beginning on or after July 1,](#)
20 [2012](#), if an otherwise eligible individual fails, without good cause, either to apply for suitable
21 work when notified by the employment office, or to accept suitable work when offered to him or
22 her, he or she shall become ineligible for waiting period credit or benefits for the week in which
23 that failure occurred and until he or she establishes to the satisfaction of the director that he or she
24 has, subsequent to that failure, had at least eight (8) weeks of work and in each of those eight (8)
25 weeks has had earnings ~~of at least twenty (20) times the minimum hourly wage, as defined in~~
26 ~~chapter 12~~ [greater than or equal to his or her weekly benefit rate](#) for performing services in
27 employment for one or more employers subject to chapters 42 – 44 of this title.

28 (b) "Suitable work" means any work for which the individual in question is reasonably
29 fitted, which is located within a reasonable distance of his or her residence or last place of work
30 and which is not detrimental to his or her health, safety, or morals. No work shall be deemed
31 suitable, and benefits shall not be denied under chapters 42 – 44 of this title to any otherwise
32 eligible individual for refusing to accept new work, under any of the following conditions:

- 33 (1) If the position offered is vacant due directly to a strike, lockout, or other labor dispute;
34 (2) If the wages, hours, or other conditions of the work are substantially less favorable to

1 the employee than those prevailing for similar work in the locality;

2 (3) If, as a condition of being employed, the individual would be required to join a
3 company union or to resign from or refrain from joining any bona fide labor organization.

4 **28-44-59. Severance or dismissal pay allocation.** – The benefit years beginning on or
5 after July 1, 2012, for the purpose of determining an individual's benefit eligibility for any week
6 of unemployment, any remuneration received by an employee from his or her employer in the
7 nature of severance or dismissal pay, whether or not the employer is legally required to pay that
8 remuneration, shall be ~~deemed to be wages paid on the last day of employment for services~~
9 ~~performed prior to that date~~ allocated on a weekly basis from the individual's last day of work for
10 a period not to exceed twenty-six (26) weeks, and the individual will not be entitled to receive
11 benefits for any such week for which it has been determined that the individual received
12 severance or dismissal pay. Such severance or dismissal pay, if the employer does not specify a
13 set number of weeks, such be allocated using the individual's weekly benefit rate.

14 SECTION 3. This article shall take effect as of January 1, 2012.

15 ARTICLE 5

16 RELATING TO EDUCATION AID

17 SECTION 1. Section 16-7.1-15 of the General Laws in Chapter 16-7.1 entitled "The Paul
18 W. Crowley Rhode Island Student Investment Initiative" is hereby amended to read as follows:

19 **16-7.1-15. The Paul W. Crowley Rhode Island student investment initiative.** – (a)
20 Each locally or regionally operated school district shall receive as a base the same amount of
21 school aid as each district received in fiscal year 1997-1998, adjusted to reflect the increases or
22 decreases in aid enacted to meet the minimum and maximum funding levels established for FY
23 2000 through FY 2008. Each school district shall also receive school aid through each investment
24 fund for which that district qualifies pursuant to §§ 16-7.1-8, 16-7.1-9, 16-7.1-10, 16-7.1-11, 16-
25 7.1-12, 16-7.1-16 and 16-7.1-19. These sums shall be in addition to the base amount described in
26 this section. For FY 2009 and FY 2010, the reference year for the data used in the calculation of
27 aid pursuant to § 16-7.1-8, § 16-7.1-9, § 16-7.1-10, § 16-7.1-11, § 16-7.1-11.1, § 16-7.1-12, § 16-
28 7.1-16, § 16-7.1-19 and 16-77.1-2(b) shall be FY 2004. Calculation and distribution of education
29 aid under §§ 16-5-31, 16-5-32, 16-7-20, 16-7-20.5, 16-7-34.2, 16-7-34.3, 16-24-6, 16-54-4, and
30 16-67-4 is hereby suspended. Provided, however, calculation and distribution of education aid
31 under § 16-7.1-10 is suspended for FY 2009 and FY 2010. School districts may continue to
32 maintain professional development programs and may reduce other education programs to
33 achieve savings during FY 2009 and FY 2010. The funding of the purposes and activities of
34 chapter 67 of this title, the Rhode Island Literacy and Dropout Prevention Act of 1967, shall be

1 the same amount of the base amount of each district funded for that purpose in fiscal year 1997-
2 1998. In addition each district shall expend three percent (3%) of its student equity and early
3 childhood funds under the provisions of chapter 67 of this title.

4 (b) Funding for full day kindergarten programs in accordance with § 16-7.1-11.1 shall be
5 in addition to funding received under this section.

6 (c) Funding distributed under §§ 16-77.1-2(b) and 16-64-1.1 shall be in addition to
7 funding distributed under this section.

8 (d) For FY 2009, aid to school districts shall be reduced by the equivalent savings that are
9 realized due to a reduction of payments to the teachers' retirement system. The reduction for the
10 Chariho regional school district shall be prorated among the member communities. In addition,
11 for FY 2009 aid to school districts shall be reduced by any amount of previously appropriated
12 school housing aid determined to be ineligible for reimbursement in accordance with § 16-7-44.2.
13 For FY 2009 aid shall also be reduced by the amount of projected revenue for the period
14 December 1, 2008 through June 30, 2009 from the permanent school fund. The projected revenue
15 shall be determined by annualizing actual earnings from the period May 12, 2008 through
16 November 30, 2008. The department of elementary and secondary education shall reduce aid in
17 two equal installments, payable in May and June; provided however, that East Providence shall
18 receive one payment of reduced aid in May.

19 For FY 2009, aid to school districts shall include thirty eight million, three hundred
20 twenty-four thousand, eight hundred twenty-two dollars (\$38,324,822) from federal fiscal
21 stabilization funds offset by a like reduction from general revenues. The distribution shall be in
22 the same proportion as general operating aid.

23 (e) Districts shall comply with the assurances and reporting requirements provided in the
24 federal guidance for the (ARRA) allocation and by the commissioner of elementary and
25 secondary education.

26 (f) There shall be an appropriation to ensure that total aid distributed to communities in
27 FY 2010 under this section and §§ 16-7.1-11.1, 16-64-1.1 and 16-77.1-2(b) and excluding any FY
28 2009 Stabilization reappropriations shall be as follows:

		FY 2010
		Stimulus Fiscal
		Stabilization
	General Revenues	Allocation
33	Barrington	1,629,678
34	Burrillville	12,220,612
		948,730

1	Charlestown	1,290,767	134,864
2	Coventry	16,912,980	1,364,674
3	Cranston	29,622,695	2,410,080
4	Cumberland	11,066,294	900,586
5	East Greenwich	1,321,451	129,312
6	East Providence	23,047,872	1,833,360
7	Foster	1,208,609	96,527
8	Glocester	2,754,277	219,128
9	Hopkinton	5,323,835	425,441
10	Jamestown	356,229	35,124
11	Johnston	8,971,463	730,358
12	Lincoln	5,884,774	499,702
13	Little Compton	267,222	24,622
14	Middletown	8,937,990	715,319
15	Narragansett	1,314,267	125,872
16	Newport	10,104,222	808,465
17	New Shoreham	50,323	6,826
18	North Kingstown	9,922,498	813,392
19	North Providence	11,311,934	911,004
20	North Smithfield	4,055,880	328,814
21	Pawtucket	58,731,451	4,584,707
22	Portsmouth	5,571,674	454,416
23	Providence	168,378,347	13,241,031
24	Richmond	5,300,144	422,147
25	Scituate	2,712,604	229,942
26	Smithfield	4,635,136	388,414
27	South Kingstown	8,575,177	714,097
28	Tiverton	4,923,363	402,699
29	Warwick	31,261,607	2,554,650
30	Westerly	5,319,551	460,458
31	West Warwick	17,635,159	1,395,236
32	Woonsocket	41,636,569	3,244,945
33	Bristol-Warren	17,675,687	1,395,455
34	Exeter-West Greenwich	6,378,147	515,945

1	Chariho	359,704	27,370
2	Foster-Glocester	4,878,574	390,339
3	Central Falls	40,233,714	3,021,611

4 In addition to the amounts listed above, the department of elementary and secondary
5 education shall allocate monthly to each school district all funds received into the permanent
6 school fund pursuant to § 42-61.2-7, as amended by chapter 13 of the 2008 Public Laws entitled
7 "An Act Relating to State Affairs and Government", up to \$14.1 million, in the same proportion
8 as the aid distribution in the FY 2009 enacted appropriations act. This special provision shall not
9 limit entitlements as determined by application of other formula provisions in this section.

10 (g) For FY 2009 payments to charter public schools shall be reduced by the equivalent
11 savings that are realized due to a reduction of payments to the teachers' retirement system. The
12 reduction for district sponsored charter schools shall be incorporated in the sponsoring school
13 district's aid as noted in subsection (f). Aid to charter public schools shall be reduced in the April
14 quarterly payment. For FY 2009, charter public school funding is as follows:

15	Beacon Charter School	1,512,785
16	Blackstone Academy	1,469,349
17	Compass	614,485
18	Paul Cuffee	4,449,006
19	CVS Highlander	2,596,782
20	International	2,863,818
21	Kingston Hill Academy	736,784
22	Learning Community	3,669,529
23	NE Laborer's	1,508,866
24	Textron	2,361,370
25	Times 2 Academy	6,870,410

26 (h) For FY 2010, payments to charter public schools shall be reduced by the equivalent
27 savings that are realized due to a reduction of payments to the teachers' retirement system. The
28 reduction for district sponsored charter schools shall be incorporated in the sponsoring schools
29 district's aid as noted in subsection (f). For FY 2010, payments to charter public schools shall be
30 reduced by one million four hundred sixty-three thousand three hundred sixty-seven dollars
31 (\$1,463,367) based on the charter schools' share of total FY 2009 enacted education aid,
32 including school districts and state schools. For FY 2010, a distribution of stabilization funds per
33 the American Recovery and Reinvestment Act (ARRA) totaling one million four hundred
34 seventy-one thousand eighty-seven dollars (\$1,471,087) shall be allocated to charter public

1 schools proportionately based on their share of total FY 2009 enacted education aid, including
2 school districts and state schools.

3 (2) For FY 2010, payments to charter public schools shall be further reduced by one
4 million one hundred fifty-eight thousand one dollars (\$1,158,001) based on the charter schools'
5 share of total FY 2010 originally enacted education aid. For FY 2010, an additional distribution
6 of stabilization funds per the American Recovery and Reinvestment Act (ARRA) totaling one
7 hundred ninety-seven thousand seven hundred fifty-two dollars (\$197,752) shall be allocated to
8 charter public schools proportionately based on their share of total FY 2010 originally enacted
9 education aid.

10 (3) Public charter schools shall comply with the assurances and reporting requirements
11 provided in the federal guidance for the (ARRA) allocation and by the commissioner of
12 elementary and secondary education.

13 (i) There shall be deducted from the final aid payment to each school district any amounts
14 owed to the state at the end of the fiscal year for transportation of the district's students under the
15 statewide transportation system established pursuant to R.I.G.L. 16-21.1-7 and 16-21.1-8.
16 Districts shall receive monthly invoices summarizing the basis of the transportation fees charged.
17 Any such deductions in aid shall be transferred to the statewide student transportation services
18 restricted receipt account.

19 (j) The provisions of R.I.G.L. 16-26-7.1 notwithstanding, districts shall be assessed
20 tuition to cover the costs of educational services that are additional to the core deaf and hard of
21 hearing education program that is provided to resident students at the Rhode Island School for the
22 Deaf. This tuition shall be based on a graduated tuition schedule that is based on the varying
23 needs of students. The department of elementary and secondary education shall develop and
24 implement the schedule. Districts shall receive monthly invoices summarizing the basis for the
25 tuition charged. There shall be deducted from the final aid payment to each school district at the
26 end of the fiscal year any amounts owed to the state for these additional educational services.

27 (k) Children with disabilities. (1) Based on its review of special education within the
28 context of Rhode Island school reform, the general assembly recommends addressing the needs of
29 all children and preventing disability through scientific research based, as described in the No
30 Child Left Behind Act of 2001, Title 1, Part B, Section 1208 [20 U.S.C. § 6368], reading
31 instruction and the development of Personal Literacy Programs for students in the early grades
32 performing below grade level in reading and implement a system of student accountability that
33 will enable the state to track individual students over time. Additionally, the department of
34 elementary and secondary education must provide districts with rigorous criteria and procedures

1 for identifying students with learning disabilities and speech/language impairments. Additional
 2 study is required of factors that influence programming for students with low incidence
 3 disabilities; those with disabilities that severely compromise life functions; and programming for
 4 students with disabilities through urban special education. Alternatives for funding special
 5 education require examination.

6 (2) All departments and agencies of the state shall furnish any advice and information,
 7 documentary and otherwise, to the general assembly and its agents that is deemed necessary or
 8 desirable by the study to facilitate the purposes of this section.

9 (l) For FY 2011, aid to school districts shall be reduced by the equivalent savings that are
 10 realized due to a reduction of payments to the teachers' retirement system. The reduction for the
 11 Chariho regional school district shall be prorated among the member communities. For FY 2011,
 12 aid to school districts shall be further reduced by twenty million four hundred ninety thousand
 13 one hundred thirty-seven dollars (\$20,490,137) from the FY 2010 originally enacted level based
 14 on the school district's share of total FY 2010 originally enacted education aid, including aid to
 15 state schools and charter schools. For FY 2011, a distribution of federal stabilization funds made
 16 available through the American Recovery and Reinvestment Act (ARRA), in the amount of
 17 seventeen million four hundred thirty-one thousand nine hundred four dollars (\$17,431,904), shall
 18 be allocated to school districts proportionately based on their share of total FY 2010 originally
 19 enacted education aid, including aid to state schools and charter schools.

20 (m) There shall be an appropriation to ensure that total aid distributed to communities in
 21 FY 2011 under this section and §§ 16-7.1-11.1, 16-64-1.1 and 16-77.1-2(b), excluding any FY
 22 2009 and FY 2010 Stabilization reappropriations, shall be as follows:

		FY 2011	
		Stimulus Fiscal	
		Stabilization	
26	Barrington	1,709,541	68,151 <u>64,829</u>
27	Burrillville	12,723,172	326,139 <u>312,396</u>
28	Charlestown	1,658,980	49,284 <u>47,203</u>
29	Coventry	17,625,624	480,946 <u>460,504</u>
30	Cranston	30,876,770	852,976 <u>816,662</u>
31	Cumberland	11,534,855	318,784 <u>304,926</u>
32	East Greenwich	1,277,951	49,760 <u>47,289</u>
33	East Providence	23,891,690	640,267 <u>613,330</u>
34	Foster	1,259,241	33,780 <u>32,351</u>

1	Glocester	2,869,462		76,538	<u>73,308</u>
2	Hopkinton	5,547,160		148,729	<u>142,447</u>
3	Jamestown	373,118		13,728	<u>13,029</u>
4	Johnston	9,351,204		258,452	<u>247,456</u>
5	Lincoln	6,139,669		181,008	<u>173,114</u>
6	Little Compton	279,301		9,269	<u>8,806</u>
7	Middletown	9,312,401		250,345	<u>239,745</u>
8	Narragansett	1,375,277		48,407	<u>46,177</u>
9	Newport	10,528,468		283,585	<u>271,661</u>
10	New Shoreham	53,154		2,926	<u>2,789</u>
11	North Kingstown	10,344,125		289,005	<u>276,550</u>
12	North Providence	11,787,482		320,061	<u>306,546</u>
13	North Smithfield	4,226,827		115,855	<u>110,796</u>
14	Pawtucket	61,160,994		1,582,330	<u>1,516,531</u>
15	Portsmouth		5,806,300 <u>5,821,300</u>	161,798	<u>154,719</u>
16	Providence		175,216,822 <u>175,231,822</u>	4,596,217	<u>4,405,942</u>
17	Richmond	5,522,206		147,191	<u>140,975</u>
18	Scituate	2,830,181		83,341	<u>79,668</u>
19	Smithfield	4,759,547		139,730	<u>133,614</u>
20	South Kingstown	8,942,714		255,978	<u>244,944</u>
21	Tiverton	5,132,318		142,905	<u>136,740</u>
22	Warwick	32,587,668		906,046	<u>867,483</u>
23	Westerly	5,552,661		168,643	<u>161,207</u>
24	West Warwick	18,369,914		485,338	<u>465,058</u>
25	Woonsocket	43,237,525		1,118,508	<u>1,072,017</u>
26	Bristol-Warren	18,411,506		484,936	<u>464,709</u>
27	Exeter-West Greenwich	6,527,123		181,826	<u>174,116</u>
28	Chariho	374,376		9,291	<u>8,889</u>
29	Foster-Glocester	5,083,179		136,766	<u>130,915</u>
30	Central Falls	41,852,580		1,013,065	<u>971,688</u>

31 In addition to the amounts listed above, the department of elementary and secondary
32 education shall allocate monthly to each school district all funds received into the permanent
33 school fund pursuant to § 42-61.2-7, as amended by chapter 13 of the 2008 Public Laws entitled
34 "An Act Relating to State Affairs and Government", up to \$14.1 million, in the same proportion

1 as the aid distribution in the FY 2009 enacted appropriations act.

2 This special provision shall not limit entitlements as determined by application of other
3 formula provisions in this section.

4 (n) For FY 2009 payments to charter public schools shall be reduced by the equivalent
5 savings that are realized due to a reduction of payments to the teachers' retirement system. The
6 reduction for district sponsored charter schools shall be incorporated in the sponsoring school
7 district's aid as noted in subsection (g). Aid to charter public schools shall be reduced in the April
8 quarterly payment. For FY 2009, charter public school funding is as follows:

9	Beacon Charter School	1,512,785
10	Blackstone Academy	1,469,349
11	Compass	614,485
12	Paul Cuffee	4,449,006
13	CVS Highlander	2,596,782
14	International	2,863,818
15	Kingston Hill Academy	736,784
16	Learning Community	3,669,529
17	NE Laborer's	1,508,866
18	Textron	2,361,370
19	Times 2 Academy	6,870,410

20 (o) For FY 2011, payments to charter public schools shall be reduced by the equivalent
21 savings that are realized due to a reduction of payments to the teachers' retirement system. The
22 reduction for district sponsored charter schools shall be incorporated in the sponsoring schools
23 district's aid as noted in subsection (g). For FY 2011, payments to charter public schools shall be
24 further reduced by one million seventy-six thousand nine hundred forty-one dollars (\$1,076,941)
25 from the FY 2010 originally enacted education aid based on the charter schools' share of total FY
26 2010 enacted education aid, including aid to school districts and state schools. For FY 2011, a
27 distribution of federal stabilization funds made available through the American Recovery and
28 Reinvestment Act (ARRA), in the amount of one million forty-eight thousand six hundred dollars
29 (\$1,048,600), shall be allocated to charter public schools proportionately based on their share of
30 total FY 2010 originally enacted education aid, including aid to school districts and state schools.

31 SECTION 2. Chapter 16-8 of the General Laws entitled "Federal Aid" is hereby amended
32 by adding thereto the following section:

33 **16-8-15. Education Jobs Fund. -- For FY 2012 only, state general revenue**
34 **appropriations to all local education agencies – including school districts, charter schools, and**

1 [state schools – shall be reduced by the amount allocated to each local education agency under the](#)
2 [terms of the federal Education Jobs Fund program.](#)

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

4 ARTICLE 6

5 DEPARTMENT OF ENVIRONMENTAL MANAGEMENT

6 SECTION 1. Section 42-17.1-9.1 of the General Laws in Chapter 42-17.1 entitled
7 “Department of Environmental Management” is hereby amended as follows:

8 **42-17.1-9.1. User fees at state beaches, parks, and recreation areas.** – (a) The
9 department of environmental management in pursuance of its administrative duties and
10 responsibilities may charge a user fee for any state beach, or recreational area under its
11 jurisdiction, and fees for the use of its services or facilities.

12 (b) The fee may be on a daily or annual basis, or both, and may be based on vehicle
13 parking or other appropriate means. The fees may recognize the contribution of Rhode Island
14 taxpayers to support the facilities in relation to other users of the state's facilities. The fee
15 structure may acknowledge the need to provide for all people, regardless of circumstances.

16 (c) An additional fee for camping and other special uses may be charged where
17 appropriate. Rates so charged should be comparable to equivalent commercial facilities.

18 (d) All such fees shall be established after a public hearing.

19 (e) All daily fees from beach parking, which shall also include fees charged and collected
20 at Ninigret conservation area and Charlestown breachway, shall be shared with the municipality
21 in which the facility is located on the basis of eighty-four percent (84%) retained by the state and
22 ~~twenty-seven percent (27%)~~ [sixteen percent \(16%\)](#) remitted to the municipality.

23 (f) Fifty percent (50%) of all user and concession fees received by the state shall be
24 deposited as general revenues. For the year beginning July 1, 1979, the proportion of user and
25 concession fees to be received by the state shall be sixty-five percent (65%); for the year
26 beginning July 1, 1980, eighty-five percent (85%); and for the year beginning July 1, 1981, and
27 all years thereafter, one hundred percent (100%). The general revenue monies appropriated are
28 hereby specifically dedicated to meeting the costs of development, renovation of, and acquisition
29 of state-owned recreation areas and for regular maintenance, repair and operation of state owned
30 recreation areas. Purchases of vehicles and equipment and repairs to facilities shall not exceed
31 four hundred thousand dollars (\$400,000) annually. Notwithstanding the provisions of § 37-1-1 or
32 any other provision of the general laws, the director of the department of environmental
33 management is hereby authorized to accept any grant, devise, bequest, donation, gift, or
34 assignment of money, bonds, or other valuable securities for deposit in the same manner as

1 provided above for user and concession fees retained by the state.

2 (g) No fee shall be charged to any school or other nonprofit organization provided that a
3 representative of the school or other organization gives written notice of the date and time of their
4 arrival to the facility.

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

6 **ARTICLE 7**
7 **RELATING TO THE RHODE ISLAND TELECOMMUNICATIONS EDUCATION ACCESS**
8 **FUND**

9 SECTION 1. Section 39-1-61 of the General Laws in Chapter 39-1 entitled "Public
10 Utilities Commission" is hereby amended to read as follows:

11 **39-1-61. Rhode Island telecommunications education access fund.** -- (a) Preamble.

12 For the past ten (10) years, the schools and libraries of Rhode Island have benefited from a
13 regulatory agreement with Verizon and its predecessor companies that has provided up to two
14 million dollars (\$2,000,000) annually for support of telecommunications lines for internet access.
15 In addition, the funds provided for in the original regulatory agreement and every dollar
16 generated hereunder leverages a one dollar and twenty-seven cents (\$1.27) federal E-Rate match.
17 With the regulatory agreement approaching its termination and the advent of more advanced
18 technologies, it is the intent of this section to provide a continued source of funding for internet
19 access for eligible public and private schools and libraries.

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

21 (1) "Department" means the Rhode Island department of elementary and secondary
22 education.

23 (2) "Division" means the Division of Public Utilities and Carriers.

24 (3) "Telecommunications education access fund" means the programs and funding made
25 available to qualified libraries and schools to assist in paying the costs of acquiring, installing and
26 using telecommunications technologies to access the internet.

27 (c) Purpose. The purpose of the telecommunications education access fund shall be to
28 fund a basic level of internet connectivity for all of the qualified schools (kindergarten through
29 grade 12) and libraries in the state.

30 (d) Authority. The division shall establish, by rule or regulation, an appropriate funding
31 mechanism to recover from the general body of ratepayers the costs of providing
32 telecommunications technology to access the internet.

33 (1) The general assembly shall determine the amount of a monthly surcharge to be levied
34 upon each residence and business telephone access line or trunk in the state, including PBX

1 trunks and centrex equivalent trunks and each service line or trunk, and upon each user interface
2 number or extension number or similarly identifiable line, trunk, or path to or from a digital
3 network, and upon each wireless instrument or device, including cellular, telephony, Internet,
4 Voice Over Internet Protocol (VoIP), satellite, computer, radio, communication, data, or any
5 other wireless instrument. The department will provide the general assembly with information
6 and recommendations regarding the necessary level of funding to effectuate the purposes of this
7 article. The surcharge shall be billed by each telecommunications services provider and shall be
8 payable to the telecommunications services provider by the subscriber of the telecommunications
9 services. State, local and quasi-governmental agencies shall be exempt from the surcharge. The
10 surcharge shall be deposited in a restricted receipt account, hereby created within the department
11 of elementary and secondary education and known as the telecommunications education access
12 fund, to pay any and all costs associated with subsection (b)(3). The amount of the surcharge shall
13 not exceed thirty-five cents (\$.35) per access line or trunk.

14 (2) The monthly surcharge is hereby determined to be ~~twenty-six cents (\$.26)~~ fifteen
15 cents (\$.15) per access line or trunk as specified in subsection (d)(1) above.

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

20 (e) Administration. The division, with input from the department, shall administer the
21 telecommunications education access fund consistent with the requirements of the Universal
22 Service (E-Rate) program. The division of taxation shall collect from the telecommunications
23 service providers the amounts of the surcharge collected from their subscribers. The department,
24 with the approval of the division, shall publish requests for proposals that do not favor any
25 particular technology, evaluate competitive bids, and select products and services that best serve
26 the internet access needs of schools and libraries. In doing so, the department shall endeavor to
27 obtain all available E-Rate matching funds. The department is further authorized and encouraged
28 to seek matching funds from all local, state, and federal public or private entities. The department
29 shall approve disbursement [disbursement] of funds under this section in accordance with the
30 division's directives. Unsuccessful bids may be appealed to the division. The division shall
31 annually review the department's disbursements from this account to ensure that the department's
32 decisions do not favor any competitor.

33 (f) Eligibility. All schools seeking support from the fund must be eligible for Universal
34 Service (E-Rate) support and meet the definition of "elementary school" or "secondary school" in

1 the Elementary and Secondary Education Act of 1965, as amended (20 U.S.C. § 8801). Schools
2 operating as a for-profit business or with endowments exceeding fifty million dollars
3 (\$50,000,000) are not eligible for support. All libraries seeking support from the fund must meet
4 the definition of "library" or "library consortium" in the Library Services and Technology Act,
5 P.L. 104-208, § 211 et seq., 110 Stat. 3009 (1996) and must be eligible for assistance from a state
6 library administrative agency under that act. Only libraries that have budgets that are completely
7 separate from any schools (including, but not limited to, elementary and secondary, colleges and
8 universities) shall be eligible to receive support. Libraries operating as a for-profit business shall
9 not be eligible for support.

10 (g) Effective date. The effective date of assessment for the telecommunications education
11 access fund shall be January 1, 2004.

12 SECTION 2. This article shall take effect as of July 1, 2011.

13 ARTICLE 8

14 RELATING TO LONGEVITY PAYMENTS

15 SECTION 1. Section 16-60-7.2 of the General Laws in Chapter 16-60 entitled "Board of
16 Regents for Elementary and Secondary Education" is hereby amended to read as follows:

17 16-60-7.2. – ~~Nonclassified employees~~ Longevity payments. -- (a) The non-classified
18 employees of the board of regents for elementary and secondary education who are members of a
19 collective bargaining unit, except for non-classified employees already receiving longevity
20 increases, shall be entitled to a longevity payment in the amount of five percent (5%) of base
21 salary after ten (10) years of service and increasing to a total of ten percent (10%) of base salary
22 after twenty (20) years of service. ~~The provisions of this section shall apply only to employees~~
23 ~~under the grade of nineteen (19). The longevity payments shall not be included in base salary.~~
24 Effective July 1, 2011, non-classified employees of the board of regents for elementary and
25 secondary education who work outside the provisions of a collective bargaining agreement shall
26 no longer be entitled to longevity payments. Provided, however, that to the extent that a non-
27 classified employee who does not belong to a collective bargaining unit has previously accrued
28 longevity payments, the amount of the longevity payment earned by the employee for the last
29 pay period in June shall be added to the employee's base salary as of June 30, 2011.

30 (b) The ~~board of regents~~ commissioner of elementary and secondary education is
31 authorized to promulgate regulations implementing the provisions of this section.

32 SECTION 2. This article shall take effect as of July 1, 2011.

33 ARTICLE 9

34 RELATING TO GOVERNMENT REORGANIZATION

1 SECTION 1. Section 42-17.1-17 of the General Laws in Chapter 42-17.1 entitled
2 “Department of Environmental Management” is hereby amended to read as follows:

3 **42-17.1-17. Transfer of powers and functions from department of environmental**
4 **management. -- (a)** There are hereby transferred to the department of administration:

5 (1) Those functions of the department of environmental management which were
6 administered through or with respect to departmental programs in the performance of strategic
7 planning as defined in § 42-11-10(c);

8 (2) All officers, employees, agencies, advisory councils, committees, commissions, and
9 task forces of the department of environmental management who were performing strategic
10 planning functions as defined in § 42-11-10(c); and

11 (3) So much of other functions or parts of functions and employees and resources,
12 physical and funded, related thereto of the director of environmental management as are
13 incidental to and necessary for the performance of the functions transferred by subdivisions (1)
14 and (2).

15 ~~(b) There are hereby transferred to the department of public safety dispatch functions of~~
16 ~~the division of enforcement of the department of environmental management.~~

17 SECTION 2. Section 42-18-5 of the General Laws in Chapter 42-18 entitled “Department
18 of Health” is hereby amended to read as follows:

19 **42-18-5. Transfer of powers and functions from department of health. -- (a)** There
20 are hereby transferred to the department of administration:

21 (1) Those functions of the department of health which were administered through or with
22 respect to departmental programs in the performance of strategic planning as defined in § 42-11-
23 10(c);

24 (2) All officers, employees, agencies, advisory councils, committees, commissions, and
25 task forces of the department of health who were performing strategic planning functions as
26 defined in § 42-11-10(c); and

27 (3) So much of other functions or parts of functions and employees and resources,
28 physical and funded, related thereto of the director of health as are incidental to and necessary for
29 the performance of the functions transferred by subdivisions (1) and (2).

30 ~~(b) There is hereby transferred to the department of human services the administration~~
31 ~~and management of the special supplemental nutrition program for women, infants, and children~~
32 ~~(WIC) and all functions and resources associated therewith.~~

33 SECTION 3. Section 42-12-1.4 of the General Laws in Chapter 42-12 entitled
34 “Department of Human Services” is hereby repealed.

1 ~~**42-12-1.4 Transfer of functions from the department of health.**—There is hereby~~
2 ~~transferred from the department of health to the department of human services the administration~~
3 ~~and management of the special supplemental nutrition program for women, infants, and children~~
4 ~~(WIC) and all functions and resources associated therewith.~~

5 SECTION 4. Section 12-1.2-4 of the General Laws in Chapter 12-1.2 entitled “State
6 Crime Laboratory” is hereby amended to read as follows:

7 **12-1.2-2-4. Funding.** -- The state crime laboratory shall be funded through the budget of
8 the ~~department of health~~ [Rhode Island Forensics Program at the University of Rhode Island](#).

9 SECTION 5. Section 1 of this article shall take effect January 1, 2011. Sections 2, 3 and
10 4 shall take effect July 1, 2011.

11 ARTICLE 10

12 RELATING TO THE DEPARTMENT OF EDUCATION

13 SECTION 1. Section 16-21.1-7 of the General Laws in Chapter 16-21.1 entitled
14 “Transportation of School Pupils Beyond City and Town Limits” is hereby repealed. ~~in its~~
15 ~~entirety:~~

16 ~~**16-21.1-7. Statewide transportation of students with special needs.**—~~

17 ~~Notwithstanding the regional structure created in this chapter, and pursuant to the~~
18 ~~obligation of school committees to transport children with special needs to and from school either~~
19 ~~within the school district or in another school district of the state created by 16-24-4, the~~
20 ~~department of elementary and secondary education, in collaboration with the office of statewide~~
21 ~~planning of the department of administration, and the Rhode Island public transit authority shall~~
22 ~~develop a plan for the creation and implementation of a statewide system of transportation of~~
23 ~~students with special needs to and from school. The statewide school transportation system for~~
24 ~~children with special needs shall be provided through a competitive request for proposals to~~
25 ~~which vendors of transportation services may respond. Effective upon the implementation of this~~
26 ~~statewide system of transportation for students with special needs, each school committee shall~~
27 ~~purchase the transportation services for their own resident students with special needs by~~
28 ~~accessing this integrated statewide system of transportation for children with special needs on a~~
29 ~~fee for service basis for each child; provided, however, that any school committee that fulfills its~~
30 ~~transportation obligations primarily through the use of district owned buses or district employees~~
31 ~~may continue to do so. The goals of the statewide system of transportation for students with~~
32 ~~special needs shall be the reduction of duplication of cost and routes in transporting children from~~
33 ~~the various cities and towns to the same special education program providers using different~~
34 ~~buses from each city and town, the improvement of services to children through the development~~

1 ~~of shorter ride times and more efficient routes of travel, and the reduction of cost to local school~~
2 ~~committees through achieving efficiency in eliminating the need for each school district to~~
3 ~~contract for and provide these specialized transportation services separately. The department of~~
4 ~~elementary and secondary education shall submit a report of their findings and plans to the~~
5 ~~general assembly by March 30, 2008.~~

6 SECTION 2. Section 16-21.1-8 of the General Laws in Chapter 16-21.1 entitled
7 “Transportation of School Pupils Beyond City and Town Limits” is hereby amended to read as
8 follows:

9 **16-21.1-8. Statewide transportation system for all students to be established --**

10 (a) Notwithstanding the regional structure created in this chapter, and upon
11 implementation of ~~the department of elementary and secondary education, in collaboration with~~
12 ~~the office of statewide planning of the department of administration, and the Rhode Island public~~
13 ~~transit authority shall conduct a comprehensive study of all current transportation services for~~
14 ~~students in Rhode Island school districts in order to develop a plan for the creation and~~
15 ~~implementation of a statewide system of transportation of all students to and from school. The a~~
16 statewide school transportation system for all students ~~shall be provided through a competitive~~
17 ~~request for proposals to which vendors of transportation services may respond. Effective upon the~~
18 ~~implementation of this statewide system of transportation for all students~~, each school committee
19 shall purchase the transportation services for their own resident students by accessing this
20 integrated statewide system of transportation on a fee-for-service basis for each child; provided,
21 however, that any school committee that fulfills its transportation obligations ~~primarily~~
22 predominantly through the use of district-owned buses or district employees may apply for a
23 variance from the Commissioner of Education, or the Commissioner’s designee, thereby
24 requesting that its transportation obligations continue to be achieved through the use of the buses
25 owned by the district and staffed by district employees. ~~do so.~~ All fees paid for transportation
26 services provided to students under the statewide system shall be paid into a statewide student
27 transportation services restricted receipt account within the department of elementary and
28 secondary education. Payments from the account shall be limited to payments to the
29 transportation service provider and transportation system consultants. This restricted receipt
30 account shall not be subject to the indirect cost recoveries provisions set forth in 35-4-27. The
31 goals of the statewide system of transportation for all students shall be the reduction of
32 duplication of cost and routes in transporting children from the various cities and towns using
33 different buses within and between each city and town, the improvement of services to children
34 through the development of shorter ride times and more efficient routes of travel, and the

1 reduction of cost to local school committees through achieving efficiency in eliminating the need
2 for each school district to contract for and provide these transportation services separately. ~~The~~
3 ~~comprehensive study of all current transportation services for students in Rhode Island school~~
4 ~~districts and development of a plan for a statewide system of transportation of all students to and~~
5 ~~from school shall be completed, with a report to the general assembly by March 30, 2008.~~

6 (b) There shall be deducted from the final aid payment to each school district any
7 amounts owed to the state at the end of the fiscal year for transportation of the district's students
8 under the statewide transportation system established pursuant to R.I.G.L. section 16-21.1-7 and
9 this section. Districts shall receive monthly invoices summarizing the basis of the transportation
10 fees charged. Any such deductions in aid shall be transferred to the statewide student
11 transportation services restricted receipt account, as set forth in R.I.G.L. section 35-4-27.

12 SECTION 3. Sections 31-22.1-1, 31-22.1-2, and 31-22.1-3 of the General Laws in
13 Chapter 31-22.1 entitled "Pupil Transportation Vehicles" are hereby amended to read as follows:

14 **31-22.1-1. Pupil transportation vehicle - Definition. --**

15 A pupil transportation vehicle is a motor vehicle designed and constructed to seat not
16 more than eight (8) passengers ~~in addition to~~ including the operator, used by a school committee
17 to provide the transportation services required by law or regulation to students being conveyed
18 along a fixed school transportation route. In particular, such vehicles may be used to provide the
19 transportation services required by § 16-21-1, § 16-21.1-1, et seq., and §16-24-4 on routes in
20 which only small numbers of students are being conveyed.

21 **31-22.1-2. Pupil transportation vehicle - Vehicle standards.--**

22 Vans, sport utility vehicles, and heavy automobiles as defined by applicable federal
23 regulations may be used as pupil transportation vehicles provided that these vehicles meet the
24 highest federal crashworthiness standards for these categories of vehicles. Unless otherwise
25 specifically provided for herein, the provisions of § 31-20-4, et seq. (Special Stops Required)
26 shall be applicable to pupil transportation vehicles. The provisions of § 31-23-42 (First aid kit and
27 heating equipment), § 31-23-42.2 (Power equipment on school buses), § 31-23-54 (Fire
28 extinguishers), and § 31-23-55 (Speedometer and odometer) ~~and § 31-23-56 (Stop arm)~~ shall be
29 applicable to pupil transportation vehicles. A pupil transportation vehicle shall not be required to
30 be painted school bus yellow, provided it carries a sign in school bus yellow visible from forward
31 and from in back of the vehicle containing the lettering required by § 31-20-11.

32 **31-22.1-3. Equipment and operation of pupil transportation vehicles. --**

33 No person shall operate any student transportation vehicle, and the owner or custodian of
34 a student transportation vehicle shall not permit the same to be operated to convey students unless

1 the following requirements are complied with:

2 (1) The operator of a pupil transportation vehicle shall not allow the number of school
3 students riding in the pupil transportation vehicle at any one time to exceed the number of
4 adequate seats therein nor shall the operator drive said bus until each student is seated.

5 (2) No person shall operate a pupil transportation vehicle referred to in this section, nor
6 knowingly allow any passenger to ride in such vehicle unless the operator and all passengers are
7 wearing a safety belt which is properly adjusted and fastened.

8 (3) All doors shall be kept closed while the pupil transportation vehicle is in motion.
9 However, the vehicle shall have an audible open door warning alarm and an audible back up
10 warning alarm.

11 (4) No fueling shall take place while any pupil transportation vehicle is occupied by
12 ~~students~~ passengers.

13 (5) Each pupil transportation vehicle shall be equipped with Type I Class A turn signal
14 lamps, which shall have a four-way hazard warning signal switch to cause simultaneous flashing
15 of the turn signal lamps which may be activated when a pupil transportation vehicle is
16 approaching a stop to load or discharge school students and when needed as a vehicular traffic
17 hazard warning. Each pupil transportation vehicle shall also be equipped with front and rear
18 alternating flashing school bus red signal lamps, which shall remain flashing when school
19 pupils are entering or leaving the pupil transportation vehicle. All aforementioned lamps shall
20 comply with applicable Federal Motor Vehicle Safety Standards and any applicable rules and
21 regulations promulgated by the department of motor vehicles. The operator of a
22 pupil transportation vehicle shall cause its headlamps to be illuminated while such bus is in
23 operation.

24 (6) Any person who operates such a pupil transportation vehicle shall not permit the
25 boarding or discharging of school students therefrom unless the pupil transportation vehicle is
26 stopped as close as is practicable to the right-hand side or edge of the ways and shall announce
27 when discharging passengers there from that all persons who wish to cross to the other side of the
28 way shall do so by passing in front of the pupil transportation vehicle immediately upon alighting
29 therefrom. No person shall operate a pupil transportation vehicle ~~on a way~~ away from the point of
30 boarding until it is safe for ~~after discharging all discharged~~ passengers ~~therefrom unless all~~
31 ~~persons~~ who wish to cross to the other side have done so. The monitor requirement of § 16-21-1
32 shall not apply to pupil transportation vehicles.

33 (7) Each pupil transportation vehicle shall be required to be equipped with one pair of
34 adequate chock blocks and three (3) flares in compliance with United States Motor

1 Vehicle D.O.T. Safety Standard No. 125, which shall be placed upon the roadway in
2 conformance with section 14 B of chapter 85 when such vehicle becomes disabled upon the
3 traveled portion of any way, and seat belts for each permanent seating accommodation designed
4 and installed in compliance with applicable United States Motor Vehicle Safety Standards.

5 (8) All pupil transportation vehicles shall include an approved emergency airway and
6 bodily fluid spill kits.

7 ~~(8)~~(9) All pupil transportation vehicles used to transport school students under the
8 provisions of this section shall display sticker as authorized by the department of motor
9 vehicles for a reasonable fee established by the department of motor vehicles.

10 ~~(9)~~(10) All persons operating a pupil transportation vehicle to convey students shall hold
11 a Rhode Island chauffeurs license ~~shall operate a pupil transportation vehicle when the vehicle is~~
12 ~~being used to convey students, who~~ and has shall have passed a written test as may be prescribed
13 by the department of motor vehicles. In addition, all persons who operate a pupil transportation
14 vehicle to convey students shall submit to a national and statewide criminal and driving record
15 background check by the hiring agency.

16 SECTION 4. Section 31-22-11.6 of the General Laws in Chapter 31-22 entitled
17 "Miscellaneous Rules" is hereby amended to read as follows:

18 **31-22-11.6. Child care vehicles and school extra-curricular vehicles. --**

19 (a) (1) Pursuant to § 31-22-10, the division of motor vehicles is authorized to promulgate
20 rules and regulations concerning the type, construction, and equipment of motor vehicles used for
21 the transportation of children to and from child care facilities and to and from school sponsored
22 activities including athletics and extra-curricular activities.

23 (2) (i) For the purposes of this section, "school bus", as referred to in § 31-1-3(v), is
24 defined as a vehicle which is used to carry children to or from school on school bound routes at
25 the outset of the children's school day and/or on home bound routes at the end of the children's
26 school day. For these routes, a school bus or a pupil transportation vehicle as set forth in § 31-
27 22.1-1 and § 31-22.1-2 must be used regardless of the number of students being transported.

28 (ii) For purposes of this section, "school extra-curricular vehicles" is defined as
29 vehicles designed to transport fewer than fifteen (15) students to and from school sponsored
30 activities including athletics, internships, work experiences, and extra-curricular activities where
31 school buses are not used because of the small number of students being transported.

32 (iii) For the purpose of this section, "child care vehicle" is defined as a motor
33 vehicle owned or leased by a licensed child care agency that does not exceed fifteen (15)
34 passengers and is being used to transport children from schools to child care facilities and/or from

1 child care facilities to schools. Two (2) door sedans shall not be considered child care vehicles or
2 school extra-curricular vehicles.

3 (b) The division of motor vehicles shall have the authority to suspend the registration of
4 any vehicle used for child care transportation or school extra-curricular transportation that does
5 not meet the following requirements:

6 (1) *Seating.* Adequate seating space for all passengers shall be provided. The maximum
7 seating capacity of a child care vehicle and school extra-curricular vehicle shall be fifteen (15)
8 persons, including the driver. No standing shall be permitted while the vehicle is in operation.

9 (2) *Safety belts.* Safety belts shall be required for all passengers riding in the child care
10 vehicle and school extra-curricular vehicle.

11 (3) *Vehicle registration.* All child care vehicles and school extra-curricular vehicles shall
12 be registered as public vehicles.

13 (4) *Vehicle inspection.* All child care vehicles and school extra-curricular vehicles shall
14 be inspected for excessive emissions and/or safety items according to a staggered appointment
15 schedule as determined by the director of revenue, or his or her designee, and from time to time
16 thereafter as may be required, and the vehicle owner shall display upon the vehicle the certificate
17 of inspection and approval issued to the vehicle until the certificate shall expire.

18 (5) *Inspector's rejection notice.* The director of revenue, or his or her designee, may affix
19 a notice of rejection to any vehicle that fails to pass the required inspection requirements. The
20 rejection notice shall not be destroyed or removed from the vehicle until the vehicle has passed
21 the inspection requirements, or its removal has been authorized by the director of revenue or his
22 or her designee.

23 (6) (i) *Vehicle identification.* Any and all child care vehicles and school extra-
24 curricular vehicles must have the name of the child care organization conspicuously placed on the
25 side of the vehicle. The identification shall be required to possess two inch (2") letters, and be
26 permanently affixed on the side of the vehicle.

27 (ii) Should any child care vehicle and school extra-curricular vehicle be a leased vehicle,
28 the vehicle shall forego the requirement of having the name of the child care facility or school
29 permanently affixed to the side of the vehicle, but instead may satisfy the identification
30 requirement by placing a magnetized sign naming the child care facility or school or any other
31 temporarily affixed apparatus; provided, that the temporary identification sign not be
32 interchanged, replaced, or modified to change the purpose or function of the child care
33 vehicle and school extra-curricular vehicle.

34 (7) (i) *Fire extinguisher.* The child care vehicle and school extra-curricular vehicle shall

1 be equipped with at least one pressurized, potassium bicarbonate base dry chemical-type fire
2 extinguisher, mounted in the manufacturer's extinguisher bracket, and located in the driver's
3 compartment in full view of and readily accessible to the driver. A pressure gauge shall be
4 mounted on the extinguisher so as to be easily read without removing the extinguisher from its
5 mounted position.

6 (ii) The fire extinguisher shall have a minimum capacity of not less than two and a half
7 pounds (2 1/2 lbs.) and be of a type approved by the Underwriters Laboratories, Inc., with a rating
8 of not less than ten (10) B:C. The operating mechanism shall be sealed with a type of seal that
9 will not interfere with use of the fire extinguisher.

10 (8) *First-Aid, Airway, and Bodily Fluid Spill kits.* Every child care vehicle and school
11 extra-curricular vehicle shall be equipped with a first-aid kit mounted in an area accessible to the
12 operator which consists of bandages, sterile pads, adhesive tape, and Band-Aids, as well as an
13 approved Emergency Airway Kit, for use in the administration of first-aid treatment. In addition,
14 every child care vehicle and school extra-curricular vehicle shall be equipped with a bodily fluid
15 spill kit.

16 (9) Each vehicle shall also have an audible door alarm and an audible back up alarm.

17 (10) All persons operating a pupil transportation vehicle to convey children shall hold a
18 Rhode Island chauffer's license and shall have passed a written test as may be prescribed by the
19 department of motor vehicles. In addition, all such persons who operate a pupil transportation
20 vehicle to convey children shall submit to a national and statewide criminal and driving record
21 background check by the hiring agency.

22 ~~(9)~~(11) School extra-curricular vehicles purchased after January 1, 2000 shall further
23 comply with regulations which the division of motor vehicles is authorized to promulgate which
24 require these vehicles to meet appropriate safety standards. The additional safety requirements of
25 this subsection shall, effective January 1, 2008, also apply to school extra-curricular vehicles in
26 service prior to January 1, 2000, which are still in service after January 1, 2008.

27 SECTION 5. Relating to School for the Deaf - Section 16-26-7.1 of the General Laws in
28 Chapter 16-26 entitled "School for the Deaf" is hereby amended to read as follows:

29 **16-26-7.1. Regional hearing impaired programs.** -- (a) Each city and town may
30 contract with the Rhode Island School for the Deaf to establish and operate programs for the
31 hearing impaired.

32 (b) When these programs are operated by the Rhode Island School for the Deaf, each
33 participating city or town shall be assessed for the cost of the program in the proportion that their
34 enrollment bears to the total enrollment in the program. The assessments shall be deposited in a

1 restricted receipt account for the purpose of funding expenditures necessary to operate the
2 regional program.

3 (c) The provisions of R.I.G.L. § 16-26-7.1(a) and (b) notwithstanding, districts shall be
4 assessed tuition to cover the costs of educational services that are additional to the core deaf and
5 hard of hearing education program that is provided to resident students at the Rhode Island
6 School for the Deaf. This tuition shall be based on a graduated tuition schedule that is based on
7 the varying needs of students. The department of elementary and secondary education shall
8 develop and implement the schedule. Districts shall receive quarterly invoices summarizing the
9 basis for the tuition charged. There shall be deducted from the final aid payment to each school
10 district at the end of the fiscal year any amounts owed to the state for these additional educational
11 services.

12 Chapter 16-26 of the General Laws entitled “School for the Deaf” is hereby amended by
13 adding thereto the following section:

14 **16-26-12. Other sources of funding. --** (a) The provisions of R.I.G.L. section 16-26-7.1
15 notwithstanding, districts shall be assessed tuition to cover the costs of educational services that
16 are additional to the core deaf and hard of hearing education program that is provided to resident
17 students at the Rhode Island School for the Deaf. This tuition shall be based on a graduated
18 tuition schedule that is based on the varying needs of students. The department of elementary and
19 secondary education shall develop and implement this schedule. Districts shall receive monthly
20 invoices summarizing the basis for the tuition charged. There shall be deducted from the final aid
21 payment to each school district at the end of the fiscal year any amounts owed to the state for
22 these additional educational services. All tuition paid by districts and any aid deducted for non-
23 payment shall be deposited in a restricted receipt account and shall be exempt from the indirect
24 cost recovery provisions of section 35-4-7.

25 (b) The School for the Deaf is hereby authorized to rent or lease space in its school
26 building. The school shall deposit any revenues from such agreements into a restricted receipt
27 account, to be known as the School for the Deaf Rental Income Account, to be used for the same
28 educational purposes that its state appropriation is used for. Any such rental agreements must
29 receive prior approval from the school’s board of trustees and by the state properties committee.

30 SECTION 6. Relating to Regional Vocational Schools - Section 16-45-6 of the General
31 Laws in Chapter 16-45 entitled “Regional Vocational Schools” is hereby amended to read as
32 follows:

33 **16-45-6. Powers additional to previous authority. --** (a) The powers delegated and
34 authorized in this chapter for the board of regents for elementary and secondary education and the

1 department of elementary and secondary education shall be in addition to those previously
2 authorized by any other general or public law.

3 (b) The governance, funding, and programming of the William M. Davies, Jr. vocational
4 technical school and the Metropolitan Career and Technical School shall be in accordance with
5 the rules and regulations formulated by the board of regents for elementary and secondary
6 education pursuant to chapter 35 of title 42. Provided, however, the additional appropriation by
7 the General Assembly in fiscal year 2005 for the William M. Davies, Jr. Vocational Technical
8 School shall be used to fund sixty (60) additional placements. Forty (40) of those placements
9 shall be made available to students from the City of Providence.

10 (c) The purpose of this chapter is to restructure the system of career and technical schools
11 in Rhode Island for the benefit of the students, the economy, and the general welfare. The
12 paramount aim is to enable the schools to make more significant contributions in providing the
13 state's students with the career preparation they need to compete and succeed in the world of
14 today and of the future. To ensure student success, a system of model career and technical schools
15 will be established and supported. These schools will provide: integrated academic and vocational
16 curricula, up to date technology, programs to meet the varying needs of all students, and strong
17 links to business, industry, postsecondary education, and the community.

18 (d)(1) There shall be a system of state operated career and technical schools serving
19 geographic areas of the state. Students attending these regional schools will do so on a full time
20 basis with the costs for their education at the regional school fully funded by the state.

21 (2) These schools shall be operated as local education agencies and each shall be
22 governed by a board of trustees. With the exception of those powers and duties reserved by the
23 director, the commissioner of elementary and secondary education, and the board of regents for
24 elementary and secondary education, the board of trustees shall have the powers and duties of
25 school committees. The Davies school shall be the first school operated under the provisions of
26 this chapter and shall be renamed the William M. Davies, Jr. career and technical high school.
27 The Metropolitan Career and Technical School shall be the second school operated under the
28 provisions of this chapter.

29 (e)(1) The board of regents for elementary and secondary education shall appoint the
30 members of the board of trustees from nominations made by the commissioner of elementary and
31 secondary education. The chairperson shall also be selected in this manner. The board of regents
32 shall determine the number, qualifications, and terms of office of members of the board of
33 trustees. The board of trustees will be broadly representative of the local communities served by
34 each school and the larger statewide workforce interests.

1 (2) The board of regents shall establish strategic directions for the career and technical
2 education system that are consistent with the state's economic development plans, workforce
3 requirements, and educational priorities and learner outcomes established by the board of regents.

4 (3) The board of regents shall provide parameters for the overall budget requests, approve
5 the budget, and participate in budget development as required in subsection (i).

6 (f)(1) The commissioner of elementary and secondary education shall recommend
7 parameters for the overall budget requests, recommend a budget and participate in budget
8 development as required in subsection (i).

9 (2) The commissioner shall approve the process for selection of a director of each
10 regional school. The commissioner shall develop a plan for statewide implementation of the
11 provisions of this chapter.

12 (g) The board of trustees shall meet monthly and serve without compensation. Nine (9)
13 members of the board of trustees shall be required to attend teacher appeal hearings conducted
14 pursuant to § 16-13-4. The board of trustees shall have broad policy making authority for the
15 operation of the school consistent with subsection (e) and the following powers and duties:

16 (1) To identify the educational needs of the communities in the district.

17 (2) To develop educational policies to meet the needs of students in the communities
18 served by the school district.

19 (3) To appoint a director of its regional school to serve as its chief executive officer and
20 to approve assistant and associate directors from nominations made by the director.

21 (4) To provide policy guidance and participate in budget development as required in
22 subsection (i).

23 (5) To develop staffing policies which ensure that all students are taught by educators of
24 the highest possible quality.

25 (h)(1) The director will serve at the pleasure of the board of trustees with the initial
26 appointment to be for a period of not more than three (3) years, provided, that the term and
27 conditions of employment are subject to the approval of the board of regents for elementary and
28 secondary education.

29 (2) It is the responsibility of the director to manage and operate the school on a day to day
30 basis. The director's duties shall include the following:

31 (i) To be responsible for the entire care, supervision, and management of the career and
32 technical high school.

33 (ii) To recommend to the board of trustees educational policies to meet the needs of the
34 district, and to implement policies established by the board of trustees.

1 (iii) To present nominations to the board of trustees for assistant and associate directors
2 and to appoint all other school personnel.

3 (iv) To provide for the evaluation of all school district personnel.

4 (v) To establish a school based management approach for decision making for the
5 operation of the school.

6 (vi) To prepare a budget and participate in budget development as required in subsection
7 (i), and to authorize purchases consistent with the adopted school district budget.

8 (vii) To report to the board of trustees on a regular basis the financial condition and
9 operation of the school, and to report annually on the educational progress of the school.

10 (viii) To establish appropriate advisory committees as needed to provide guidance on new
11 directions and feedback on the operation of the school.

12 (i) With policy guidance from the board of trustees and extensive involvement of the
13 administrators and faculty in the school, the director of each regional school shall annually
14 prepare a budget. The board of trustees will approve the budget and transmit it to the
15 commissioner. The board of regents for elementary and secondary education, upon
16 recommendation of the commissioner of elementary and secondary education, shall provide
17 parameters for the overall budget request. Based on review and recommendation by the
18 commissioner, the board of regents shall approve the total budget and incorporate it into its
19 budget request to the governor and to the general assembly. Line item budgeting decisions shall
20 be the responsibility of the director.

21 (j) Nothing in this section shall be deemed to limit or interfere with the rights of teachers
22 and other school employees to bargain collectively pursuant to chapters 9.3 and 9.4 of title 28 or
23 to allow the board of trustees or the director to abrogate any agreement by collective bargaining.
24 Employees at the William M. Davies school shall continue to be state employees and the
25 bargaining units which are presently established at the school shall remain intact.

26 (k) Any tuition payments, which are made to the William M. Davies Career and
27 Technical high school from the district of residence of its students, as authorized in R.I.G.L.
28 section 16-7.2-5, shall be deposited into a restricted receipt account to be used for the same
29 educational purposes that its state appropriation is used for. Any such funds shall be exempt from
30 the indirect cost recovery provisions of section 35-4-7.

31 SECTION 7. Relating to Restricted Receipt Accounts - Section 35-4-27 of the General
32 Laws in Chapter 35-4 entitled "State Funds" is hereby amended to read as follows:

33 **35-4-27. Indirect cost recoveries on restricted receipt accounts.** -- Indirect cost
34 recoveries of ten percent (10%) of cash receipts shall be transferred from all restricted receipt

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

- 8 Department of Human Services
- 9 Veterans' home – Restricted account
- 10 Veterans' home – Resident benefits
- 11 Organ transplant fund
- 12 Veteran's Cemetery Memorial Fund
- 13 Department of Health
- 14 Pandemic medications and equipment account
- 15 Department of Mental Health, Retardation and Hospitals
- 16 Eleanor Slater non-Medicaid third-party payor account
- 17 Hospital Medicare Part D Receipts
- 18 RICLAS Group Home Operations
- 19 Vigneron Memorial Fund Grant
- 20 Department of Environmental Management
- 21 National heritage revolving fund
- 22 Environmental response fund II
- 23 Underground storage tanks registration fees
- 24 Rhode Island Council on the Arts
- 25 Art for public facilities fund
- 26 Rhode Island Foundation Grant
- 27 Rhode Island Historical Preservation and Heritage Commission
- 28 Historic preservation revolving loan fund
- 29 Historic Preservation loan fund – Interest revenue
- 30 Department of Public Safety
- 31 Forfeited property – Retained
- 32 Forfeitures – Federal
- 33 Forfeited property – Gambling
- 34 Donation – Polygraph and Law Enforcement Training

1 Rhode Island State Firefighter's League Training Account
2 Fire Academy Training Fees Account
3 Attorney General
4 Forfeiture of property
5 Federal forfeitures
6 Attorney General multi-state account
7 Department of Administration
8 Restore and replacement – Insurance coverage
9 Convention Center Authority rental payments
10 Investment Receipts – TANS
11 Car Rental Tax/Surcharge-Warwick Share
12 OPEB System Restricted Receipt Account
13 ARRA Administrative Expenses – Bureau of Audits
14 ARRA Administrative Expenses – Purchasing
15 Legislature
16 Audit of federal assisted programs
17 Department of Elderly Affairs
18 Pharmaceutical Rebates Account
19 Department of Children Youth and Families
20 Children's Trust Accounts – SSI
21 Military Staff
22 RI Military Family Relief Fund
23 Treasury
24 Admin. Expenses – State Retirement System
25 Retirement – Treasury Investment Options
26 Business Regulation
27 Banking Division Reimbursement Account
28 Office of the Health Insurance Commissioner Reimbursement Account
29 Securities Division Reimbursement Account
30 Commercial Licensing and Racing and Athletics Division Reimbursement Account
31 Insurance Division Reimbursement Account
32 Historic Preservation Tax Credit Account.
33 Judiciary
34 Arbitration Fund Restricted Receipt Account

1 Department of Elementary and Secondary Education
2 Statewide Student Transportation Services Account
3 [School for the Deaf Fee for Service Account](#)
4 [Davies Career and Technical School Local Education Aid Account](#)
5 Office of the Governor
6 ARRA Administrative Expenses – Office of Economic Recovery and Reinvestment
7 Department of Labor and Training
8 Job Development Fund – Title XII loans principal and interest

9 SECTION 8. Relating to Reimbursements to Municipalities for the Non-Public Textbook
10 Reimbursement Fund - Section 16-23-3.1 of the General Laws in Chapter 16-7 entitled
11 “Textbooks” is hereby repealed.

12 ~~**16-23-3.1. Reimbursements to municipalities for costs of English/language arts and**~~
13 ~~**history/social studies textbooks for students in grades K-12.**~~

14 ~~There is hereby established a textbook reimbursement fund for which the general~~
15 ~~assembly shall make a specific appropriation. The department of elementary and secondary~~
16 ~~education shall administer the appropriation. School districts shall submit to the department of~~
17 ~~elementary and secondary education evidence of the cost of English/language arts and/or~~
18 ~~history/social studies textbooks that the district has provided to students in grades K-12 pursuant~~
19 ~~to § 16-23-2. The costs shall be reimbursed from the textbook reimbursement fund by the~~
20 ~~department of elementary and secondary education upon presentation by a school district of the~~
21 ~~evidence of cost.~~

22 SECTION 9. This article shall take effect upon passage.

23 **ARTICLE 11**
24 **RELATING TO THE CHILDREN’S HEALTH ACCOUNT**

25 SECTION 1. Section 42-12-29 of the General Laws in Chapter 42-12 entitled
26 “Department of Human Services“ is hereby amended to read as follows:

27 **42-12-29. Children's health account.** -- (a) There is created within the general fund a
28 restricted receipt account to be known as the "children's health account". All money in the
29 account shall be utilized by the department of human services to effectuate coverage for the
30 following [service categories](#): (1) home health services, which include pediatric private duty
31 nursing and certified nursing assistant services; (2) comprehensive, evaluation, diagnosis,
32 assessment, referral and evaluation (CEDARR) services, which include CEDARR family center
33 services, home based therapeutic services, personal assistance services and supports (PASS) and
34 kids connect services and (3) child and adolescent treatment services (CAITS). All money

1 received pursuant to this section shall be deposited in the children's health account. The general
2 treasurer is authorized and directed to draw his or her orders on the account upon receipt of
3 properly authenticated vouchers from the department of human services.

4 (b) Beginning in the fiscal year 2007, each insurer licensed or regulated pursuant to the
5 provisions of chapters 18, 19, 20, and 41 of title 27 shall be assessed for the purposes set forth in
6 this section. The department of human services shall make available to each insurer, upon its
7 request, information regarding the department of human services child health program and the
8 costs related to the program. Further, the department of human services shall submit to the
9 general assembly an annual report on the program and cost related to the program, on or before
10 February 1 of each year. Annual assessments shall be based on direct premiums written in the
11 year prior to the assessment and shall not include any Medicare Supplement Policy (as defined in
12 § 27-18-2.1(g)), Medicare managed care, Medicare, Federal Employees Health Plan,
13 Medicaid/Rite Care or dental premiums. As to accident and sickness insurance, the direct
14 premium written shall include, but is not limited to, group, blanket, and individual policies. Those
15 insurers assessed greater than five hundred thousand dollars (\$500,000) for the year shall be
16 assessed four (4) quarterly payments of twenty-five percent (25%) of their total assessment.
17 Beginning July 1, 2006, the annual rate of assessment shall be determined by the director of
18 human services in concurrence with the primary payors, those being insurers likely to be assessed
19 at greater than five hundred thousand dollars (\$500,000). The director of the department of
20 human services shall deposit that amount in the "children's health account". The assessment shall
21 be used solely for the purposes of the "children's health account" and no other.

22 (c) Any funds collected in excess of funds needed to carry out the programs shall be
23 deducted from the subsequent year's assessment.

24 (d) The total annual assessment on all insurers shall be equivalent to the amount paid by
25 the department of human services for ~~such~~ all services, as listed in subsection (a), but not to
26 exceed ~~six thousand dollars (\$6,000)~~ seven thousand five hundred dollars (\$7,500) per child per
27 service per year.

28 (e) The children's health account shall be exempt from the indirect cost recovery
29 provisions of § 35-4-27 of the general laws.

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

31 **ARTICLE 12**

32 **RELATING TO SCHOOL HOUSING AID FOR CHARTER PUBLIC SCHOOLS**

33 SECTION 1. Section 16-77.1-5 of the General Laws in Chapter 16-77.1 entitled
34 "Funding of Charter Public Schools" is hereby amended to read as follows:

1 shall be made in the form of deductions from compensation.

2 (b) The deductions provided for herein shall be made notwithstanding that the minimum
3 compensation provided by law for any member shall be reduced thereby. Every member shall be
4 deemed to consent and agree to the deductions made and provided for herein and shall receipt for
5 his or her full compensation and payment of compensation, less the deductions, shall be a full and
6 complete discharge and acquittance of all claims and demands whatsoever for the services
7 rendered by the person during the period covered by the payment except as to the benefit
8 provided under this chapter.

9 SECTION 2. Section 16-16-22 of the General Laws in Chapter 16-16 entitled
10 "Teacher Retirement" is hereby amended to read as follows:

11 **16-16-22. Contributions to state system.** -- (a) ~~Each member shall contribute into the~~
12 ~~system nine and one half percent (9.5%) of compensation as his or her share of the cost of~~
13 ~~annuities, benefits, and allowances.~~ Beginning the first pay date after July 1, 2011, each member
14 shall contribute into the retirement system an amount equal to eleven and three-quarters percent
15 (11.75%) of compensation as his or her share of the cost of annuities, benefits, and allowances, of
16 which three percent (3%) shall be considered a supplemental contribution. This supplemental
17 contribution shall not reduce the employer's contribution. The employer contribution on behalf of
18 teacher members of the system shall be in an amount that will pay a rate percent of the
19 compensation paid to the members, according to the method of financing prescribed in the State
20 Retirement Act in chapters 8 – 10 of title 36. This amount shall be paid by the state, and sixty
21 percent (60%) by the city, town, local educational agency, or any formalized commissioner
22 approved cooperative service arrangement by whom the teacher members are employed, with the
23 exception of teachers who work in federally funded projects. Provided, however, that the rate
24 percent paid shall be rounded to the nearest hundredth of one percent (.01%).

25 (b) The employer contribution on behalf of teacher members of the system who work in
26 fully or partially federally funded programs shall be prorated in accordance with the share of the
27 contribution paid from the funds of the federal, city, town, or local educational agency, or any
28 formalized commissioner approved cooperative service arrangement by whom the teacher
29 members are approved.

30 (c) In case of the failure of any city, town, or local educational agency, or any formalized
31 commissioner approved cooperative service arrangement to pay to the state retirement system the
32 amounts due from it under this section within the time prescribed, the general treasurer is
33 authorized to deduct the amount from any money due the city, town, or local educational agency
34 from the state.

1 (d) The employer's contribution shared by the state shall be paid in the amounts
2 prescribed in this section for the city, town, or local educational agency and under the same
3 payment schedule. Notwithstanding any other provisions of this chapter, the city, town, or local
4 educational agency or any formalized commissioner approved cooperative service arrangement
5 shall remit to the general treasurer of the state the local employer's share of the teacher's
6 retirement payments on a monthly basis, payable by the fifteenth (15th) of the following month,
7 provided that the employer contribution shall be deferred from the effective date of this act until
8 June 15, 2010. The amounts that would have been contributed shall be deposited by the state in a
9 special fund and not used for any purpose. The general treasurer, upon receipt of the local
10 employer's share, shall effect transfer of a matching amount of money from the state funds
11 appropriated for this purpose by the general assembly into the retirement fund, provided that for
12 the period from the effective date of this act until June 15, 2010, the general treasurer shall not
13 make such transfer.

14 Upon reconciliation of the final amount owed to the retirement fund for the employer
15 share, the state shall ensure that any local education aid reduction assumed for the FY 2010
16 revised budget in excess of the actual savings is restored to the respective local entities.

17 (e) This section is not subject to §§ 45-13-7 through 45-13-10.

18 SECTION 3. In accordance with § 8-3-16 and notwithstanding any inconsistent provision
19 of law, each Justice of the Supreme, Superior, and Family Courts engaged after December 31, 1989
20 shall, beginning the first pay date after July 1, 2011, contribute eleven and three quarters percent
21 (11.75%) of his or her compensation as his or her share of the cost of annuities, benefits, and
22 allowances as specified in § 36-10-1.

23 SECTION 4. In accordance with § 8-8-10.1 and notwithstanding any inconsistent
24 provision of law, each Judge of the District Court engaged after December 31, 1989 shall, beginning
25 the first pay date after July 1, 2011, contribute eleven and three quarters percent (11.75%) of his or
26 her compensation as his or her share of the cost of annuities, benefits, and allowances as specified in
27 § 36-10-1.

28 SECTION 5. In accordance with § 8-8.2-7 and notwithstanding any inconsistent
29 provision of law, each Judge of the Traffic Tribunal engaged after December 31, 1989 shall,
30 beginning the first pay date after July 1, 2011, contribute eleven and three quarters percent (11.75%)
31 of his or her compensation as his or her share of the cost of annuities, benefits, and allowances as
32 specified in § 36-10-1.

33 SECTION 6. In accordance with § 28-30-18.1, and notwithstanding any inconsistent
34 provision of law, each Workers' Compensation Judge Justice engaged after December 31, 1989

1 shall, beginning the first pay date after July 1, 2011, contribute eleven and three quarters percent
2 (11.75%) of his or her compensation as his or her share of the cost of annuities, benefits, and
3 allowances as specified in § 36-10-1.

4 SECTION 7. In accordance with § 42-28-22.1 and notwithstanding any inconsistent
5 provision of law, each member of the State Police initially hired after July 1, 1987 shall, beginning
6 the first pay date after July 1, 2011, contribute eleven and three quarters percent (11.75%) of his or
7 her compensation as his or her share of the cost of annuities, benefits, and allowances as specified in
8 § 36-10-1.

9 SECTION 8. This article shall take effect on June 17, 2011.

10 ARTICLE 14

11 RELATING TO THE TOURISM ASSET PROTECTION FUND

12 SECTION 1. Chapter 35-4 of the General Laws entitled “State Funds” is hereby amended
13 by adding thereto the following section:

14 **35-4-24. Tourism asset protection fund.** -- From the proceeds of any receipts
15 transferred pursuant to the provisions of the R.I.G.L. § 44-18-36.1(d), the state controller is
16 authorized to create an account or accounts within the general fund referred to as the “Tourism
17 Asset Protection Fund”. These accounts shall be used to record expenditures related to the
18 construction, improvement, or preservation of state assets directly related to the tourism industry.
19 The intended use of the Tourism Asset Protection Fund shall be determined through the annual
20 capital and operating budget process.

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

22 ARTICLE 15

23 RELATING TO MANAGEMENT AND DISPOSAL OF PROPERTY

24 SECTION 1. Section 37-7-15 of the General Laws of Chapter 37-7 entitled
25 “Management and Disposal of Property” is hereby amended by adding thereto the following
26 section:

27 **37-7-15. Sale of State-owned Land.** -- Buildings and Improvements thereon and other
28 real property. Any proceeds in excess of one million dollars (\$1,000,000) in total from the sale of
29 any land and the buildings and improvements thereon, and other real property title to which is
30 vested in the State of Rhode Island or title to which will be vested in the state upon completion of
31 any condemnation or other proceeding, shall be transferred to the Rhode Island Capital Plan Fund
32 (RICAP) and made available for the purposes outlined in § 35-2-20 of the General Laws, unless
33 otherwise prohibited by federal law.

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

1 **ARTICLE 16**

2 **RELATING TO THE MEDICAID REFORM ACT**

3 WHEREAS, the general assembly enacted Chapter 12.4 of Title 42 entitled “The Rhode
4 Island Medicaid Reform Act of 2008”; and

5 WHEREAS, a Joint Resolution is required pursuant to Rhode Island General Laws § 42-
6 12.4-1, et seq.; and

7 WHEREAS, Rhode Island General Law § 42-12.4-7 provides that any change that
8 requires the implementation of a rule or regulation or modification of a rule or regulation in
9 existence prior to the implementation of the global consumer choice section 1115 demonstration
10 (“the demonstration”) shall require prior approval of the general assembly, and further provides
11 that any category II change or category III change as defined in the demonstration shall also
12 require prior approval by the general assembly; and

13 WHEREAS, Rhode Island General Law § 42-7.2-5 provides that the Secretary of the
14 Office of Health and Human Services is responsible for the “review and coordination of any
15 Global Consumer Choice Compact Waiver requests and renewals as well as any initiatives and
16 proposals requiring amendments to the Medicaid state plan or category I or II changes” as
17 described in the demonstration, with “the potential to affect the scope, amount, or duration of
18 public ly-funded health care services, provider payments or reimbursements, or access to or the
19 availability of benefits and services provided by Rhode Island general and public laws”; and

20 WHEREAS, in pursuit of a more cost-effective consumer choice system of care that is
21 fiscally sound and sustainable, the secretary requests general assembly approval of the following
22 proposals to amend the demonstration:

23 (a) *Nursing Facility Payment Rate Reform.* The Medicaid single state agency proposes to
24 reform the methodology used for determining rates by revising completely the Principles of
25 Reimbursement to simplify and change the amount paid to nursing facilities. Because
26 implementation of this proposal will result in a new payment process and structure for a Medicaid
27 funded service, a Category II change is required under the terms and conditions established for
28 the Global Consumer Choice Compact Waiver. Further, effectuating such reforms in the
29 methodology for setting nursing facilities rates may also require the adoption of new or amended
30 rules, regulations and procedures for providers and/or beneficiaries.

31 (b) *Selective Contracting –Medicaid Home Health Services.* The Medicaid single state
32 agency proposes to selectively contract with home health agencies that meet specific standards
33 related to economy, efficiency and performance. This process of selective contracting will result
34 in a change to the payment structure for a Medicaid funded service. Therefore, a Category II

1 change is required for implementation under the terms and conditions of the Global Consumer
2 Choice Waiver Compact.

3 (c) *Pain Management Benefits for Medicaid Beneficiaries.* The Medicaid single state
4 agency proposes to include a pain management benefit for targeted beneficiaries to reduce
5 utilization of pharmaceuticals, emergency departments and inpatient hospital stays. Establishing a
6 targeted benefit requires amendments to or new rules, regulations and procedures pertaining to
7 coverage for the Medicaid populations affected as well as a Category II change to the Global
8 Consumer Choice Compact Waiver in those areas where additional authority is warranted under
9 the terms and conditions of the demonstration agreement.

10 (d) *Health Homes – EOHHS Departments.* The Medicaid single state agency proposes to
11 pursue authorization from the Centers for Medicare and Medicaid Services (CMS) for the
12 purposes of accessing additional federal matching funds for services provided through the
13 departments that are integrated in accordance with the Health Home Initiative established under
14 the federal Patient Protection and Affordable Health Care Act of 2010. This includes, but is not
15 limited to, behavioral healthcare services provided through the department of behavioral
16 healthcare, developmental disabilities, and hospitals, and CEDARR services available through the
17 department of human services as well as other services deemed qualified under the Health Home
18 Initiative by the Medicaid single state agency. As a condition of obtaining approval to participate
19 in the Initiative, the single state agency is required to submit a Medicaid state plan amendment
20 and any waiver changes that may be mandated by CMS thereafter. Also, each of the EOHHS
21 departments participating may be required to adopt new or amended rules, regulations and
22 procedures related to the populations and/or providers affected upon implementation.

23 (e) *Medicaid Hospital Rate Reform- Outpatient Payments.* The Medicaid single state
24 agency is proposing a restructuring of the payment methodology for certain Medicaid funded out-
25 patient hospital services. Under the terms and conditions of the Global Consumer Choice
26 Compact Waiver, provider rate reforms such as those proposed require a Category II change.
27 Certain regulations, rules and procedures pertaining to provider payment rates may also require
28 revision.

29 (f) *Medicaid Money Follows the Person Demonstration.* The Medicaid single state
30 agency has been accepted to participate in the federal Money Follows the Person Demonstration,
31 which provides enhanced funding for certain services provided to Medicaid long-term care
32 beneficiaries receiving care and support at home or in the community. Although no changes to the
33 Global Consumer Choice Compact Waiver are expected to be necessary during implementation
34 of the demonstration, certain new or amended rules, regulations and procedures may be required

1 to take full advantage of the federal funding available for transition and diversion services
2 authorized under the Money Follows the Person Demonstration.

3 (g) *System of Care Implementation -- Department of Children, Youth and Families*
4 *(DCYF)*. The DCYF proposes to continue implementation of comprehensive reform of the system
5 of care for children at risk for or requiring out-of-home placement and their families. Components
6 of implementation involve restructuring the payment methodology for certain Medicaid funded
7 services and establishing prior approval for the duration of residential services, paid in part or in
8 full by Medicaid. Accordingly, the DCYF and Medicaid single state agency are required to
9 pursue Category II changes to the Global Consumer Choice Compact Waiver in those areas
10 where additional authority is warranted for implementation to proceed under the terms and
11 conditions of the demonstration agreement. The DCYF may adopt or amend rules, regulations
12 and procedures as appropriate, once such federal authorities have been secured.

13 (h) *Medicaid Coverage for Costs Not Otherwise Matchable (CNOM) for DCYF parent*
14 *aides and other home-based services*. The DCYF proposes to begin Medicaid claiming for certain
15 core home and community based services, approved under the Global Consumer Choice Compact
16 Waiver, that are provided to children and families at risk for Medicaid and/or out of home
17 placement. The DCYF and Medicaid single state agency are required to obtain the necessary
18 Category I or Category II changes necessary to begin this claiming.

19 (i) *Project Sustainability for Persons with Development Disabilities --Department of*
20 *Behavioral Healthcare, Developmental Disabilities, and Hospitals (DBHDDH)*. The DBHDDH
21 proposes to continue system reforms that are changing how beneficiaries are assessed for services
22 and the manner in which services are obtained as well as the payment structure. Because
23 implementation of this proposal is related to adoption of a new payment structure for a Medicaid
24 funded service, a Category II change is required under the terms and conditions established for
25 the Global Consumer Choice Compact Waiver. Further, implementation of Project Sustainability
26 may also require changes to the rules, regulations and procedures related to Medicaid services for
27 persons with developmental disabilities served by the DBHDDH; now therefore, be it

28 RESOLVED, that the general assembly hereby approves proposals (a) through (f) listed
29 above to amend the demonstration; and be it further

30 RESOLVED, that the secretary of the office of health and human services is authorized
31 to pursue and implement any waiver amendments, category II or category III changes, state plan
32 amendments and/or changes to the applicable department's rules, regulations and procedures
33 approved herein and as authorized by § 42-12.4-7; and be it further

34 RESOLVED, that this joint resolution shall take effect upon passage.

1 **ARTICLE 17**

2 RELATING TO GENERAL PUBLIC ASSISTANCE –

3 HARDSHIP CONTINGENCY FUND

4 SECTION 1. [Hardship Contingency Fund – FY 2012](#) – Out of the general revenue sum
5 appropriated to the department of human services in Article 1 for general public assistance, the
6 sum of four hundred twenty thousand dollars (\$420,000) may be used as a hardship contingency
7 fund for the purposes and subject to the limitations hereinafter provided. The state controller is
8 hereby authorized and directed to draw his or her order upon the general treasurer for the payment
9 of such sums or such portions thereof as may be required from time to time upon receipt by him
10 or her of duly authenticated vouchers. From the aforesaid appropriation for hardship contingency,
11 the director of the department of human services, in his or her sole discretion, may authorize
12 payments of cash assistance benefits up to two hundred dollars (\$200) per month upon a showing
13 of hardship by an individual who is eligible for general public assistance medical benefits under
14 §40-6-3.1; provided, however, that individuals who are determined eligible for medical assistance
15 (“Medicaid”) under Title XIX of the Social Security Act, 42 U.S.C. §1396 et seq., or who are
16 determined eligible to receive an interim cash assistance payment for the disabled pursuant to
17 §40-6-28, shall not be eligible for assistance under this section. The director shall not be required
18 to promulgate any new, additional or separate rules or regulations in connection with his or her
19 disbursement of the contingency fund created hereby.

20 SECTION 2. This article shall take effect as of July 1, 2011.

21 **ARTICLE 18**

22 RELATING TO HOSPITAL UNCOMPENSATED CARE

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

25 **40-8.3-2. Definitions.** -- As used in this chapter:

26 (1) "Base year" means for the purpose of calculating a disproportionate share payment for
27 any fiscal year ending after September 30, ~~2009~~ [2010](#), the period from October 1, ~~2007~~ [2008](#)
28 through September 30, ~~2008~~ [2009](#), and for any fiscal year ending after September 30, ~~2010~~ [2011](#),
29 the period from October 1, 2008 through September 30, 2009.

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

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

6 (4) "Uncompensated care costs" means, as to any hospital, the sum of: (i) the cost
7 incurred by such hospital during the base year for inpatient or outpatient services attributable to
8 charity care (free care and bad debts) for which the patient has no health insurance or other third-
9 party coverage less payments, if any, received directly from such patients; and (ii) the cost
10 incurred by such hospital during the base year for inpatient or out-patient services attributable to
11 Medicaid beneficiaries less any Medicaid reimbursement received therefor; multiplied by the
12 uncompensated care index.

13 (5) "Uncompensated care index" means the annual percentage increase for hospitals
14 established pursuant to § 27-19-14 for each year after the base year, up to and including the
15 payment year, provided, however, that the uncompensated care index for the payment year ending
16 September 30, 2007 shall be deemed to be five and thirty-eight hundredths percent (5.38%), and
17 that the uncompensated care index for the payment year ending September 30, 2008 shall be
18 deemed to be five and forty-seven hundredths percent (5.47%), and that the uncompensated care
19 index for the payment year ending September 30, 2009 shall be deemed to be five and thirty-eight
20 hundredths percent (5.38%), and that the uncompensated care index for the payment years ending
21 September 30, 2010 ~~and~~, September 30, 2011 and September 30, 2012 shall be deemed to be five
22 and thirty hundredths percent (5.30%).

23 **40-8.3-3. Implementation.** ~~-- (a) For the fiscal year commencing on October 1, 2008 and~~
24 ~~ending September 30, 2009, the department of human services shall submit to the Secretary of the~~
25 ~~U.S. Department of Health and Human Services a state plan amendment to the Rhode Island~~
26 ~~Medicaid state plan for disproportionate share hospital payments (DSH Plan) to provide:~~

27 ~~(1) That the disproportionate share hospital payments to all participating hospitals not~~
28 ~~to exceed an aggregate limit of \$114.7 million, to be allocated by the department to the Pool A,~~
29 ~~Pool C and Pool D components of the DSH Plan;~~

30 ~~(2) That the Pool D allotment shall be distributed among the participating hospitals in~~
31 ~~direct proportion to the individual participating hospital's uncompensated care costs for the base~~
32 ~~year, inflated by the uncompensated care index to the total uncompensated care costs for the base~~
33 ~~year inflated by uncompensated care index for all participating hospitals. The disproportionate~~
34 ~~share payments shall be made on or before July 13, 2009 and are expressly conditioned upon~~

~~approval on or before July 6, 2009 by the Secretary of the U.S. Department of Health and Human Services, or his or her authorized representative, of all Medicaid state plan amendments necessary to secure for the state the benefit of federal financial participation in federal fiscal year 2009 for the disproportionate share payments.~~

~~(b)~~(a) For the fiscal year commencing on October 1, 2009 and ending September 30, 2010, the department of human services shall submit to the Secretary of the U.S. Department of Health and Human Services a state plan amendment to the Rhode Island Medicaid state plan for disproportionate share hospital payments (DSH Plan) to provide:

(1) That the disproportionate share hospital payments to all participating hospitals not to exceed an aggregate limit of \$117.8 million, to be allocated by the department to the Pool A, Pool C and Pool D components of the DSH Plan;

(2) That the Pool D allotment shall be distributed among the participating hospitals in direct proportion to the individual participating hospital's uncompensated care costs for the base year, inflated by the uncompensated care index to the total uncompensated care costs for the base year inflated by uncompensated care index for all participating hospitals. The disproportionate share payments shall be made on or before July 12, 2010 and are expressly conditioned upon approval on or before July 5, 2010 by the Secretary of the U.S. Department of Health and Human Services, or his or her authorized representative, of all Medicaid state plan amendments necessary to secure for the state the benefit of federal financial participation in federal fiscal year 2010 for the disproportionate share payments.

~~(e)~~(b) For the fiscal year commencing on October 1, 2010 and ending September 30, 2011, the department of human services shall submit to the Secretary of the U.S. Department of Health and Human Services a state plan amendment to the Rhode Island Medicaid state plan for disproportionate share hospital payments (DSH Plan) to provide:

(1) That the disproportionate share hospital payments to all participating hospitals not to exceed an aggregate limit of \$125.4 million, to be allocated by the department to the Pool A, Pool C and Pool D components of the DSH Plan;

(2) That the Pool D allotment shall be distributed among the participating hospitals in direct proportion to the individual participating hospital's uncompensated care costs for the base year, inflated by the uncompensated care index to the total uncompensated care costs for the base year inflated by uncompensated care index for all participating hospitals. The disproportionate share payments shall be made on or before July 18, 2011 and are expressly conditioned upon approval on or before July 11, 2011 by the Secretary of the U.S. Department of Health and Human Services, or his or her authorized representative, of all Medicaid state plan amendments

1 necessary to secure for the state the benefit of federal financial participation in federal fiscal year
2 2011 for the disproportionate share payments.

3 (c) For the fiscal year commencing on October 1, 2011 and ending September 30, 2012,
4 the department of human services shall submit to the Secretary of the U.S. Department of Health
5 and Human Services a state plan amendment to the Rhode Island Medicaid state plan for
6 disproportionate share hospital payments (DSH Plan) to provide:

7 (1) That the disproportionate share hospital payments to all participating hospitals, not to
8 exceed an aggregate limit of \$125.4 million, shall be allocated by the department to the Pool A,
9 Pool C and Pool D components of the DSH Plan; and,

10 (2) That the Pool D allotment shall be distributed among the participating hospitals in
11 direct proportion to the individual participating hospital's uncompensated care costs for the base
12 year, inflated by the uncompensated care index to the total uncompensated care costs for the base
13 year inflated by uncompensated care index for all participating hospitals. The disproportionate
14 share payments shall be made on or before July 16, 2012 and are expressly conditioned upon
15 approval on or before July 9, 2012 by the Secretary of the U.S. Department of Health and Human
16 Services, or his or her authorized representative, of all Medicaid state plan amendments necessary
17 to secure for the state the benefit of federal financial participation in federal fiscal year 2011 for
18 the disproportionate share payments.

19 (d) No provision is made pursuant to this chapter for disproportionate share hospital
20 payments to participating hospitals for uncompensated care costs related to graduate medical
21 education programs.

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

23 **ARTICLE 19**

24 **RELATING TO LICENSING OF HOSPITAL FACILITIES**

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

27 **23-17-38.1. Hospitals – Licensing fee.** ~~-- (a) There is also imposed a hospital licensing~~
28 ~~fee at the rate of five and three hundred fourteen thousandths percent (5.314%) upon the net~~
29 ~~patient services revenue of every hospital for the hospital's first fiscal year ending on or after~~
30 ~~January 1, 2008. This licensing fee shall be administered and collected by the tax administrator,~~
31 ~~division of taxation within the department of administration, and all the administration, collection~~
32 ~~and other provisions of chapters 50 and 51 of title 14 shall apply. Every hospital shall pay the~~
33 ~~licensing fee to the tax administrator on or before July 12, 2010 and payments shall be made by~~
34 ~~electronic transfer of monies to the general treasurer and deposited to the general fund in~~

1 ~~accordance with § 44-50-11 [repealed]. Every hospital shall, on or before June 14, 2010, make a~~
2 ~~return to the tax administrator containing the correct computation of net patient services revenue~~
3 ~~for the hospital fiscal year ending September 30, 2008, and the licensing fee due upon that~~
4 ~~amount. All returns shall be signed by the hospital's authorized representative, subject to the pains~~
5 ~~and penalties of perjury.~~

6 (a) There is also imposed a hospital licensing fee at the rate of five and four hundred
7 sixty-five thousandths percent (5.465%) upon the net patient services revenue of every hospital
8 for the hospital's first fiscal year ending on or after January 1, 2009. This licensing fee shall be
9 administered and collected by the tax administrator, division of taxation within the department of
10 administration, and all the administration, collection and other provisions of chapters 50 and 51 of
11 title 14 shall apply. Every hospital shall pay the licensing fee to the tax administrator on or before
12 July 18, 2011 and payments shall be made by electronic transfer of monies to the general
13 treasurer and deposited to the general fund in accordance with § 44-50-11 [repealed]. Every
14 hospital shall, on or before June 20, 2011, make a return to the tax administrator containing the
15 correct computation of net patient services revenue for the hospital fiscal year ending September
16 30, 2009, and the licensing fee due upon that amount. All returns shall be signed by the hospital's
17 authorized representative, subject to the pains and penalties of perjury.

18 (b) There is also imposed a hospital licensing fee at the rate of five and four hundred
19 sixty-five thousandths percent (5.465%) upon the net patient services revenue of every hospital
20 for the hospital's first fiscal year ending on or after January 1, 2009. This licensing fee shall be
21 administered and collected by the tax administrator, division of taxation within the department of
22 administration, and all the administration, collection and other provisions of chapters 50 and 51 of
23 title 14 shall apply. Every hospital shall pay the licensing fee to the tax administrator on or before
24 July 16, 2012 and payments shall be made by electronic transfer of monies to the general
25 treasurer and deposited to the general fund in accordance with § 44-50-11 [repealed]. Every
26 hospital shall, on or before June 18, 2012, make a return to the tax administrator containing the
27 correct computation of net patient services revenue for the hospital fiscal year ending September
28 30, 2009, and the licensing fee due upon that amount. All returns shall be signed by the hospital's
29 authorized representative, subject to the pains and penalties of perjury.

30 (c) For purposes of this section the following words and phrases have the following
31 meanings:

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

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

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

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

9 (e) The licensing fee imposed by this section shall apply to hospitals as defined herein
10 which are duly licensed on July 1, ~~2010~~ 2011, and shall be in addition to the inspection fee
11 imposed by § 23-17-38 and to any licensing fees previously imposed in accordance with § 23-17-
12 38.1.

13 SECTION 2. This article shall take effect as of July 1, 2011.

14 **ARTICLE 20**

15 **RELATING TO LICENSES AND FEES**

16 SECTION 1. Section 7-11-206 of the General Laws in Chapter 7-11 entitled "Licensing
17 and notice fees; and filing requirements for federal advisers" is hereby amended to read as
18 follows:

19 **7-11-206. Licensing and notice fees; and filing requirements for federal covered**
20 **advisers. --**

21 (a) A federal covered adviser or an applicant for licensing shall pay an annual fee as
22 follows:

23 (1) Broker dealer three hundred dollars (\$300) and for each branch office one hundred
24 dollars (\$100);

25 (2) Sales representative ~~sixty (\$60.00)~~ seventy-five dollars (\$75.00);

26 (3) Investment adviser three hundred dollars (\$300);

27 (4) Investment adviser representative sixty dollars (\$60.00); and

28 (5) Federal covered adviser ~~two hundred and fifty (\$250)~~ three hundred dollars (\$300).

29 (b) Except with respect to federal covered advisers whose only clients are those described
30 in § 7-11-204(1)(i), a federal covered adviser shall file any documents filed with the U.S.
31 Securities and Exchange Commission with the director, that the director requires by rule or order,
32 together with any notice fee and consent to service of process that the director requires by rule or
33 order. The notice filings under this subsection expire annually on December 31, unless renewed.

34 (c) A notice filing under this section is effective from receipt until the end of the calendar

1 year. A notice filing may be renewed by filing any documents that have been filed with the U.S. Securities and Exchange Commission as required by the director along with a renewal fee of ~~two hundred fifty (\$250)~~ three hundred dollars (\$300).

4 (d) A federal covered adviser may terminate a notice filing upon providing the director
5 notice of the termination, which is effective upon receipt by the director.

6 (e) Notwithstanding the provisions of this section, until October 11, 1999, the director
7 may require the registration as an investment adviser of any federal covered adviser who has
8 failed to promptly pay the fees required by this section after written notification from the director
9 of the non-payment or underpayment of the fees. A federal covered adviser is considered to have
10 promptly paid the fees if they are remitted to the director within fifteen (15) days following the
11 federal covered adviser's receipt of written notice from the director.

12 (f) For purposes of this section, "branch office" means any location where one or more
13 associated persons of a broker-dealer regularly conducts the business of effecting any transactions
14 in, or inducing or attempting to induce the purchase or sale of any security, or is held out as such,
15 excluding:

16 (1) Any location that is established solely for customer service and/or back office type
17 functions where no sales activities are conducted and that is not held out to the public as a branch
18 office;

19 (2) Any location that is the associated person's primary residents; provided that:

20 (i) Only one associated person, or multiple associated persons who reside at that location
21 and are members of the same immediate family, conduct business at the location;

22 (ii) The location is not held out to the public as an office and the associated person does
23 not meet with customers at the location;

24 (iii) Neither customer funds nor securities are handled at that location;

25 (iv) The associated person is assigned to a designated branch office, and such designated
26 branch office is reflected on all business cards, stationery, advertisements and other
27 communications to the public by such associated person;

28 (v) The associated person's correspondence and communications with the public are
29 subject to the firm's supervision in accordance with Rule 3010 of the Financial Industry
30 Regulatory Authority;

31 (vi) Electronic communications are made through the broker-dealer's electronic system;

32 (vii) All orders are entered through the designated branch office or an electronic system
33 established by the broker-dealer that is reviewable at the branch office;

34 (viii) Written supervisory procedures pertaining to supervision of sales activities

1 conducted at the residence are maintained by the broker-dealer; and

2 (ix) A list of the residence locations is maintained by the broker-dealer;

3 (3) Any location, other than a primary residence, that is used for securities business for
4 less than thirty (30) business days in any one calendar year, provided the broker-dealer complies
5 with the provisions of paragraph (f)(2)(i) through (ix) above;

6 (4) Any office of convenience, where associated person occasionally and exclusively by
7 appointment meet with customers, which is not held out to the public as an office.

8 (5) Any location that is used primarily to engage in non-securities activities and from
9 which the associated person(s) effects no more than twenty-five (25) securities transactions in any
10 one calendar year; provided that any advertisement or sales literature identifying such location
11 also sets forth the address and telephone number of the location from which the associated
12 person(s) conducting business at the non-branch locations are directly supervised;

13 (6) The floor of a registered national securities exchange where a broker-dealer conducts
14 a direct access business with public customers.

15 (7) A temporary location established in response to the implementation of a business
16 continuity plan.

17 (8) Notwithstanding the exclusions in paragraph (f), any location that is responsible for
18 supervising the activities of persons associated with the broker-dealer at one or more non-branch
19 locations of the broker-dealer is considered to be a branch office.

20 (9) The term "business day" as used in subsection 7-11-206(f) shall not include any
21 partial business day provided that the associated person spends at least four (4) hours on such
22 business day at his or her designated branch office during the hours that such office is normally
23 open for business.

24 (10) Where such office of convenience is located on bank premises, signage necessary to
25 comply with applicable federal and state laws, rules and regulations and applicable rules and
26 regulations of the New York Stock Exchange, other self-regulatory organizations, and securities
27 and banking regulators may be displayed and shall not be deemed "holding out" for purposes of
28 subdivision 7-11-206(f)(iv).

29 (g) If an application is denied or withdrawn or the license is revoked, suspended, or
30 withdrawn, the director is not required to refund the fee paid.

31 (h) The director may issue a stop order suspending the activities of a federal covered
32 adviser in this state if the director reasonably believes there has been a violation of the provisions
33 of this section.

34 SECTION 2. Section 31-10.3-20 of the General Laws in Chapter 31-10.3 entitled

1 “Rhode Island Uniform Commercial Driver’s License Act” is hereby amended to read as follows:

2 **31-10.3-20. Fees.** -- The fees charged for commercial licenses, endorsements,
3 classifications, restrictions, and required examinations shall be as follows:

- 4 (1) For every commercial operator's first license, thirty dollars (\$30.00);
- 5 (2) For every renewal of a commercial license, fifty dollars (\$50.00);
- 6 (3) For every duplicate commercial license, ten dollars (\$10.00);
- 7 (4) For every duplicate commercial instruction permit, ten dollars (\$10.00)
- 8 (5) For any change of:
 - 9 (i) Classification(s), ten dollars (\$10.00);
 - 10 (ii) Endorsement(s), ten dollars (\$10.00);
 - 11 (iii) Restriction(s), ten dollars (\$10.00);
- 12 (6) For every written and/or oral examination, ten dollars (\$10.00);
- 13 (7) The board of governors for higher education shall establish fees that are deemed
14 necessary for the Community College of Rhode Island to administer the skill test, not to exceed
15 one hundred dollars (\$100). ~~For every skill test examination administered by the division, fifty~~
16 ~~dollars (\$50.00) which shall be dedicated to the Community College of Rhode Island to offset the~~
17 ~~administrative costs of conducting the driving skills examination(s).~~

18 SECTION 3. Section 23-28.2-27 of the General Laws in Chapter 23-28.2 entitled
19 “Division of Fire Safety” is hereby amended to read as follows:

20 **23-28.2-27. Inspection fees.** -- (a) The state fire marshal's office shall assess an
21 inspection fee of ~~one hundred dollars (\$100.00)~~ one hundred and twenty-five (\$125) per
22 inspection for any inspection performed by that office pursuant to chapter 28.1 of Title 23, or any
23 other provisions of the state fire code, including any rule or regulation promulgated by either the
24 fire safety code board of appeal and review or the state fire marshal. The inspection fee shall be
25 assessed for each required inspection. Initial inspections and any required subsequent re-
26 inspection shall constitute separate visits for which separate inspection fees will be payable.

27 (b) In the case of an inspection involving residential use, the fee shall be paid by the
28 property owner.

29 (c) In the case of any inspection involving any assembly, industrial, mercantile, business
30 educational, health care, ambulatory health care, day care or municipal government use, the fee
31 shall be paid by one of the following parties:

- 32 (1) The occupant/tenant of the property if the occupant/tenant holds any license issued by
33 the State of Rhode Island that requires fire code compliance; or
- 34 (2) The lessee of the property if the lessee is the sole tenant; or

1 (3) If neither (1) nor (2) apply, the owner of the property will be responsible for payment
2 of the inspection fee.

3 (d) The fee shall be waived for a specific inspection in the event that no violation of any
4 provision of the state fire code including any rule or regulation is found.

5 (e) No inspection fee shall be assessed against any municipality or municipal agency or
6 the State of Rhode Island, or any department, board, or commission thereof. No inspection fee
7 shall be assessed for any inspection conducted for the purpose of updating the compliance status
8 of a building in preparation for a hearing before the fire safety code board of appeal and review or
9 before any court.

10 (f) All fees collected pursuant to this section shall be deposited as general revenue.

11 SECTION 4. This article shall take effect on July 1, 2011.

12 ARTICLE 21

13 RELATING TO RHODE ISLAND PUBLIC RAIL CORPORATION

14 SECTION 1. Section 42-64.2-4 of the General Laws in Chapter 42-64.2 entitled "Rhode
15 Island Public Rail Corporation Act" is hereby amended to read as follows:

16 **42-64.2-4. General powers.** -- Except to the extent inconsistent with any specific
17 provision of this chapter, the Rhode Island public rail corporation shall have power:

18 (1) To sue and be sued, complain and defend, in its corporate name;

19 (2) To have a seal, which may be altered at pleasure and to use the seal by causing it, or a
20 facsimile thereof, to be impressed or affixed or in any other manner reproduced;

21 (3) To purchase, take, receive, lease, or otherwise acquire, own, hold, improve, use, and
22 otherwise deal in and with, real or personal property, or any interest therein, wherever situated;

23 (4) To re-convey, lease, or sell real property acquired. Upon the sale of any real property
24 or interest therein which is held by the corporation, the proceeds from the sale shall be transferred
25 to the general fund of the state.

26 (5) To make contracts and guarantees and incur liabilities, borrow money at any rates of
27 interest that the corporation may determine;

28 (6) To make and execute agreements of lease, conditional sales contracts, installment
29 sales contracts, loan agreements, mortgages, construction contracts, operation contracts, and other
30 contracts and instruments necessary or convenient in the exercise of the powers and functions of
31 the corporation granted by this chapter;

32 (7) To lend money for its purposes, invest and reinvest its funds, and at its option to take
33 and hold real and personal property as security for the payment of funds so loaned or invested;

34 (8) To acquire, or contract to acquire, from any person, firm, corporation, municipality,

1 the federal government or the state, or any agency of either the federal government or state, by
2 grant, purchase, lease, gift, condemnation or otherwise, or to obtain options for the acquisition of
3 any property, real or personal, improved or unimproved, and interests in land less than the fee
4 thereof; and to own, hold, improve, develop, and rehabilitate, and to sell, assign, exchange,
5 transfer, convey, lease, mortgage, or otherwise dispose or encumber the property for the purposes
6 of carrying out the provisions and intent of this chapter, for any consideration the corporation
7 shall determine;

8 (9) To conduct its activities, carry on its operations, and have offices, and exercise the
9 powers granted by this chapter, within or without the state;

10 (10) To elect or appoint officers and agents of the corporation, and define their duties and
11 fix their compensation;

12 (11) To make and alter by-laws, not inconsistent with this chapter, for the administration
13 and regulation of the affairs of the corporation; those by-laws may contain provisions
14 indemnifying any person who is or was a director, officer, employee, or agent of the corporation,
15 or is or was serving at the request of the corporation as a director, officer, employee, or agent of
16 another corporation, partnership, joint venture, trust, or other enterprise, in the manner and to the
17 extent provided in § 7-1.2-814;

18 (12) To be a promoter, partner, member, associate, or manager of any partnership,
19 enterprise, or venture; and

20 (13) To have and exercise all powers necessary or convenient to effect its purposes.

21 (14) To defend, indemnify and save harmless the National Railroad Passenger
22 Corporation ("Amtrak") and third parties for all damage or liability for personal injury or property
23 damages which would not have occurred or would not have been incurred but for the existence of
24 commuter rail service south of Providence or the presence on Amtrak's properties of any trains,
25 passengers, employees, contractors, or invitees of the state or its designated operator.

26 (15) To defend, indemnify and save harmless its designated operator for all damage or
27 liability for personal injury or property damages which would not have occurred or would ~~not~~
28 have been incurred but for the existence of commuter rail service south of Providence or the
29 designated operator's activities, ~~except for damages or liability attributable directly to the~~
30 ~~designated operator's own negligence or misconduct all~~ pursuant to the terms and conditions ~~to~~
31 ~~be~~ set forth in an the designated operator's agreement for ~~agreement to be entered into by and~~
32 ~~between the corporation and the designated operator prior to implementation of the~~ commuter rail
33 service south of Providence.

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

1 **ARTICLE 23**

2 **RELATING TO THE DIVISION OF SHERIFFS**

3 SECTION 1. Section 42-11-21 of the General Laws in Chapter 42-11 entitled
4 “Department of Administration” is hereby repealed.

5 ~~§ 42-11-21 Division of sheriffs. — (a) Division established. A division of sheriffs is~~
6 ~~hereby established within the department of administration. This division shall be responsible for~~
7 ~~statewide activities assigned by law which relate to the duties and functions of the sheriffs of the~~
8 ~~several counties. The division also shall be responsible for all statewide activities assigned by law~~
9 ~~which relate to the duties and functions of state marshals. Among its other responsibilities, the~~
10 ~~division shall also be responsible for courtroom security and cellblocks in all state courthouses,~~
11 ~~training of personnel, transportation of individuals charged with crimes, and special operations.~~

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

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

14 ~~(ii) To provide and maintain security in all courtrooms and other public areas within state~~
15 ~~courthouses;~~

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

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

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

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

26 ~~(iii) To supervise the conduct of and maintain order and discipline of the prisoners in~~
27 ~~their custody;~~

28 ~~(iv) To be responsible for the custody and safety of prisoners while being transported to~~
29 ~~and from court sessions, places of detention, and outside hospitals prior to commitment to the~~
30 ~~adult correctional institutions;~~

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

- 1 ~~(vi) To be responsible for the safety and welfare of prisoners in their custody;~~
2 ~~(vii) To provide all security in connection with transportation in the execution of~~
3 ~~extraditions, including, but not limited to, warrants, IAD (Interstate Agreement on Detainers),~~
4 ~~arrest affidavits, interstate compact extradition, and criminal detainers; and~~
5 ~~(viii) To carry firearms as prescribed.~~

6 ~~(e) Administration and organization. The director of the department of administration~~
7 ~~shall appoint with the consent of the governor an administrator, an executive high sheriff, and~~
8 ~~sheriffs and chief deputy sheriffs for the division of sheriffs, each to be appointed to a ten (10)~~
9 ~~year term. The sheriffs and chief deputy sheriffs shall be appointed to each of the counties. The~~
10 ~~director of the department of administration shall appoint deputy sheriffs and other necessary~~
11 ~~classifications, subject to the appropriation process, to provide assistance in the areas of~~
12 ~~courthouse and cellblock security, transportation of prisoners, staff training and special~~
13 ~~operations. Special operations include, but shall not be limited to, transportation of high risk~~
14 ~~inmates, extraditions, the execution of criminal warrants, prosecution and mutual aid to the police~~
15 ~~departments of the cities and towns. This special operations unit initially will be comprised of~~
16 ~~personnel transferred from the Rhode Island state marshals. All employees in the division of~~
17 ~~sheriffs shall be in the unclassified service.~~

18 ~~(1) The director of administration, with the approval of the governor, subject to the~~
19 ~~appropriation process, shall make the determination of the number of positions, personnel,~~
20 ~~property, allocations and other funds of the sheriffs of the several counties and the department of~~
21 ~~corrections which shall be transferred to the department of administration.~~

22 ~~(2) In order to ensure continuity of the functions provided by sheriffs and marshals, the~~
23 ~~actual transfer of functions or any part of those functions may be postponed by the director until~~
24 ~~such time as the director deems appropriate; provided, however, the transfer of functions shall be~~
25 ~~completed within three (3) years.~~

26 SECTION 2. Section 36-4-2 of the General Laws in Chapter 36-4 entitled “Merit
27 System” is hereby amended to read as follows:

28 **36-4-2. Positions in unclassified service.** -- The classified service shall comprise all
29 positions in the state service now existing or hereinafter established, except the following specific
30 positions which with other positions heretofore or hereinafter specifically exempted by legislative
31 act shall constitute the unclassified service:

- 32 (1) Officers and legislators elected by popular vote and persons appointed to fill
33 vacancies in elective offices.
34 (2) Employees of both houses of the general assembly.

1 (3) Officers, secretaries, and employees of the office of the governor, office of the
2 lieutenant governor, department of state, department of the attorney general, and the treasury
3 department.

4 (4) Members of boards and commissions appointed by the governor, members of the
5 state board of elections and the appointees of the board, members of the commission for human
6 rights and the employees of the commission, and directors of departments.

7 (5) The following specific offices:

8 (i) In the department of administration: director, chief information officer;

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

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

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

13 (v) In the department of health: director;

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

16 (vii) In the department of environmental management: director;

17 (viii) In the department of transportation: director;

18 (ix) In the department of human services: director;

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

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

22 (xii) In the department of elderly affairs: director;

23 (xiii) In the department of mental health, retardation, and hospitals: director;

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

27 (xv) In the department of children, youth and families: director, one assistant director,
28 one associate director, and one executive director;

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

30 (xvii) In the water resources board: general manager;

31 (xviii) In the human resources investment council: executive director.

32 (xix) In the office of health and human services: secretary of health and human
33 services.

34 (6) Chief of the hoisting engineers, licensing division, and his or her employees;

1 executive director of the veterans memorial building and his or her clerical employees.

2 (7) One confidential stenographic secretary for each director of a department and each
3 board and commission appointed by the governor.

4 (8) Special counsel, special prosecutors, regular and special assistants appointed by the
5 attorney general, the public defender and employees of his or her office, and members of the
6 Rhode Island bar occupying a position in the state service as legal counsel to any appointing
7 authority.

8 (9) The academic and/or commercial teaching staffs of all state institution schools, with
9 the exception of those institutions under the jurisdiction of the board of regents for elementary
10 and secondary education and the board of governors for higher education.

11 (10) Members of the military or naval forces, when entering or while engaged in the
12 military or naval service.

13 (11) Judges, referees, receivers, clerks, assistant clerks, and clerical assistants of the
14 supreme, superior, family, and district courts, the traffic tribunal, jurors and any persons
15 appointed by any court.

16 (12) Election officials and employees.

17 (13) ~~Administrator, executive~~ Executive high sheriff, sheriffs, chief deputy sheriffs,
18 deputy sheriffs, and other employees of the sheriff's division within the department of
19 ~~administration~~ public safety and security officers of the traffic tribunal.

20 (14) Patient or inmate help in state charitable, penal, and correctional institutions and
21 religious instructors of these institutions and student nurses in training, residents in psychiatry in
22 training, and clinical clerks in temporary training at the institute of mental health within the state
23 of Rhode Island medical center.

24 (15) Persons employed to make or conduct a temporary and special inquiry,
25 investigation, project or examination on behalf of the legislature or a committee therefor, or on
26 behalf of any other agency of the state if the inclusion of these persons in the unclassified service
27 is approved by the personnel administrator. The personnel administrator shall notify the house
28 fiscal advisor and the senate fiscal advisor whenever he or she approves the inclusion of a person
29 in the unclassified service.

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

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

- 1 (17) Executive secretary of the Blackstone Valley district commission.
- 2 (18) Artist and curator of state owned art objects.
- 3 (19) Mental health advocate.
- 4 (20) Child advocate.
- 5 (21) The position of aquaculture coordinator and marine infrastructure specialist within
- 6 the coastal resources management council.
- 7 (22) Employees of the office of the health insurance commissioner.
- 8 (23) In the department of revenue: the director, secretary, attorney.
- 9 (24) In the department of public safety: the director.

10 SECTION 3. Section 42-7.3-3 of the General Laws in Chapter 42-7.3 entitled
11 “Department of Public Safety” is hereby amended to read as follows:

12 **42-7.3-3. Powers and duties of the department.** -- The department of public safety
13 shall be responsible for the management and administration of the following divisions and
14 agencies:

- 15 (a) Office of the capitol police (chapter 2.2 of title 12).
- 16 (b) State fire marshal (chapter 28.2 of title 23).
- 17 (c) E-911 emergency telephone system division (chapter 28.2 of title 39).
- 18 (d) Rhode Island state police (chapter 28 of title 39).
- 19 (e) Municipal police training academy (chapter 28.2 of title 42).
- 20 [\(f\) Division of sheriffs.](#)

21 SECTION 4. Chapter 42-7.3 of the General Laws entitled “Department of Public Safety”
22 is hereby amended by adding thereto the following section:

23 **42-7.3-3.1. Division of sheriffs.** -- [\(a\) *Division established. A division of sheriffs is*](#)
24 [hereby established within the department of public safety. This division shall be responsible for](#)
25 [statewide activities assigned by law which relate to the duties and functions of the sheriffs of the](#)
26 [several counties. The division also shall be responsible for all statewide activities assigned by law](#)
27 [which relate to the duties and functions of state marshals. Among its other responsibilities, the](#)
28 [division shall also be responsible for courtroom security and cellblocks in all state courthouses,](#)
29 [training of personnel, transportation of individuals charged with crimes, and special operations.](#)

30 [\(b\) *Powers and Duties.* \(1\) The division of sheriffs shall have the following powers and](#)
31 [duties:](#)

- 32 [\(i\) To provide and maintain security for judges at all state courts;](#)
- 33 [\(ii\) To provide and maintain security in all courtrooms and other public areas within state](#)
34 [courthouses;](#)

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

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

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

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

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

13 (iv) To be responsible for the custody and safety of prisoners while being transported to
14 and from court sessions, places of detention, and outside hospitals prior to commitment to the
15 adult correctional institutions;

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

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

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

24 (viii) To carry firearms as prescribed.

25 (c) Administration and organization. (1) The director of the department of public safety
26 shall appoint, with the consent of the governor, an executive high sheriff. (2) The director of the
27 department of public safety shall appoint deputy sheriffs and other necessary classifications,
28 subject to the appropriation process, to provide assistance in the areas of courthouse and cellblock
29 security, transportation of prisoners, staff training and special operations. All employees in the
30 division of sheriffs shall be in the unclassified service.

31 SECTION 5. Section 42-29-1 of the General Laws in Chapter 42-29 entitled "Sheriffs"
32 is hereby amended to read as follows:

33 **42-29-1. Appointment – Powers and duties – Removal.** -- (a) ~~The director of the~~
34 ~~department of administration shall appoint with the consent of the governor an administrator to a~~

1 ~~ten (10) year term to be in charge of the division of sheriffs within the department of~~
2 ~~administration.~~ The director of the department of ~~administration~~ public safety shall ~~also~~ appoint,
3 with the consent of the governor, an executive high sheriff to a ten (10) year term. ~~to assist the~~
4 ~~administrator.~~ The director of the department of ~~administration~~ public safety shall also appoint to
5 each of the counties with the consent of the governor the sheriffs and the chief deputy sheriffs to
6 ten (10) year terms. The director of the department of ~~administration~~ public safety shall appoint
7 deputy sheriffs and other necessary classifications, subject to the appropriations process. Sheriffs,
8 chief deputy sheriffs, ~~and~~ deputy sheriffs, and other employees of the sheriff's division shall be
9 subject to the supervision of the ~~administrator~~ executive high sheriff who may assign tasks and
10 functions in order to ensure the proper management of the sheriffs division. Any deputy sheriff
11 hired after July 1, 2001 must successfully complete the sheriff academy and any courses deemed
12 necessary at the municipal police training academy prior to assuming the duties of a deputy
13 sheriff. Furthermore, the ~~administrator~~ executive high sheriff in conjunction with the personnel
14 administrator shall be responsible for promulgating written class specifications with necessary
15 minimum qualifications defined in them. The sheriffs or chief deputy sheriffs of the several
16 counties ~~and the deputy high sheriff for Providence county~~ who are in office as of February 1,
17 2010 shall continue to hold office until their present term expires. Sheriffs and deputies can be
18 removed for just cause by their appointing authority.

19 (b) The ~~administrator, assisted by the~~ executive high sheriff, the sheriffs, the chief
20 deputy sheriffs, and the deputy sheriffs shall perform all the duties required and exercise all the
21 powers prescribed in this chapter; chapter 15 of title 5; chapters 5 and 10 of title 9; chapters 5, 10
22 and 14 of title 10; chapters 8, 31, 34, 36 and 44 of title 11; chapters 4, 5 and 6 of title 12; chapter
23 22 of title 17; chapters 4 and 6 of title 22; chapter 2 of title 28; chapter 6 of title 35; chapter 8 of
24 title 37; and all other provisions of the general laws and public laws insofar as those powers and
25 duties relate to the sheriffs of the several counties and as required and prescribed in all other
26 provisions of the general laws and public laws relating to the powers and duties of the sheriffs of
27 the several counties. ~~Sheriffs and deputies can be removed for just cause by their appointing~~
28 ~~authority.~~

29 (c) All resources of the sheriffs ~~and of the several counties~~ shall be transferred to the
30 division of sheriffs within the department of ~~administration~~ public safety. These resources
31 include, but are not limited to, all positions, property, accounts and other funding pertinent to
32 sheriffs.

33 SECTION 6. Any proceeding or other business or matter undertaken or commenced,
34 prior to the effective date of this article, by a department, division, or other administrative agency,

1 the functions, powers, and duties whereof are assigned and transferred to the department of public
2 safety and are pending on the effective date of this act, may be conducted and completed by the
3 director of the department of public safety, or by a subordinate under his direction, in the same
4 manner and under the same terms and conditions and with the same effect as though it were
5 undertaken or commenced or completed by the department, division, or other administrative
6 agency prior to said transfer.

7 SECTION 7. In order that there is no interruption in the public safety functions of the
8 division of sheriffs, the actual transfer of functions to the department of public safety, from any
9 existing departments, divisions, or agencies, may be postponed until after the effective date of
10 this article and until such time, as determined by director of public safety, that the transfer
11 provided herein may best be put into force and effect.

12 ARTICLE 24

13 RELATING TO department of revenue--revenues/fees/collections

14 SECTION 1. Section 42-61-7.2 of the General Laws in Chapter 42-61 entitled "State
15 Lottery" is hereby amended by adding hereto the following section:

16 **42-61-7.2. Payment of prizes in excess of six hundred dollars (\$600) – Setoff for**
17 **unpaid taxes. -- Notwithstanding the provisions of § 42-61-7 and § 42-61-7.1 relating to**
18 **assignment of prizes and setoff for child support debts and benefit overpayments, the following**
19 **setoff provisions shall apply to the payment of any prizes or winning ticket in excess of six**
20 **hundred dollars (\$600).**

21 (1) With respect to a person entitled to receive the prize or winning ticket who has unpaid
22 taxes owed to the tax administrator in excess of six hundred (\$600), as evidenced by the tax
23 administrator pursuant to § 42-61-7.2(3), the lottery director:

24 (i) Shall setoff against the amount due to that person after state and federal tax
25 withholding an amount up to the balance of the unpaid taxes owed as evidenced by the tax
26 administrator pursuant to § 42-61-7.2(3) , and the director shall make payment of this amount
27 directly to the tax administrator; and

28 (ii) Shall pay to that person the remaining balance of the prize or winning ticket amount,
29 if any, after reduction of the amount setoff above for taxes owed. If in any instance, the lottery
30 director has received notice from more than one claimant agency, the claim for child support
31 arrearage(s) owed to the department of human services shall receive first priority, the claim for
32 benefit overpayments and interest owed to the department of labor and training the second (2nd)
33 priority, and the claim for taxes owed to the tax administrator the third (3rd) priority.

34 (2) The director shall be discharged of all further liability upon payment of a prize or

1 winning ticket pursuant to this section.

2 (3) The tax administrator shall periodically within each year furnish the director with a
3 list or compilation of names of individuals, together with any other identifying information and in
4 a form that the director shall require, who as of the date of the list or compilation, have unpaid
5 taxes in excess of six hundred dollars (\$600).

6 (4) Any party aggrieved by any action taken under this section may, within thirty (30)
7 days of the withholding of the payment by the lottery director, seek a review with the tax
8 administrator, who may, in his or her discretion, issue a temporary order prohibiting the
9 disbursement of funds under this section, pending final decision.

10 SECTION 2. Section 44-31.2-5 of the General Laws in Chapter 44-31.2 entitled "Motion
11 Picture Production Tax Credits" is hereby amended to read as follows:

12 **44-31.2-5. Motion picture production company tax credit.** -- (a) A motion picture
13 production company shall be allowed a credit to be computed as provided in this chapter against a
14 tax imposed by chapters 11, 14, 17 and 30 of this title. The amount of the credit shall be twenty-
15 five percent (25%) of the state certified production costs incurred directly attributable to activity
16 within the state, provided that the primary locations are within the state of Rhode Island and the
17 total production budget as defined herein is a minimum of three hundred thousand dollars
18 (\$300,000). The credit shall be earned in the taxable year in which production in Rhode Island is
19 completed, as determined by the film office in final certification pursuant to subsection 44-31.2-
20 6(c).

21 (b) For the purposes of this section: "total production budget" means and includes the
22 motion picture production company's pre-production, production and post-production costs
23 incurred for the production activities of the motion picture production company in Rhode Island
24 in connection with the production of a state-certified production. The budget shall not include
25 costs associated with the promotion or marketing of the film, video or television product.

26 (c) The credit shall not exceed the total production budget and shall be allowed against
27 the tax for the taxable period in which the credit is earned and can be carried forward for not
28 more than three (3) succeeding tax years.

29 (d) Credits allowed to a motion picture production company, which is a subchapter S
30 corporation, partnership, or a limited liability company that is taxed as a partnership, shall be
31 passed through respectively to persons designated as partners, members or owners on a pro rata
32 basis or pursuant to an executed agreement among such persons designated as subchapter S
33 corporation shareholders, partners, or members documenting an alternate distribution method
34 without regard to their sharing of other tax or economic attributes of such entity.

1 (e) No more than fifteen million dollars (\$15,000,000) may be issued for any tax year
2 beginning after December 31, 2007.

3 (f) Unless the production has received initial certification under §44-31.2-6(a) prior to
4 July 1, 2011, no credits shall be issued after June 30, 2011.

5 SECTION 3. Section 44-23-1 of the General Laws in Chapter 44-23 entitled “Estate and
6 Transfer Taxes – Enforcement and Collection” is hereby amended to read as follows:

7 **44-23-1. Statements filed by executors, administrators and heirs -at-law. --**

8 (a) Every executor, administrator, and heir-at-law, within nine (9) months after the death
9 of the decedent, shall file with the tax administrator a statement under oath showing the full and
10 fair cash value of the estate, the amounts paid out from the estate for claims, expenses, charges,
11 and fees, and the statement shall also provide the names and addresses of all persons entitled to
12 take any share or interest of the estate as legatees or distributees of the estate.

13 (b) A fee of ~~twenty-five dollars (\$25.00)~~ fifty dollars (\$50.00) is paid when filing any
14 statement required by this section. All fees received under this section are allocated to the tax
15 administrator for enforcement and collection of taxes.

16 SECTION 4. Section 44- 11-29.1 of the General Laws in Chapter 42-61 entitled “Letters
17 of good standing – Fees” is hereby amended to read as follows:

18 **44-11-29.1. Letters of good standing – Fees. --** There shall be a fee of ~~twenty-five~~
19 ~~dollars (\$25.00)~~ fifty (\$50.00) for any ~~corporate~~ letter of good standing issued upon the request of
20 a taxpayer. All fees collected under this section shall be allocated to the tax administrator for
21 enforcement and collection of all taxes.

22 SECTION 5. TITLE 44 of the General Laws entitled “TAXATION” is hereby amended
23 by adding thereto the following chapter:

24 **44-67-1. Short title. --** This chapter shall be known as "The Compassion Center
25 Surcharge Act."

26 **44-67-2. Definitions. --** For purposes of this chapter:

27 (1) "Administrator" means the tax administrator within the department of revenue.

28 (2) “Compassion center” means a not-for-profit entity registered under § 21-28.6-12 that
29 acquires, possesses, cultivates, manufactures, delivers, transfers, transports, supplies or dispenses
30 marijuana, or related supplies and educational materials, to registered qualifying patients and their
31 registered primary caregivers who have designated it as one of their primary caregivers.

32 (3) "Net patient revenue" means the gross amount received on a cash basis by a
33 compassion center net of returns and allowances.

34 (4) “Practitioner” means a person who is licensed with authority to prescribe drugs

1 pursuant to chapter 37 of title 5 or a physician licensed with authority to prescribe drugs in
2 Massachusetts or Connecticut.

3 (5) "Primary caregiver" means either a natural person who is at least twenty-one (21)
4 years old or a compassion center. Unless the primary caregiver is a compassion center, a natural
5 primary caregiver may assist no more than five (5) qualifying patients with their medical use of
6 marijuana.

7 (6) "Qualifying patient" means a person who has been diagnosed by a practitioner as
8 having a debilitating medical condition and is a resident of Rhode Island.

9 (7) "Surcharge" means the assessment that is imposed upon net patient revenue
10 pursuant to this chapter.

11 (8) Any term not defined in this chapter shall have the same meaning as used in chapter
12 28.6 of title 21.

13 **44-67-3. Imposition of surcharge – Compassion centers.** -- A surcharge at a rate of
14 four percent (40%) shall be imposed upon the net patient revenue received each month by every
15 compassion center. Every compassion center shall pay the monthly surcharge to the tax
16 administrator no later than the twentieth (20th) day of the month following the month that the net
17 patient revenue was received. This surcharge shall be in addition to any other authorized fees that
18 have been assessed upon a compassion center.

19 **44-67-4. Returns.** -- (a) Every compassion center shall, on or before the twentieth (20th)
20 day of the month following the month that the net patient revenue was received, make a return to
21 the tax administrator.

22 (b) Compassion centers shall file their returns on a form as prescribed by the tax
23 administrator containing data for the computation of net patient revenue and the surcharge. If a
24 return shows an overpayment of a surcharge, the tax administrator shall refund or credit the
25 overpayment to the compassion center.

26 (c) The tax administrator, for good cause shown, may extend the time within which a
27 compassion center is required to file a return. If the return is filed during the period of extension,
28 no penalty or late filing charge may be imposed for failure to file the return at the time required
29 by this chapter, but the compassion center shall be liable for any interest as prescribed in this
30 chapter. Failure to file the return during the period for the extension shall make the extension null
31 and void and appropriate penalty or late filing charge shall be imposed.

32 **44-67-5. Setoff for delinquent payment of surcharge.** -- If a compassion center fails to
33 pay a surcharge, penalty or late filing charge within thirty (30) days of its due date, the tax
34 administrator may request any agency of state government to setoff the amount of the

1 delinquency against any payment due the compassion center from the agency and to remit to the
2 tax administrator the amount of the surcharge, penalty and/or late filing charge from any such
3 payment owed the compassion center. Upon receipt of a request for setoff from the tax
4 administrator, any agency of state government is authorized and empowered to setoff the amount
5 of any delinquency against any payment due the compassion center. The amount of setoff shall be
6 credited against the surcharge, penalty and/or late filing charge due from the compassion center.

7 **44-67-6. Surcharge on available information – Interest on delinquencies – Penalties**

8 **– Collection powers. --** If any compassion center fails, within the time required by this chapter,
9 to file a return, or files an insufficient or incorrect return, or does not pay the surcharge imposed
10 by this chapter when it is due, the tax administrator shall make an assessment based upon
11 available information, which assessment shall be payable upon demand and shall bear interest
12 from the date when the surcharge should have been paid at the annual rate set forth in §44-1-7. If
13 any part of the surcharge is caused by the negligence or intentional disregard of the provisions of
14 this chapter, a penalty of ten percent (10%) of the amount of the determination shall be added to
15 the surcharge. The tax administrator shall collect the surcharge with interest, penalty and/or late
16 filing charge in the same manner and with the same powers as prescribed for collection of taxes
17 in this title.

18 **44-67-7. Claims for refund – Hearing upon denial. --** (a) A claim for refund of an

19 overpayment of a surcharge may be filed by a compassion center with the tax administrator at any
20 time within two (2) years after the surcharge has been paid. If the tax administrator determines
21 that a surcharge has been overpaid, the tax administrator shall make a refund with interest from
22 the date of overpayment at the rate provided in § 44-1-7.1.

23 (b) Any compassion center aggrieved by an action of the tax administrator in determining
24 the amount of any surcharge or penalty imposed under the provisions of this chapter may, within
25 thirty (30) days after the notice of the action was mailed, apply to the tax administrator, for a
26 hearing relative to the surcharge or penalty. The tax administrator shall fix a time and place for
27 the hearing and shall so notify the compassion center.

28 **44-67-8. Hearing by tax administrator on application. --** Following the hearing, if the

29 tax administrator upholds the amount of the surcharge assessed, the amount owed shall be
30 assessed together with any penalty and/or interest thereon.

31 **44-67-9. Appeals. --** Appeals from administrative orders or decisions made pursuant to

32 any provisions of this chapter shall be to the sixth (6th) division district court pursuant to chapter 8
33 of title 8. The compassion center's right to appeal under this section shall be conditional upon
34 prepayment of all surcharges, interest, and penalties, unless the compassion center moves for and

1 is granted an exemption from the prepayment requirement, pursuant to § 8-8-26. Following the
2 appeal, if the court determines that the compassion center is entitled to a refund, the compassion
3 center shall be paid interest on the refund at the rate provided in § 44-1-7.1.

4 **44-67-10. Compassion Center records.** -- Every compassion center shall:

5 (1) Keep records as may be necessary to determine the amount of its liability under this
6 chapter;

7 (2) Preserve those records for the period of three (3) years following the date of filing of
8 any return required by this chapter, or until any litigation or prosecution under this chapter has
9 been completed; and

10 (3) Make those records available for inspection upon demand by the tax administrator or
11 his authorized agents at reasonable times during regular business hours.

12 **44-67-11. Method of payment and deposit of surcharge.** -- (a) Payments required by
13 this chapter shall be made by electronic transfer of monies to the general treasurer for deposit in
14 the general fund.

15 (b) The general treasurer is authorized to establish necessary accounts and to take all
16 steps necessary to facilitate the electronic transfer of monies. Upon request of the tax
17 administrator the general treasurer shall provide the tax administrator a record of any such monies
18 transferred and deposited.

19 **4-67-12. Rules and regulations.** -- (a) The tax administrator is authorized to promulgate
20 rules and regulations to carry out the provisions, policies, and purposes of this chapter including,
21 but not limited to emergency rules and regulations pursuant to § 42-35-3(b).

22 **44-67-13. Severability.** -- If any provision of this chapter or the application of this
23 chapter to any person or circumstances is held invalid, that invalidity shall not affect other
24 provisions or applications of the chapter that can be given effect without the invalid provision or
25 application, and to this end the provisions of this chapter are declared to be severable.

26 SECTION 6. Section 44-1-34 of the General Laws in Chapter 44-1 entitled "State Tax
27 Officials" is hereby amended to read as follows:

28 **44-1-34. Tax Administrator to prepare list of delinquent taxpayers – Notice – Public**
29 **inspection.** -- (a) Notwithstanding any other provision of law, the tax administrator may, on a
30 quarterly basis,

31 (1) Prepare a list of the one hundred (100) delinquent taxpayers under chapter 44-30 who
32 owe the largest amount of state tax and whose taxes have been unpaid for a period in excess of
33 ninety (90) days following the date their tax was due.

34 (2) Prepare a list of the one hundred (100) delinquent taxpayers collectively under

1 [chapters 44-11, 44-12, 44-13, 44-14, 44-15, 44-17, 44-18, and 44-20, which owe the largest](#)
2 [amount of state tax and whose taxes have been unpaid for a period in excess of ninety \(90\) days](#)
3 [following the date their tax was due.](#)

4 (3) ~~The~~ [Each](#) list may contain the name and address of each delinquent taxpayer, the type
5 of tax levied, and the amount of the delinquency, including interest and penalty, as of the end of
6 the quarter. No taxpayer shall be included on such list if the tax assessment in question is the
7 subject of an appeal.

8 (b) The tax administrator shall not list any delinquent taxpayer until such time as he or
9 she gives the delinquent taxpayer thirty (30) days notice of intent to publish the taxpayer's
10 delinquency. Said notice shall be sent to the taxpayer's last known address by regular and
11 certified mail. If during said thirty (30) day period the taxpayer makes satisfactory arrangement
12 for payment of the delinquent tax, the name of such taxpayer shall not be published as long as the
13 taxpayer does not default on any payment agreement entered into with the division of taxation.

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

17 SECTION 7. Chapter 31-2 of the General Laws entitled "Division of Motor Vehicles" is
18 hereby amended by adding thereto the following section:

19 **31-2-24. Service fees on returned checks.** -- [The division of motor vehicles is](#)
20 [authorized to impose a fee on returned checks, which shall not exceed fifty dollars \(\\$50.00\) per](#)
21 [returned check.](#)

22 SECTION 8. Section 27-9-56 of the General Laws in Chapter 27-9 entitled "Casualty
23 Insurance Rating" is hereby amended to read as follows:

24 **27-9-56. Use of credit rating.** -- (a) An insurer may use insurance scoring for rating and
25 underwriting policies of personal motor vehicle insurance only under the following conditions:

26 (1) The insurer demonstrates the predictive nature of their insurance score to the
27 insurance division.

28 (2) An insurer shall, once every two (2) years if requested by an existing customer,
29 obtain an updated insurance score for the customer. If, after obtaining the insurance score, the
30 customer has improved his, her or its credit rating, the user of the information shall afford the
31 customer any decrease in rates that are available due to the improved rating. The user may not
32 increase the rate of an existing customer based solely on a worsening in the customer's insurance
33 score unless: (i) the worsening is due to a bankruptcy, tax lien, garnishment, foreclosure or
34 judgment; or (ii) if a subsequent insurance score no sooner than six (6) months later confirms the

1 worsening in score. Should an existing customer's score change as the result of an updated credit
2 report, the decrease or increase in rates must be done at renewal subject to conditions established
3 herein.

4 (3) An insurer shall not decline insurance for a new customer based solely on an
5 insurance score, or absence of an insurance score; and an insurer shall not cancel, non-renew or
6 increase the rate of an existing customer based solely on a worsening in a customer's insurance
7 score unless: (i) the worsening is due to a bankruptcy, tax lien, garnishment, foreclosure or
8 judgment; or (ii) if a subsequent insurance score no sooner than six (6) months later confirms the
9 worsening in score. Should an existing customer's score change as the result of an updated credit
10 report, the decrease or increase in rates must be done at renewal subject to conditions established
11 herein.

12 (4) No insurer is obligated to obtain a current credit report or insurance score for an
13 insured if: the insured is in the most favorably-priced tier of the insurer, within a group of
14 affiliated insurers; or credit was not used for the insured when the policy was initially written.
15 However, the insurer shall have the discretion to use credit for the insured upon renewal, if
16 consistent with its underwriting guidelines. The user may not increase the rate of an existing
17 customer based solely on a worsening in the customer's insurance score unless: (i) the worsening
18 is due to a bankruptcy, tax lien, garnishment, foreclosure or judgment; or (ii) if a subsequent
19 insurance score no sooner than six (6) months later confirms the worsening in score. Should an
20 existing customer's score change as the result of an updated credit report, the decrease or increase
21 in rates must be done at renewal subject to conditions established herein.

22 (5) If a credit bureau determines that disputed information is inaccurate or incorrect and
23 such information was used in determining an insurance score which resulted in a denial,
24 cancellation or nonrenewal of or higher premiums or less favorable policy terms for a consumer,
25 the insurer shall, within thirty (30) days of receiving notice of correction, reissue or re-rate the
26 policy by refunding the amount of the overpayment of premium based on the corrected insurance
27 score retroactive to the shorter of the last twelve (12) months of coverage or the actual period of
28 coverage. An "insurance score" as used in this section shall be defined as a number or rating that
29 is derived from an algorithm, computer application, model or other process that is based in whole
30 or in part on credit history.

31 (6) The insurer shall obtain a customer's official driving abstract at least once every three
32 (3) years.

33 (b) Agents shall be held harmless by insurers for all acts, efforts and disclosures in
34 obtaining an insurance score on the insurer's behalf. The commissioner is authorized and

1 empowered to establish rules and regulations to carry out the provisions of this section and to
2 fulfill the goals of this section.

3 (c) Notwithstanding the above, an insurer authorized to do business in Rhode Island that
4 uses credit information to underwrite or rate risks, shall not use the following as a negative factor
5 in any insurance scoring methodology or in reviewing credit information for the purpose of
6 underwriting or rating a policy of personal insurance:

7 (1) Credit inquiries not initiated by the consumer or inquiries requested by the consumer
8 for his or her own credit information;

9 (2) Inquiries relating to insurance coverage, if so identified on a consumer's credit report;

10 (3) Collection accounts with a medical industry code, if so identified on the consumer's
11 credit report;

12 (4) Multiple lender inquiries, if coded by the consumer reporting agency on the
13 consumer's credit report as being from the home mortgage industry and made within thirty (30)
14 days of one another, unless only one inquiry is considered;

15 (5) Multiple lender inquiries, if coded by the consumer reporting agency on the
16 consumer's credit report as being from the automobile lending industry and made within thirty
17 (30) days of one another, unless only one inquiry is considered.

18 (d) No consumer reporting agency shall provide or sell data or lists that include any
19 information that in whole or in part was submitted in conjunction with an insurance inquiry about
20 a consumer's credit information or a request for a credit report or insurance score. Such
21 information includes, but is not limited to, the expiration dates of an insurance policy or any other
22 information that may identify time periods during which a consumer's insurance may expire and
23 the terms and conditions of the consumer's insurance coverage.

24 (e) The restrictions provided in subsection (d) of this section do not apply to data or lists
25 the consumer reporting agency supplies to the insurance [agent/producer] from whom
26 information was received, the insurer on who's behalf such [agent/producer] acted, or such
27 insurer's affiliates or holding companies.

28 (f) Nothing in this section shall be construed to restrict any insurer from being able to
29 obtain a claims history report or a motor vehicle report.

30 SECTION 9. Chapter 42-142 of the General Laws entitled "Department of Revenue" is
31 hereby amended by adding thereto the following section:

32 **42-142-6. Collections of debts. -- (a) For the purpose of this section "Governmental**
33 **entity" means the state and a state agency, board, commission, department, public institution of**
34 **higher learning, all political subdivisions of the state, and quasi-state agency.**

1 (b) Any governmental entity may contract to allow the tax administrator to collect an
2 outstanding liability owed the governmental entity. Governmental entities that contract with the
3 tax administrator pursuant to this section shall indemnify the tax administrator against injuries,
4 actions, liabilities, or proceedings arising from the collection or attempted collection by the tax
5 administrator of the liability owed to the governmental entity. In administering the provisions of
6 those agreements, the tax administrator has all the rights and powers of collection provided
7 pursuant to title 44 for the collection of taxes and all the rights and powers authorized the
8 governmental entity to which the liability is owed.

9 (c) The governmental entity shall notify the debtor of its intention to submit the liability
10 to the tax administrator for collection and of the debtor's right to appeal not less than thirty (30)
11 days before the liability is submitted to the tax administrator for collection.

12 (d) The tax administrator may charge and retain a reasonable fee for a collection effort
13 made on behalf of a governmental entity. The amount of the fee shall be negotiated between the
14 governmental entity and the tax administrator. For the amount of the fee collected by the tax
15 administrator pursuant to this section, the debtor shall be given full credit toward the satisfaction
16 of the debt.

17 (e) The governmental entity shall notify the debtor of its intention to submit the liability
18 to the tax administrator for collection and of the debtor's right to appeal not less than thirty (30)
19 days before the liability is submitted to the tax administrator for collection.

20 **ARTICLE 25**

21 RELATING TO the department of revenue--corporate competitiveness tax reform

22 SECTION 1. Chapter 7-12 entitled "Partnerships" is hereby amended by adding the
23 following section thereto:

24 **7-12-60. Filing of returns with the tax administrator – annual charge.** -- (a) For tax
25 years beginning on or after January 1, 2012 a limited liability partnership registered under §7-12-
26 56, shall file a return in the form and containing the information as prescribed by the tax
27 administrator as follows:

28 (1) If the fiscal year of the limited liability partnership is the calendar year, on or before
29 the fifteenth (15th) day of March in the year following the close of the fiscal year; and

30 (2) If the fiscal year of the limited liability partnership is not a calendar year, on or before
31 the fifteenth (15th) day of the third (3rd) month following the close of the fiscal year.

32 (b) An annual charge, equal to the minimum tax imposed upon a corporation under § 44-
33 11-2(e)(3), shall be due on the filing of the limited liability partnership's return filed with the tax
34 administrator and shall be paid to the division of taxation.

1 (c) The annual charge is delinquent if not paid by the due date for the filing of the return
2 and an addition of one hundred dollars (\$100) to the charge is then due.

3 SECTION 2. Chapter 7-13 entitled “Limited Partnerships” is hereby amended by adding
4 the following section thereto:

5 **7-13-69. Filing of returns with the tax administrator – annual charge.** -- (a) For tax
6 years beginning on or after January 1, 2012 a limited partnership shall file a return in the form
7 and containing the information as prescribed by the tax administrator as follows:

8 (1) If the fiscal year of the limited partnership is the calendar year, on or before the
9 fifteenth (15th) day of March in the year following the close of the fiscal year; and

10 (2) If the fiscal year of the limited partnership is not a calendar year, on or before the
11 fifteenth (15th) day of the third (3rd) month following the close of the fiscal year.

12 (b) An annual charge, equal to the minimum tax imposed upon a corporation under § 44-
13 11-2(e)(3), shall be due on the filing of the limited partnership's return filed with the tax
14 administrator and shall be paid to the division of taxation.

15 (c) The annual charge is delinquent if not paid by the due date for the filing of the return
16 and an addition of one hundred dollars (\$100) to the charge is then due.

17 SECTION 3. Section 7-16-67 of the General Laws in Chapter 7-16 entitled “The Rhode
18 Island Limited Liability Company Act” is hereby amended to read as follows:

19 **7-16-67. Filing of returns with the tax administrator – annual charge.** -- (a) A return
20 in the form and containing the information as the tax administrator may prescribe shall be filed
21 with the tax administrator by the limited liability company:

22 (1) In case the fiscal year of the limited liability company is the calendar year, on or
23 before the fifteenth day of March in the year following the close of the fiscal year; and

24 (2) In case the fiscal year of the limited liability company is not a calendar year, on or
25 before the fifteenth day of the third month following the close of the fiscal year.

26 (b) An annual charge shall be due on the filing of the limited liability company's return
27 filed with the tax administrator and shall be paid to the Division of Taxation as follows:

28 (1) If the limited liability company is treated as a corporation for purposes of federal
29 income taxation, it shall pay the taxes as provided in chapters 11 and 12 of ~~this~~ title 44; or

30 (2) If the limited liability company is not treated as a ~~partnership~~ corporation for purposes
31 of federal income taxation, it shall pay a fee in an amount equal to the minimum tax imposed
32 upon a corporation under § 44-11-2(e)(3).

33 (c) The annual charge is delinquent if not paid by the due date for the filing of the return
34 and an addition of one hundred dollars (\$100.00) to the charge is then due.

1 SECTION 4. Section 42-64.5-4 of the General Laws in Chapter 44-23 entitled ‘Jobs
2 Development Act’ is hereby amended to read as follows:

3 **42-64.5-4. Reduction rate schedule.** -- (a) The amount of the rate reduction specified in
4 § 42-64.5-3 for any eligible company that is not a telecommunications company for each taxable
5 year ending on or after July 1, 1995, shall be based upon the aggregate amount of new
6 employment of the eligible company and its eligible subsidiaries for each taxable year, and shall
7 be determined by multiplying the numerical equivalent of one-quarter of one percent (.25%) by
8 the number of units of new employment for each taxable year through the taxable year ending in
9 1997 or, if applicable, the third taxable year following the base employment period election set
10 forth in § 42-64.5-5; and for each taxable year thereafter, the number of units of new employment
11 reported for the taxable year 1997 or, if applicable, the third taxable year following the base
12 employment period election set forth in § 42-64.5-5; provided, however, the amount of each rate
13 reduction shall in no event be greater than six percent (6%). For the tax year beginning on or after
14 January 1, 2012 and prior to January 1, 2013, an eligible company subject to tax under section
15 §44-11-2 shall multiply the total rate reduction calculated under this section by two-thirds (2/3).
16 For the tax year beginning on or after January 1, 2013 and prior to January 1, 2014, an eligible
17 company subject to tax under § 44-11-2 shall multiply the total rate reduction calculated under
18 this section by one-third (1/3). For tax years beginning on or after January 1, 2014 and thereafter,
19 an eligible company subject to tax under § 44-11-2 shall no longer be eligible for a rate reduction
20 under this section.

21 (b) The amount of the rate reduction specified in § 42-64.5-3 for any eligible company
22 that is a telecommunications company shall be based upon the aggregate amount of new
23 employment of the eligible company and its eligible subsidiaries for each taxable year and shall
24 be determined in the same manner as set forth in subsection (a) of this section, except that it shall
25 be determined by multiplying the numerical equivalent of one-hundredth of one percent (.01%)
26 by the number of units of new employment and the amount of each rate reduction shall in no
27 event be greater than one percent (1%).

28 (c) Notwithstanding any of the provisions of this chapter, where an eligible
29 telecommunications company has one or more affiliated entities that is an eligible company, the
30 eligible company entitled to a rate reduction may assign its rate reduction, to be determined in the
31 manner as provided in subsection (b) of this section, to the eligible telecommunications company.
32 An entity that assigns the rate reduction shall not be eligible for the rate reduction.

33 SECTION 5. Sections 44-11-1, 44-11-2, 44-11-4, 44-11-4.1, 44-11-11, 44-11-14.7 and
34 44-11-43 of the General Laws in Chapter 44-11 entitled “Business Corporation Tax” are hereby

1 amended to read as follows:

2 **44-11-1. Definitions.** -- For the purpose of this chapter:

3 (1) "Common ownership" means more than fifty percent (50%) of the voting control of
4 each member of the group is directly or indirectly owned by a common owner or owners, either
5 corporate or non-corporate, whether or not owner or owners are members of the combined group.

6 ~~(1)~~ (2) "Captive REIT" means a corporation, trust or association:

7 (a) (i) That is considered a real estate investment trust for the taxable year under section
8 856 of the Internal Revenue Code;

9 (ii) That is not regularly traded on an established securities market; and

10 (iii) More than fifty percent (50%) of the voting power or value of the beneficial interests
11 or shares of which at any time during the last half of the taxable year, is owned or controlled,
12 directly or indirectly, by a single entity that is subject to the provisions of Subchapter C of
13 Chapter 1 of the Internal Revenue Code; and

14 (b) "Captive REIT" does not include:

15 (i) A corporation, trust or association more than fifty percent (50%) of the voting power
16 or value of the beneficial interests or shares of which, at any time during which the corporation,
17 trust or association satisfies item (1)(iii) of this subsection, is owned or controlled, directly or
18 indirectly, by:

19 (A) A real estate investment trust other than a real estate investment trust described in
20 item (i) of this subsection; or

21 (B) A person exempt from taxation under § 501(a) of the Internal Revenue Code; or

22 (C) A listed Australian Property Trust; and

23 (ii) Subject to regulations that the tax administrator adopts, a real estate investment trust
24 that is intended to become regularly traded on an established securities market and that satisfies
25 the requirements of § 865(A)(5) and (6) of the Internal Revenue Code by reason of § 856(h)(2) of
26 the Internal Revenue Code; and

27 (c) For purposes of this section, the constructive ownership rules prescribed under §
28 318(a) of the Internal Revenue Code, as modified by § 856(d)(5) of the Internal Revenue Code,
29 shall apply in determining the ownership of stock, assets or net profits of any person.

30 ~~(2)~~ (3) "Corporation" means every corporation, joint-stock company, or association,
31 wherever incorporated, a real estate investment trust, a regulated investment company, a personal
32 holding company registered under the Federal Investment Company Act of 1940, 15 U.S.C. §
33 80a-1 et seq., and also a trustee or trustees conducting a business where interest or ownership is
34 evidenced by certificates or other written instruments, deriving any income from sources within

1 this state or engaging in any activities or transactions within this state for the purpose of profit or
2 gain, whether or not an office or place of business is maintained in this state, or whether or not
3 the income, activities, or transactions are connected with intrastate, interstate, or foreign
4 commerce, except:

5 (i) State banks, mutual savings banks, federal savings banks, trust companies, national
6 banking associations, building and loan associations, credit unions, and loan and investment
7 companies;

8 (ii) Public service corporations included in chapter 13 of this title, except as otherwise
9 provided in § 44-13-2.2;

10 (iii) Insurance and surety companies;

11 (iv) Corporations specified in § 7-6-4, incorporated hospitals, schools, colleges, and other
12 institutions of learning not organized for business purposes and not doing business for profit and
13 no part of the net earnings of which inures to the benefit of any private stockholder or individual,
14 whether incorporated under any general law of this state or by any special act of the general
15 assembly of this state;

16 (v) Fraternal beneficiary societies as set forth in § 27-25-1;

17 (vi) Any corporation expressly exempt from taxation by charter;

18 (vii) Corporations which together with all corporations under direct or indirect common
19 ownership that satisfies the other requirements of this paragraph employ not less than five (5)
20 full-time equivalent employees in the state; which maintain an office in the state; and activities
21 within the state which are confined to the maintenance and management of their intangible
22 investments or of the intangible investments of corporations or business trusts registered as
23 investment companies under the Investment Company Act of 1940, 15 U.S.C. § 80a-1 et seq., and
24 the collection and distribution of the income from those investments or from tangible property
25 physically located outside the state. For purposes of this paragraph, "intangible investments"
26 includes, without limitation, investments in stocks, bonds, notes, and other debt obligations,
27 including debt obligations of affiliated corporations, patents, patent applications, trademarks,
28 trade names, copyrights, and similar types of intangible assets.

29 ~~(3)~~(4) "Fiscal year" means an accounting period of twelve (12) months ending on the last
30 day of any month other than December.

31 (5) "Limited liability company" means an entity that is organized and existing under the
32 laws of this state pursuant to chapter 16 of title 7.

33 (6) "Limited liability partnership" means an entity that is organized and existing under
34 the laws of this state pursuant to chapter 12 of title 7.

1 (7) "Limited partnership" means an entity that is organized and existing under the laws of
2 this state pursuant to chapter 13 of title 7.

3 (8) "Member" means a corporation included in a unitary business.

4 ~~(4)~~(9) "Place of business" means a regular place of business, which, in turn, means any
5 bona fide office, other than a statutory office, factory, warehouse, or other space which is
6 regularly used by the taxpayer in carrying on its business. Where, as a regular course of business,
7 property of the taxpayer is stored by it in a public warehouse until it is shipped to customers, the
8 warehouse is considered a regular place of business of the taxpayer and, where as a regular course
9 of business, raw material or partially furnished goods of a taxpayer are delivered to an
10 independent contractor to be converted, processed, finished, or improved and the finished goods
11 remain in the possession of the independent contractor until shipped to customers, the plant of the
12 independent contractor is considered a regular place of business of the taxpayer. The mere
13 consignment of goods by the taxpayer to an independent factor outside this state for sale at the
14 consignee's discretion does not constitute the taxpayer as having a regular place of business
15 outside this state.

16 (10) "Rhode Island gross receipts" means the taxpayer's total receipts as defined under
17 §44-11-14(a)(2).

18 (11) "S-Corporation" means a small business corporation having an election in effect
19 under subchapter S, 26 U.S.C. § 1361 et seq.

20 ~~(5)~~(12) "Taxable year" means the calendar year or the fiscal year ending during the
21 calendar year upon the basis of which the net income is computed under this chapter. "Taxable
22 year" means, in the case of a return made for a fractional part of a year under the provisions of
23 this chapter or under regulations prescribed by the tax administrator, the period for which the
24 return is made.

25 ~~(6)~~(13) "Taxpayer" means and includes any corporation and affiliated group subject to
26 the provisions of this chapter.

27 (14) "Unitary business" means the activities of a group of two (2) or more corporations
28 under common ownership that are sufficiently interdependent, integrated or interrelated through
29 their activities so as to provide mutual benefit and produce a significant sharing or exchange of
30 value among them or a significant flow of value between the separate parts. The term unitary
31 business shall be construed to the broadest extent permitted under the United States Constitution.

32 (15) "United States" means the fifty (50) states of the United States, the District of
33 Columbia, the United States' territories and possessions.

34 **44-11-2. Imposition of tax.** -- (a) Each corporation shall annually pay to the state a tax

1 equal to nine percent (9%) of net income, as defined in § 44-11-11, qualified in § 44-11-12, and
2 apportioned to this state as provided in §§ 44-11-13 – 44-11-15, for the taxable year. For tax
3 years beginning on or after January 1, 2012 each corporation shall annually pay to the state a tax
4 equal to eight and one-half percent (8.5%) of net income, as defined in § 44-11-11, qualified in §
5 44-11-12, and apportioned to this state as provided in §§ 44-11-13 – 44-11-15, for the taxable
6 year. For tax years beginning on or after January 1, 2013 each corporation shall annually pay to
7 the state a tax equal to eight percent (8%) of net income, as defined in § 44-11-11, qualified in §
8 44-11-12, and apportioned to this state as provided in §§ 44-11-13 – 44-11-15, for the taxable
9 year. For tax years beginning on or after January 1, 2014 each corporation shall annually pay to
10 the state a tax equal to seven and one-half percent (7.5%) of net income, as defined in § 44-11-11,
11 qualified in § 44-11-12, and apportioned to this state as provided in §§ 44-11-13 – 44-11-15, for
12 the taxable year.

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

17 (1) The corporation is engaged in buying, selling, dealing in, or holding securities on its
18 own behalf and not as a broker, underwriter, or distributor;

19 (2) Its gross receipts derived from these activities during the taxable year amounted to at
20 least ninety percent (90%) of its total gross receipts derived from all of its activities during the
21 year. "Gross receipts" means all receipts, whether in the form of money, credits, or other valuable
22 consideration, received during the taxable year in connection with the conduct of the taxpayer's
23 activities.

24 (c) A corporation shall not pay the amount of the tax computed on the basis of its net
25 income under subsection (a) of this section, but shall annually pay to the state a tax equal to ten
26 cents (\$.10) for each one hundred dollars (\$100) of gross income for the taxable year or a tax of
27 one hundred dollars (\$100), whichever tax shall be the greater, if for the taxable year the
28 corporation is either a "personal holding company" registered under the federal Investment
29 Company Act of 1940, 15 U.S.C. § 80a-1 et seq., "regulated investment company", or a "real
30 estate investment trust" as defined in the federal income tax law applicable to the taxable year.
31 "Gross income" means gross income as defined in the federal income tax law applicable to the
32 taxable year, plus:

33 (1) Any interest not included in the federal gross income; minus

34 (2) Interest on obligations of the United States or its possessions, and other interest

1 exempt from taxation by this state; and minus

2 (3) Fifty percent (50%) of the excess of capital gains over capital losses realized during
3 the taxable year.

4 (d) ~~A small business corporation having an election in effect under subchapter S, 26~~
5 ~~U.S.C. § 1361 et seq., shall not be subject to the Rhode Island income tax on corporations~~ An S-
6 Corporation shall only be subject to the minimum tax imposed under §44-11-2(e), except that the
7 corporation shall be subject to the provisions of subsection (a), to the extent of the income that is
8 subjected to federal tax under subchapter S.

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

11 (3) [Deleted by P.L. 2004, ch. 595, art. 29, § 1.]

12 (4) [Deleted by P.L. 2004, ch. 595, art. 29, § 1.]

13 (e) Minimum tax. (1) For tax years beginning before January 1, 2012 the, ~~The~~ tax
14 imposed upon any corporation under this section shall not be less than five hundred dollars
15 (\$500).

16 (2) For tax years beginning on or after January 1, 2012, the minimum tax imposed upon
17 any corporation, except an S-Corporation, shall be based on Rhode Island gross receipts and shall
18 be determined according to the following schedule:

<u>Rhode Island Gross Receipts</u>	<u>Minimum Tax</u>
<u>Not more than \$1,000,000</u>	<u>\$500</u>
<u>\$1,000,000 but not more than \$2,500,000</u>	<u>\$1,000</u>
<u>\$2,500,000 but not more than \$5,000,000</u>	<u>\$1,500</u>
<u>\$5,000,000 or more</u>	<u>\$2,000</u>

24 (3) For tax years beginning on or after January 1, 2012 the minimum tax imposed upon
25 any S-Corporation, limited liability company, limited liability partnership and limited partnership
26 shall be based on Rhode Island gross receipts and shall be determined according to the following
27 schedule:

<u>Rhode Island Gross Receipts</u>	<u>Minimum Tax</u>
<u>Not more than \$1,000,000</u>	<u>\$250</u>
<u>\$1,000,000 but not more than \$2,500,000</u>	<u>\$1,000</u>
<u>\$2,500,000 but not more than \$5,000,000</u>	<u>\$1,500</u>
<u>\$5,000,000 or more</u>	<u>\$2,000</u>

33 **44-11-4. Returns of affiliated groups of corporations.** -- For tax years beginning before
34 January 1, 2012 an ~~An~~ affiliated group of corporations may file a consolidated return for the

1 taxable year in lieu of separate returns; provided, that all the corporations which constitute the
2 affiliated group at any time during the period for which the return is made and which are subject
3 to taxation under this chapter shall consent to the making of the consolidated return. The tax
4 administrator may prescribe rules and regulations as he or she may deem necessary in order that
5 the tax liability of any affiliated group of corporations making a consolidated return and of each
6 corporation in the group, liable to taxation under this chapter, both during and after the period of
7 affiliation, may be determined, computed, assessed, collected, and adjusted in a manner as clearly
8 to reflect the net income and the corporate excess and to prevent avoidance of tax liability.

9 **44-11-4.1. Combined reporting. -- (a) Effective for tax years beginning on or after**
10 **January 1, 2012, a corporation which is part of an unitary business must file a report for the**
11 **combined group containing the combined net income of the combined group and any other**
12 **information the tax administrator may require. The use of a combined report does not disregard**
13 **the separate identities of the members of the combined group. Each member of the combined**
14 **group is responsible for tax based on its taxable income or loss apportioned or allocated to this**
15 **state.**

16 **(b) The combined reporting requirement required pursuant to this section shall not**
17 **include any persons that engage in activities enumerated in § 44-13-4, 44-14-3, 44-14-4 or 44-17-**
18 **1, whether within or outside this state. Neither the income or loss nor the apportionment factors**
19 **of such a person shall be included, directly or indirectly, in the combined report.**

20 **(c) The tax administrator shall prescribe rules and regulations as he or she may deem**
21 **necessary in order that the tax liability of any unitary business making a combined report may be**
22 **determined, computed, assessed, collected, and adjusted in a manner as clearly to reflect the net**
23 **income and to prevent avoidance of tax liability.**

24 **44-11-4.2. Water's edge election. --**

25 **(a) Election. -- Members of a combined group may elect to disregard the income and**
26 **apportionment factors of a member of the combined group that is a foreign corporation that**
27 **conducts eighty percent (80%) or more of its business activity outside the United States. A**
28 **water's edge election must be filed in writing with the tax administrator. Such an election shall be**
29 **effective for the taxable year in which it is filed and for the following ten (10) taxable years. The**
30 **election will be automatically extended at the end of the ten (10) year period unless notice is**
31 **given in writing to the tax administrator of intent not to renew. The notice of intent not to renew**
32 **must be made before the end of the last two (2) years of the election period.**

33 **(b) Withdrawal of Election. -- An election may be withdrawn only upon written request to**
34 **and approval from the tax administrator. If the tax administrator grants a withdrawal of election,**

1 the tax administrator must impose reasonable conditions as he or she deems necessary to prevent
2 the evasion of tax or to clearly reflect income for the election period prior to or after the
3 withdrawal. A water's edge election, once terminated by either a notice of withdrawal or a failure
4 to renew, may not be renewed for a minimum of three (3) years.

5 **44-11-11. "Net income" defined.** -- (a) "Net income" means, for any taxable year and
6 for any corporate taxpayer, the taxable income of the taxpayer for that taxable year under the laws
7 of the United States, plus:

8 (i) Any interest not included in the taxable income;

9 (ii) Any specific exemptions;

10 ~~(iii) For a captive REIT, an amount equal to the amount of the dividends paid deduction~~
11 ~~allowed under the Internal Revenue Code for the taxable year;~~

12 ~~(iv)~~(iii) The tax imposed by this chapter; and minus

13 ~~(v) Any deductions required to be added back to net income under the provisions of~~
14 ~~paragraph (f) of this section;~~

15 ~~(vi)~~(iv) Interest on obligations of the United States or its possessions, and other interest
16 exempt from taxation by this state; and

17 ~~(vii)~~(v) The federal net operating loss deduction.

18 (2) All binding federal elections made by or on behalf of the taxpayer applicable either
19 directly or indirectly to the determination of taxable income shall be binding on the taxpayer
20 except where this chapter or its attendant regulations specifically modify or provide otherwise.
21 Rhode Island taxable income shall not include the "gross-up of dividends" required by the federal
22 Internal Revenue Code to be taken into taxable income in connection with the taxpayer's election
23 of the foreign tax credit.

24 (b) A net operating loss deduction shall be allowed which shall be the same as the net
25 operating loss deduction allowed under 26 U.S.C. § 172, except that:

26 (1) Any net operating loss included in determining the deduction shall be adjusted to
27 reflect the inclusions and exclusions from entire net income required by subsection (a) of this
28 section and § 44-11-11.1;

29 (2) The deduction shall not include any net operating loss sustained during any taxable
30 year in which the taxpayer was not subject to the tax imposed by this chapter; and

31 (3) The deduction shall not exceed the deduction for the taxable year allowable under 26
32 U.S.C. § 172; provided, that the deduction for a taxable year may not be carried back to any other
33 taxable year for Rhode Island purposes but shall only be allowable on a carry forward basis for
34 the five (5) succeeding taxable years.

1 (c) "Domestic international sales corporations" (referred to as DISCs), for the purposes of
2 this chapter, will be treated as they are under federal income tax law and shall not pay the amount
3 of the tax computed under § 44-11-2(a). Any income to shareholders of DISCs is to be treated in
4 the same manner as it is treated under federal income tax law as it exists on December 31, 1984.

5 (d) A corporation which qualifies as a "foreign sales corporation" (FSC) under the
6 provisions of subchapter N, 26 U.S.C. § 861 et seq., and which has in effect for the entire taxable
7 year a valid election under federal law to be treated as a FSC, shall not pay the amount of the tax
8 computed under § 44-11-2(a). Any income to shareholders of FSCs is to be treated in the same
9 manner as it is treated under federal income tax law as it exists on January 1, 1985.

10 ~~(e) As used in this section:~~

11 ~~(1) "Affiliated group" has the same meaning as in § 1504 of the Internal Revenue Code.~~

12 ~~(2) "Intangible expenses and costs" includes: (A) expenses, losses and costs for, related~~
13 ~~to, or in connection directly or indirectly with the direct or indirect acquisition, use, maintenance~~
14 ~~or management, ownership, sale, exchange, or any other disposition of intangible property to the~~
15 ~~extent such amounts are allowed as deductions or costs in determining taxable income before~~
16 ~~operating loss deduction and special deductions for the taxable year under the Internal Revenue~~
17 ~~Code; (B) losses related to or incurred in connection directly or indirectly with factoring~~
18 ~~transactions or discounting transactions; (C) royalty, patent, technical and copyright fees; (D)~~
19 ~~licensing fees; and (E) other similar expenses and costs.~~

20 ~~(3) "Intangible property" means patents, patent applications, trade names, trademarks,~~
21 ~~service marks, copyrights and similar types of intangible assets.~~

22 ~~(4) "Interest expenses and costs" means amounts directly or indirectly allowed as~~
23 ~~deductions under § 163 of the Internal Revenue Code for purposes of determining taxable income~~
24 ~~under the Internal Revenue Code to the extent such expenses and costs are directly or indirectly~~
25 ~~for, related to, or in connection with the direct or indirect acquisition, maintenance, management,~~
26 ~~ownership, sale, exchange or disposition of intangible property.~~

27 ~~(5) "Related member" means a person that, with respect to the taxpayer during all or any~~
28 ~~portion of the taxable year, is a related entity, as defined in this subsection, a component member~~
29 ~~as defined in § 1563(b) of the Internal Revenue Code, or is a person to or from whom there is~~
30 ~~attribution of stock ownership in accordance with § 1563(e) of the Internal Revenue Code.~~

31 ~~(6) "Related entity" means: (A) a stockholder who is an individual, or a member of the~~
32 ~~stockholder's family enumerated in § 318 of the Internal Revenue Code, if the stockholder and the~~
33 ~~members of the stockholder's family own directly, indirectly, beneficially or constructively, in the~~
34 ~~aggregate, at least fifty percent (50%) of the value of the taxpayer's outstanding stock; (B) a~~

1 ~~stockholder, or a stockholder's partnership, limited liability company, estate, trust or corporation,~~
2 ~~if the stockholder and the stockholder's partnership, limited liability companies, estates, trusts and~~
3 ~~corporations own directly, indirectly, beneficially or constructively, in the aggregate, at least fifty~~
4 ~~percent (50%) of the value of the taxpayer's outstanding stock; or (C) a corporation, or a party~~
5 ~~related to the corporation in a manner that would require an attribution of stock from the~~
6 ~~corporation to the party or from the party to the corporation under the attribution rules of section~~
7 ~~318 of the Internal Revenue Code, if the taxpayer owns, directly, indirectly, beneficially or~~
8 ~~constructively, at least fifty percent (50%) of the value of the corporation's outstanding stock. The~~
9 ~~attribution rules on § 318 of the Internal Revenue Code shall apply for purposes of determining~~
10 ~~whether the ownership requirements of this subdivision have been met.~~

11 ~~(f) For purposes of computing its net income under this section, a corporation shall add~~
12 ~~back otherwise deductible interest expenses and costs and intangible expenses and costs directly~~
13 ~~or indirectly paid, accrued or incurred to, or in connection directly or indirectly with one or more~~
14 ~~direct or indirect transactions with, one or more related members.~~

15 ~~(1) The adjustments required in subsection (f) of this section shall not apply if the~~
16 ~~corporation establishes by clear and convincing evidence that the adjustments are unreasonable,~~
17 ~~as determined by the tax administrator or the corporation and the tax administrator agree in~~
18 ~~writing to the application or use of an alternative method of apportionment under § 44-11-15.~~
19 ~~Nothing in this subsection shall be construed to the limit or negate the tax administrator's~~
20 ~~authority to otherwise enter into agreements and compromises otherwise allowed by law.~~

21 ~~(2) The adjustments required in subsection (f) of this section shall not apply to such~~
22 ~~portion of interest expenses and costs and intangible expenses and costs that the corporation can~~
23 ~~establish by the preponderance of the evidence meets both of the following: (A) the related~~
24 ~~member during the same income year directly or indirectly paid, accrued or incurred such portion~~
25 ~~to a person who is not a related member; and (B) the transaction giving rise to the interest~~
26 ~~expenses and costs or the intangible expenses and costs between the corporation and the related~~
27 ~~member did not have as a significant purpose the avoidance of any portion of the tax due under~~
28 ~~chapter 44-11.~~

29 ~~(3) The adjustments required in subsection (f) shall not apply if the corporation~~
30 ~~establishes by clear and convincing evidence, as determined by the tax administrator, that: (i) a~~
31 ~~principal purpose of the transaction giving rise to the payment of interest was not to avoid~~
32 ~~payment of taxes due under this chapter; (ii) the interest is paid pursuant to a contract that reflects~~
33 ~~an arm's length rate of interest and terms; and (iii) (A) the related member was subject to tax on~~
34 ~~its net income in this state or another state or possession of the United States or a foreign nation;~~

1 ~~(B) a measure of said tax included the interest received from the taxpayer; and (C) the effective~~
2 ~~rate of tax applied to the interest received by the related member is no less than the effective rate~~
3 ~~of tax applied to the taxpayer under this chapter minus 3 percentage points.~~

4 ~~(4) Partial Adjustments. The add back required in subsection (f) shall not be required in~~
5 ~~part if a portion of the add back would be unreasonable. A portion of the add back will be~~
6 ~~considered unreasonable to the extent that the taxpayer establishes to the tax administrator by~~
7 ~~clear and convincing evidence that interest or intangible expense was paid, accrued or incurred to~~
8 ~~a related member that is taxed on the corresponding income by a state, U.S. possession or foreign~~
9 ~~jurisdiction. An adjustment to the add back will be allowed based on a factor determined by the~~
10 ~~apportioned tax rate of the related member in the other jurisdiction compared to the apportioned~~
11 ~~tax rate of the taxpayer in this state. A taxpayer that seeks to claim this adjustment must file a~~
12 ~~schedule that sets forth the information required by the tax administrator.~~

13 ~~(g) Nothing in this section shall require a corporation to add to its net income more than~~
14 ~~once any amount of interest expenses and costs or intangible expenses and costs that the~~
15 ~~corporation pays, accrues or incurs to a related member described in subsection (b) of this~~
16 ~~section.~~

17 ~~(h) Any taxpayer required to make an adjustment required in subsection (f) for tax years~~
18 ~~beginning on or after January 1, 2008, is additionally required to report to the tax administrator,~~
19 ~~on forms required by him, the amount of any adjustments that would have been required if the~~
20 ~~law applied to tax years beginning on or after January 1, 2007.~~

21 ~~(i) Nothing in this section shall be construed to limit or negate the tax administrator~~
22 ~~authority to make adjustments under § 44-11-15.~~

23 **44-11-14.7. Apportionment of income of combined group. -- (a) Combined Group. --**
24 The apportionable income of a combined group's unitary business is determined by eliminating
25 income, deductions, and losses from all transactions between the members of the combined group
26 associated with the combined group's unitary business. The apportionable income of the
27 combined group's unitary business is apportioned in accordance with § 44-11-14, including in the
28 numerator the property, payroll, and sales in this state of all members of the combined group that
29 are associated with the combined group's unitary business and including in the denominator the
30 property, payroll, and sales of all members of the combined group that are associated with the
31 combined group's unitary business. Members of a combined group may elect to determine the
32 combined group's apportionable income pursuant to water's edge election under § 44-11-4.2.

33 (b) Member Share. -- A member's share of the apportionable income of a combined
34 group's unitary business apportioned to this state of which it is a member is the product of the

1 following:

2 (1) The apportionable income of the combined group's unitary business apportionable to
3 this state.

4 (2) The ratio of the member's state apportionment factors associated with the combined
5 group's unitary business to the combined group's aggregate state apportionment factors associated
6 with the combined group's unitary business.

7 **44-11-43. Passive investment treatment.** -- (a) Notwithstanding any amendments or
8 revisions to, or the repeal of, § ~~44-11-1(1)(viii)~~ 44-11-1(3)(vii), or any other law, or new
9 legislative action that shall serve to repeal or limit the benefits conferred therein, the provisions of
10 that statute as in effect on the date of passage of this section shall continue to be applicable until
11 December 31, 2014, for a "qualifying business" that meets the requirements set forth herein.

12 (b) A "qualifying business" for the purposes of this chapter shall mean a business which
13 meets the terms and conditions imposed by the board of directors of the Rhode Island economic
14 development corporation and is designated as such upon a finding of fact that:

15 (1) The business has committed to relocate from outside the state to a Rhode Island
16 location no less than an annual tax year average of two hundred and fifty (250) full-time
17 employees with a combined payroll of no less than twelve million dollars (\$12,000,000) annually
18 within twenty-eight (28) months following such designation; for the purposes of this section "full-
19 time employee" means any employee of the qualified business who works a minimum of thirty
20 (30) hours per week within the state;

21 (2) The business would not relocate such jobs to the state but for such a designation of a
22 qualifying business; and

23 (3) The annual salary of each employee counted in subdivision (b)(1) shall be no less
24 than twenty-five thousand dollars (\$25,000) per year, plus benefits typical to the industry.

25 (c) The division of taxation shall require annual reports from a qualified business, which
26 shall include, but not be limited to, the number of individuals employed by the company within
27 the state, the job descriptions, and the annual salaries. The division of taxation shall verify these
28 annual reports and certify that they are correct. The certification shall be sent to the board of
29 directors of the economic development corporation, president of the senate, speaker of the house,
30 the chairperson of the senate finance committee, the chairperson of the house finance committee,
31 the senate fiscal advisor, and the house fiscal advisor. If the division of taxation finds that the
32 qualified business no longer meets the criteria set forth in subdivision (b)(1) or (3), and if, sixty
33 (60) days after receipt of written notice from the division of taxation describing such finding in
34 detail, the business has reasonably cured the noticed violations, then such business will continue

1 to receive the benefits offered under the provisions of subsection (f) as if such violation had not
2 occurred, otherwise that business shall no longer be considered a qualified business and shall no
3 longer be entitled to any further benefits under any agreement made under the provisions of
4 subsection (f) and such provisions shall become null and void.

5 Notwithstanding the foregoing, upon a finding the violation was caused by natural
6 disaster, acts of terrorism, acts of war, or other similar events reasonably beyond the control of
7 the business, the division of taxation may extend the cure period hereunder for up to twelve
8 months.

9 (d) The economic development corporation shall certify only one company pursuant to
10 this section, and such certification shall be issued prior to August 31, 2004.

11 (e) The economic development corporation shall be authorized to enter into such
12 agreements as it may deem necessary or prudent in order to memorialize and effect the intent of
13 the provisions of this section. The terms of such agreements shall not extend beyond December
14 31, 2014. Any such agreement shall include provisions for recapture of some portion of lost tax
15 revenue, if any, resulting from the conveyance of the benefits contemplated hereunder, if the
16 division of taxation finds that the qualified business has failed to maintain its qualified status
17 pursuant to subsection (c) above. Such recapture provisions shall be in place for the first five (5)
18 years of the agreement, and shall require the recapture of the value of any tax revenue lost in the
19 last tax year that the company was a qualified company. Such recapture shall only apply to tax
20 revenue lost through the amendment or revision to, or the repeal of, ~~§ 44-11-1(1)(vii)~~ [§ 44-11-](#)
21 [1\(3\)\(vii\)](#), or any other law, or new legislative action that shall serve to repeal or limit the benefits
22 conferred therein, and the subsequent avoidance of such newly imposed tax by the company
23 through the function of this section. Calculation of any amount recaptured shall take into account
24 other preferential tax treatments, credits, or other benefits in order to assure that the company is
25 treated no less favorably under the recapture calculation than they would have been if they had
26 not become a qualifying company under the provisions of this section. The corporation may,
27 within the terms of the contract, include as a condition of default the failure to maintain
28 employment criteria more rigorous than the criteria set forth in subdivision (b)(1) or (3); however,
29 a default for violation of such higher contractual standards shall not necessitate a recapture of lost
30 revenues as contemplated herein.

31 SECTION 6. Section 44-12-1 of the General Laws in Chapter 42-12 entitled "Franchise
32 Tax" is hereby amended to read as follows:

33 **44-12-1. Tax imposed – Corporations liable – Credit for tax on income – Reduced**
34 **rate where no business done.** -- (a) Every corporation, joint-stock company, or association

1 incorporated in this state or qualified to do business in this state, whether or not doing business
2 for profit, all referred to in this section under the term "corporation", except those enumerated in
3 § 44-12-11, shall pay an annual franchise tax to the state upon its authorized capital stock of two
4 dollars fifty cents (\$2.50) for each ten thousand dollars (\$10,000) or fractional part, or ~~the sum of~~
5 ~~five hundred dollars (\$500)~~ an amount equal to the minimum tax imposed upon a corporation
6 under § 44-11-2(e), whichever is greater.

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

9 (c) If a corporation shall show by supplemental affidavit attached to the prescribed return
10 and signed in the manner provided for each return that it has not, at any time during its preceding
11 taxable year, been engaged within the state in any business activities, it shall only pay an annual
12 franchise tax upon its authorized capital stock at the following rates: five hundred dollars (\$500)
13 where the stock does not exceed one million dollars (\$1,000,000); and the further sum of twelve
14 dollars fifty cents (\$12.50) for each additional one million dollars (\$1,000,000) or fractional part
15 of the stock.

16 SECTION 7. Section 44-26-2.1 of the General Laws in Chapter 44-26 entitled
17 "Declaration of Estimated Tax by Corporations" is hereby amended to read as follows:

18 **44-26-2.1. Declaration – Due date – Payment – Interest.** -- (a) Notwithstanding any
19 general or specific statute to the contrary, every corporation having a taxable year ending
20 December 31, 1990, or thereafter, shall file a declaration of its estimated tax for the taxable year
21 ending December 31, 1990, or thereafter, if its estimated tax can reasonably be expected to
22 exceed five hundred dollars (\$500). The declaration, sworn to by the officer of the corporation
23 who is required to sign its return under any of the chapters and section mentioned in § 44-26-1
24 shall contain the pertinent information and be in the form that the tax administrator may
25 prescribe. The entire amount of the estimated tax shall constitute the amount of the advance
26 required to be paid.

27 (b) Except as provided in subdivision (2) of this subsection, the declaration of estimated
28 tax required of corporations by subsection (a) of this section shall be filed as follows:

29 If the requirements of The declaration shall subsection (a) of this section are be filed on
30 or before: first met: before the first day of the third month of the taxable year the fifteenth day of
31 the third month of the taxable year; after the first day of the third month and before the first day
32 of the sixth month of the taxable year the fifteenth day of the sixth month of the taxable year.

33 (2) The declaration of estimated tax required of corporations subject to § 27-3-38 relating
34 to surplus line brokers premium tax or under any special act or acts in lieu of the provisions of

1 that section or in amendment of or in addition to that section shall be filed as follows:

2 If the requirements of The declaration shall subsection (a) of this section are be filed on
3 or before: first met: Before the first day of the fourth month of the taxable year the thirtieth day of
4 the fourth month of the taxable year After the first day of the fourth month and before the first
5 day of the sixth month of the taxable year the thirtieth day of the sixth month of the taxable year

6 After the first day of the sixth month and before the first day of the tenth month of the
7 taxable year the thirtieth day of the tenth month of the taxable year After the first day of the tenth
8 month and before the first day of the twelfth month of the taxable year the thirty-first day of the
9 twelfth month of the taxable year.

10 (c) An amendment of a declaration may be filed in any interval between installment dates
11 prescribed for the taxable year, but only one amendment may be filed in each interval.

12 (d) The tax administrator may grant a reasonable extension of time, not to exceed thirty
13 (30) days, for filing a declaration.

14 (e) The amount of the advance based on the estimated tax declared under subsection (a)
15 of this section by corporations described in subdivision (b)(1) of this section shall be paid as
16 follows:

17 (i) If the declaration is filed on or before the fifteenth (15th) day of the third (3rd) month
18 of the taxable year, the advance shall be paid in two (2) installments. The first installment in the
19 amount of forty percent (40%) of the estimated tax shall be paid at the time of the filing of the
20 declaration. The second and last installment in the amount of sixty percent (60%) of the estimated
21 tax shall be paid on or before the fifteenth (15th) day of the sixth (6th) month of the taxable year.

22 (ii) If the declaration is filed after the fifteenth (15th) day of the third (3rd) month of the
23 taxable year and is not required by subsection (b) of this section to be filed on or before the
24 fifteenth (15th) day of the third (3rd) month of the taxable year, but is required to be filed on or
25 before the fifteenth (15th) day of the sixth (6th) month, the advance shall be paid in full at the
26 time of filing.

27 (2) The amount of the advance based in the estimated tax declared under subsection (a) of
28 this section by corporations listed in subdivision (b)(2) of this section shall be paid as follows:

29 (i) If the declaration is filed on or before the thirtieth (30th) day of the fourth (4th) month
30 of the taxable year, the advance shall be paid in four (4) equal installments. The first installment
31 shall be paid on or before the thirtieth (30th) day of the fourth (4th) month of the taxable year,
32 and the second (2nd), third (3rd), and fourth (4th) installments shall be paid on or before the
33 thirtieth (30th) day of the sixth (6th) month, the thirtieth (30th) day of the tenth (10th) month, and
34 the thirty-first (31st) day of the twelfth (12th) month of the taxable year, respectively.

1 (ii) If the declaration is filed before the thirtieth (30th) day of the sixth (6th) month of the
2 taxable year, the advance shall be paid in three (3) equal installments. The first installment shall
3 be paid on or before the thirtieth (30th) day of the sixth (6th) month of the taxable year and the
4 second (2nd) and third (3rd) installments shall be paid on or before the thirtieth (30th) day of the
5 tenth (10th) month and the thirty-first (31st) day of the twelfth (12th) month of the taxable year
6 respectively.

7 (iii) If the declaration is filed on or before the thirtieth (30th) day of the tenth (10th)
8 month of the taxable year, the advance shall be paid in two (2) equal installments. The first
9 installment shall be paid on or before the thirtieth (30th) day of the tenth (10th) month of the
10 taxable year and the second installment shall be paid on or before the thirty-first (31st) day of the
11 twelfth (12th) month of the taxable year.

12 (iv) If the declaration is filed after the time prescribed in subdivision (b)(2) of this
13 section, including cases in which an extension of time for filing the declaration has been granted,
14 there shall be paid at the time of the filing all installments of the advance which would have been
15 payable on or before that time if the declaration had been filed within the time prescribed in
16 subdivision (b)(2) of this section.

17 (f) If the declaration is filed after the time prescribed in subsection (b) of this section
18 including cases in which an extension of time for filing the declaration has been granted,
19 paragraph (e)(1)(ii) of this section does not apply, and there shall be paid at the time of the filing
20 all installments of the advance which would have been payable on or before that time if the
21 declaration had been filed within the time prescribed in subsection (b).

22 (g) If any amendment of a declaration is filed, the installment payable on or before the
23 fifteenth (15th) day of the sixth (6th) month, if any, or in the case of corporations licensed as
24 surplus line brokers under § 27-3-38, the installments payable on or before the thirtieth (30th)
25 days of the sixth (6th) or tenth (10th) month and thirty-first (31st) day of the twelfth (12th) month
26 are ratably increased or decreased, as the case may be, to reflect the increase or decrease, as the
27 case may be, in the estimated tax by reason of the amendment.

28 (h) At the election of the corporation, any installment of the advance may be paid prior to
29 the date prescribed for payment.

30 (i) In the case of any underpayment of the advance by a corporation, except as provided
31 in this section, there is added to the tax due under chapters 11 – 15 and 17 of this title, or § 27-3-
32 38, for the taxable year an amount determined at the rate described in § 44-1-7 upon the amount
33 of the underpayment for the period of the underpayment. For the purpose of this subsection, the
34 "amount of the underpayment" is the excess of the amount of the installment or installments

1 which would be required to be paid if the advance payments were equal to eighty percent (80%)
2 of the tax shown on the return for the taxable year. For the purposes of this subsection, the
3 "period of the underpayment" is the period from the date the installment was required to be paid
4 to the date prescribed under any of the chapters previously mentioned in this section for the
5 payment of the tax for the taxable year or, with respect to any portion of the underpayment, the
6 date on which the portion is paid, whichever date is the earlier. A payment of the advance on the
7 fifteenth (15th) day of the sixth (6th) month, or for § 27-3-38 on the thirtieth (30th) day of the
8 sixth (6th) month, of the taxable year is considered a payment of any previous underpayment only
9 to the extent that the payment exceeds the amount of the installment due on the fifteenth (15th)
10 day of the sixth (6th) month, or for § 27-3-38 on the thirtieth (30th) day of the sixth (6th) month,
11 of the taxable year.

12 (j) Notwithstanding the provisions of this section, the addition to the tax with respect to
13 any underpayment of any installment is not imposed if the total amount of all payments of the
14 advance made on or before the last date prescribed for payment of the installment equals or
15 exceeds the amount which would have been required to be paid on or before that date if the
16 amount of the advance was an amount equal to one hundred percent (100%) of the tax computed
17 at the rates applicable to the taxable year but otherwise on the basis of the fact shown on the
18 return of the corporation for and the law applicable to the preceding taxable year.

19 (k) This section is effective for estimated payments being made by corporations for
20 taxable years ending on or after December 31, 1990.

21 (l) Notwithstanding any other provisions of this section any taxpayer required to make an
22 adjustment in accordance with § 44-11-11(f) in a tax year beginning in calendar year 2008 shall
23 compute estimated payments for that tax year as follows:

24 (1) The installments must equal 100% of the tax due for the prior year plus any additional
25 tax due for the current year adjustment under § 44-11-11(f), or

26 (2) That installments must equal 100% of the current year tax liability.

27 (m) Notwithstanding any other provisions of this section, any taxpayer required to file a
28 combined report in accordance with § 44-11-4.1 in a tax year beginning in calendar year 2012
29 shall compute estimated payments for that tax year as follows:

30 (1) The installments must equal one hundred percent (100%) of the tax due for the prior
31 year plus any additional tax due to the combined report provisions under § 44-11-4.1, or

32 (2) The installments must equal one hundred percent (100%) of the current year tax
33 liability.

34 SECTION 8. EFFECTIVE DATE. This article shall take effect upon passage.

1 legal title to any real or personal property, including any fixtures, furnishings or equipment which
2 are acquired and used in the construction and development of the project, but the legal title may
3 be held in the name of a lessee (including sub-lessees) from the corporation. This property, which
4 shall not include any goods or inventory used in the project after completion of construction, shall
5 be exempt from taxation to the same extent as if legal title of the property were in the name of the
6 corporation; provided that the board of directors of the corporation adopts a resolution confirming
7 use of the tax exemption for the project by the lessee. Such resolution shall not take effect until
8 thirty (30) days from passage. The resolution shall include findings that: (1) the project is a
9 project of the corporation under § 42-64-3(20), and (2) it is in the interest of the corporation and
10 of the project that legal title be held by the lessee from the corporation. In adopting the resolution,
11 the board of directors may consider any factors it deems relevant to the interests of the
12 corporation or the project including, for example, but without limitation, reduction in potential
13 liability or costs to the corporation or designation of the project as a "Project of Critical Economic
14 Concern" pursuant to Chapter 117 of this title.

15 (d) For purposes of the exemption from taxes and assessments for any project of the
16 corporation held by a lessee of the corporation under subsection (c) of this section, any such
17 project shall be subject to the following additional requirements:

18 (1) The total sales tax exemption benefit to the lessee will be implemented through a
19 reimbursement process as determined by the division of taxation rather than an up-front purchase
20 exemption;

21 (2) The sales tax benefits granted pursuant to RIGL 42-64-20(c) shall: (i) only apply to
22 materials used in the construction, reconstruction or rehabilitation of the project and to the
23 acquisition of furniture, fixtures and equipment, except automobiles, trucks or other motor
24 vehicles, or materials that otherwise are depreciable and have a useful life of one year or more,
25 for the project for a period not to exceed six (6) months after receipt of a certificate of occupancy
26 for any given phase of the project for which sales tax benefits are utilized; and (ii) not exceed an
27 amount equal to the income tax revenue received by the state from the new full-time jobs with
28 benefits excluding project construction jobs, generated by the project within a period of three (3)
29 years from after the receipt of a certificate of occupancy for any given phase of the project. "Full-
30 time jobs with benefits" means jobs that require working a minimum of thirty (30) hours per
31 week within the state, with a median wage that exceeds by five percent (5%) the median annual
32 wage for the preceding year for full-time jobs in Rhode Island, as certified by the department of
33 labor and training with a benefit package that is typical of companies within the lessee's industry.

34 (3) The corporation shall transmit the analysis required by RIGL 42-64-10(a)(2) to the

1 house and senate fiscal committee chairs, the department of labor and training and the division of
2 taxation promptly upon completion. Annually thereafter, the department of labor and training
3 shall certify to the house and senate fiscal committee chairs, the house and senate fiscal advisors,
4 the corporation and the division of taxation the actual number of new full-time jobs with benefits
5 created by the project, in addition to construction jobs, and whether such new jobs are on target to
6 meet or exceed the estimated number of new jobs identified in the analysis above. This
7 certification shall no longer be required when the total amount of new income tax revenue
8 received by the state exceeds the amount of the sales tax exemption benefit granted above.

9 (4) The department of labor and training shall certify to the house and senate fiscal
10 committee chairs and the division of taxation that jobs created by the project are "new jobs" in the
11 state of Rhode Island, meaning that the employees of the project are in addition to, and without a
12 reduction of, those employees of the lessee currently employed in Rhode Island, are not relocated
13 from another facility of the lessee's in Rhode Island or are employees assumed by the lessee as
14 the result of a merger or acquisition of a company already located in Rhode Island. Additionally,
15 the corporation, with the assistance of the lessee, the department of labor and training, the
16 department of human services and the division of taxation shall provide annually an analysis of
17 whether any of the employees of the project qualify for RIte Care or RIte Share benefits and the
18 impact such benefits or assistance may have on the state budget.

19 (5) Notwithstanding any other provision of law, the division of taxation, the department
20 of labor and training and the department of human services are authorized to present, review and
21 discuss lessee specific tax or employment information or data with the corporation, the house and
22 senate fiscal committee chairs, and/or the house and senate fiscal advisors for the purpose of
23 verification and compliance with this resolution; and

24 (6) The corporation and the project lessee shall agree that, if at any time prior to the state
25 recouping the amount of the sales tax exemption through new income tax collections from the
26 project, not including construction job income taxes, the lessee will be unable to continue the
27 project, or otherwise defaults on its obligations to the corporation, the lessee shall be liable to the
28 state for all the sales tax benefits granted to the project plus interest, as determined in RIGL 44-1-
29 7, calculated from the date the lessee received the sales tax benefits.

30 SECTION 2. Section 44-18-7 of the General Laws in Chapter 44-18 entitled "Sales and
31 Use Taxes – Liability and Computation" is hereby amended to read as follows:

32 **44-18-7. Sales defined.** -- "Sales" means and includes:

33 (1) Any transfer of title or possession, exchange, barter, lease, or rental, conditional or
34 otherwise, in any manner or by any means of tangible personal property for a consideration.

1 "Transfer of possession", "lease", or "rental" includes transactions found by the tax administrator
2 to be in lieu of a transfer of title, exchange, or barter.

3 (2) The producing, fabricating, processing, printing, or imprinting of tangible personal
4 property for a consideration for consumers who furnish either directly or indirectly the materials
5 used in the producing, fabricating, processing, printing, or imprinting.

6 (3) The furnishing and distributing of tangible personal property for a consideration by
7 social, athletic, and similar clubs and fraternal organizations to their members or others.

8 (4) The furnishing, preparing, or serving for consideration of food, meals, or drinks,
9 including any cover, minimum, entertainment, or other charge in connection therewith.

10 (5) A transaction whereby the possession of tangible personal property is transferred, but
11 the seller retains the title as security for the payment of the price.

12 (6) Any withdrawal, except a withdrawal pursuant to a transaction in foreign or interstate
13 commerce, of tangible personal property from the place where it is located for delivery to a point
14 in this state for the purpose of the transfer of title or possession, exchange, barter, lease, or rental,
15 conditional or otherwise, in any manner or by any means whatsoever, of the property for a
16 consideration.

17 (7) A transfer for a consideration of the title or possession of tangible personal property,
18 which has been produced, fabricated, or printed to the special order of the customer, or any
19 publication.

20 (8) The furnishing and distributing of electricity, natural gas, artificial gas, steam,
21 refrigeration, and water.

22 (9) The furnishing for consideration of intrastate, interstate and international
23 telecommunications service sourced in this state in accordance with subsections 44-18.1(15) and
24 (16) and all ancillary services, any maintenance services of telecommunication equipment other
25 than as provided for in subdivision 44-18-12(b)(ii). For the purposes of chapters 18 and 19 of this
26 title only, telecommunication service does not include service rendered using a prepaid telephone
27 calling arrangement. (ii) Notwithstanding the provisions of paragraph (i) of this subdivision, in
28 accordance with the Mobile Telecommunications Sourcing Act (4 U.S.C. §§ 116 – 126), subject
29 to the specific exemptions described in 4 U.S.C. § 116(c), and the exemptions provided in §§ 44-
30 18-8 and 44-18-12, mobile telecommunications services that are deemed to be provided by the
31 customer's home service provider are subject to tax under this chapter if the customer's place of
32 primary use is in this state regardless of where the mobile telecommunications services originate,
33 terminate or pass through. Mobile telecommunications services provided to a customer, the
34 charges for which are billed by or for the customer's home service provider, shall be deemed to be

1 provided by the customer's home service provider.

2 (10) The furnishing of service for transmission of messages by telegraph, cable, or radio
3 and the furnishing of community antenna television, subscription television, and cable television
4 services.

5 (11) The rental of living quarters in any hotel, rooming house, or tourist camp.

6 (12) The transfer for consideration of prepaid telephone calling arrangements and the
7 recharge of prepaid telephone calling arrangements sourced to this state in accordance with §§
8 44-18.1-11 and 44-18.1-15. "Prepaid telephone calling arrangement" means and includes prepaid
9 calling service and prepaid wireless calling service.

10 (13) The furnishing of services in this state as defined in § 44-18-7.3.

11 (14) The sale, storage, use, or other consumption in this state of any newspaper as defined
12 in § 44-18-7.4.

13 (15) The sale, storage, use or other consumption of over-the-counter drugs as defined in
14 § 44-18-7.1(h)(ii).

15 (16) The sale, storage, use or other consumption of prewritten computer software
16 delivered electronically or by load and leave as defined in § 4-18-7.1(g).

17 (17) The sale, storage, use or other consumption of medical marijuana as defined in § 21-
18 28.6-3.

19 (18) The sale, storage, use or other consumption of "Specified digital products" as
20 defined in § 44-18-7.5 transferred electronically whereby the purchaser obtains the product by
21 means other than tangible storage media.

22 SECTION 3 Chapter 44-18 of the General Laws entitled "Sales and Use Taxes –
23 Liability and Computation" is hereby amended by adding thereto the following sections:

24 **44-18-7.3. Services defined.** -- (a) "Services" means all activities engaged in for other
25 persons for a fee, retainer, commission, or other monetary charge, which activities involve the
26 performance of a service in this state as distinguished from selling property. In determining what
27 is a service, the intended use, principal objective or ultimate objective of the contracting parties
28 shall not be controlling. For the purposes of this section, services rendered by an employee for
29 his./her employer are not taxable.

30 (b) The following businesses and services performed in this state along with the
31 applicable 2007 North American Industrial Classification System (NAICS) codes are included in
32 the definition of services:

33 (1) Software publishers (511210) (delivered electronically).

34 (2) Taxicab and limousine services including, but not limited to:

1 (i) Taxicab services including taxi dispatchers (485310); and
2 (ii) Limousine services (485320).
3 (3) Other road transportation service including, but not limited to:
4 (i) Charter bus service (485510); and
5 (ii) All other transit and ground passenger transportation (485999).
6 (4) Moving, storage and freight services, including, but not limited to:
7 (i) General freight services - local (484110);
8 (ii) Household and office goods moving services (484210);
9 (iii) General warehousing and storage (493110);
10 (iv) Refrigerated warehousing and storage (493120);
11 (vii) Farm product warehousing and storage (493130);
12 (viii) Other warehousing and storage (493190); and
13 (ix) Mini-warehouses and self-storage units (531130).
14 (5) Motion picture theaters (512131) and drive-in motion picture theaters (512132).
15 (6) Photo studios and commercial photography including, but not limited to:
16 (i) Photo studios (541921); and
17 (ii) Commercial photography (541922).
18 (7) Facilities support services (561210).
19 (8) Employment services including, but not limited to:
20 (i) Employment placement agencies (561311);
21 (ii) Executive placement agencies (561312);
22 (iii) Temporary help services (561320); and
23 (iv) Professional employer organizations (561330).
24 (9) Business support services including, but not limited to:
25 (i) Document preparation services (561410); and
26 (ii) Telephone call centers (561422);
27 (10) Package tours and tour operators including, but not limited to:
28 (i) Package tours including travel agencies (561510); and
29 (ii) Tour operators (561520).
30 (11) Investigation and security services including, but not limited to:
31 (i) Investigation (561611);
32 (ii) Security guard and patrol services (561612);
33 (iii) Armored car services (561613);
34 (iv) Security systems services (561621); and

- 1 (v) Locksmiths (561622).
- 2 (12) Services to buildings and dwellings; excluding heavy and civil engineering
3 construction (Major Sector 237) and residential maintenance and repair (Major Sector 238)
4 including, but not limited to:
- 5 (i) Exterminating and pest control services (561710);
6 (ii) Janitorial services (561720) (excluding residential);
7 (iii) Landscaping services (561730);
8 (iv) Carpet and upholstery cleaning services (561740); and
9 (v) Other services to buildings and dwellings (561790).
- 10 (13) Other support services including, but not limited to:
- 11 (i) Packaging and labeling services (561910); and
12 (ii) Convention and trade show organizers (561920).
- 13 (14) Waste management and remediation services including, but not limited to:
- 14 (i) Solid waste collection, garbage and trash collection (562111);
15 (ii) Hazard waste collection (562112);
16 (iii) Other waste collection (562119);
17 (iv) Hazardous waste treatment and disposal (562211);
18 (v) Solid waste landfill (562212);
19 (vi) Solid waste combustors and incinerators (562213);
20 (vii) Other nonhazardous waste treatment and disposal (562219);
21 (viii) Remediation services (562910);
22 (ix) Materials recovery facilities (562920);
23 (x) Septic tank and related services (562991); and
24 (xi) All other miscellaneous waste management services (562998).
- 25 (15) Membership clubs and participant sports centers including, but not limited to:
- 26 (i) Membership clubs (813410);
27 (ii) Participant sports centers, including flight training schools (611512); and
28 (iii) Skiing facilities (713920).
- 29 (16) Fitness and recreational sports centers (713940).
- 30 (17) Amusement parks, campgrounds and related recreational services including, but not
31 limited to:
- 32 (i) Amusement parks (713110);
33 (ii) Arcades (713120);
34 (iii) Campgrounds (721211);

- 1 (iv) Providers of instruction or classes in dance, music, art and similar activities, except
2 when provided by an accredited institution of higher education;
- 3 (v) Sports and recreation instruction (611620);
- 4 (vi) Promoters or providers of performing arts, sports, and similar events (711310) and
5 (711320);
- 6 (vii) Botanical or zoological gardens (712130);
7 (viii) Nature parks and reserves (712190); and
8 (ix) Coin-operated amusement machines (713120).
- 9 (18) Other amusement and recreational industries including, but not limited to:
- 10 (i) Golf courses and country clubs (713910);
11 (ii) Skiing facilities (713920);
12 (iii) Bowling centers (713950); and
13 (iv) All other amusement and recreation industries (713990).
- 14 (19) Automotive Repair and Maintenance including, but not limited to:
- 15 (i) General automotive repair (811111);
16 (ii) Automotive exhaust system repair (811112);
17 (iii) Automotive transmission repair (811113);
18 (iv) Other automotive mechanical and electrical repair and maintenance (811118);
19 (v) Automotive body, paint, and interior repair and maintenance (811121);
20 (vi) Automotive glass replacement shops (811122);
21 (vii) Automotive oil change and lubrication shops (811191); and
22 (viii) All other automotive repair and maintenance (811198).
- 23 (20) Electronic and precision equipment repair and maintenance including, but not
24 limited to:
- 25 (i) Consumer electronics repair and maintenance (811211);
26 (ii) Computer and office machine repair and maintenance (811212);
27 (iii) Communication equipment repair and maintenance (811213); and
28 (iv) Other electronic and precision equipment repair and maintenance (811219).
- 29 (21) Commercial and industrial machinery and equipment repair and maintenance
30 (811310).
- 31 (22) Personal, furniture, and household goods repair and maintenance including, but not
32 limited to:
- 33 (i) Home and garden equipment repair and maintenance (811411);
34 (ii) Appliance repair and maintenance (811412);

1 [\(iii\) Reupholstery and furniture repair \(811420\);](#)
2 [\(iv\) Footwear and leather goods repair \(811430\); and](#)
3 [\(v\) Other personal and household goods repair and maintenance \(811490\).](#)
4 [\(23\) Personal care services including, but not limited to:](#)
5 [\(i\) Barber shops \(812111\);](#)
6 [\(ii\) Beauty salons \(812112\);](#)
7 [\(iii\) Nail salons \(812113\);](#)
8 [\(iv\) Diet and weight reducing centers \(812191\); and](#)
9 [\(v\) Other personal care services \(812199\) including but not limited to tattoo parlors and](#)
10 [body piercing establishments.](#)
11 [\(24\) Laundry and dry cleaning services, including, but not limited to:](#)
12 [\(i\) Coin-operated laundry and dry cleaning \(812310\);](#)
13 [\(ii\) Dry cleaning and laundry services \(812320\);](#)
14 [\(iii\) Linen supply garments, flatwork, and linens rental \(812331\); and](#)
15 [\(iv\) Industrial launderers \(812332\).](#)
16 [\(25\) Other personal services including, but not limited to:](#)
17 [\(i\) Pet care \(812910\) \(except veterinary\);](#)
18 [\(ii\) Photofinishing laboratories \(812921\);](#)
19 [\(iii\) One-hour photofinishing \(812922\);](#)
20 [\(iv\) Parking lots and garages \(812930\); and](#)
21 [\(v\) All other personal services \(812990\).](#)
22 [\(26\) Scenic and sightseeing transportation and support activities for transportation](#)
23 [including, but not limited to:](#)
24 [\(i\) Scenic and sightseeing transportation \(Major Sector 487\); and](#)
25 [\(ii\) Support activities for transportation \(Major Sector 488\).](#)
26 [\(27\) Couriers and messengers \(Major Sector 492\) including, but not limited to:](#)
27 [\(i\) Couriers and express delivery services \(492110\); and](#)
28 [\(ii\) Local messengers and local delivery \(492210\).](#)
29 [\(28\) Data processing, hosting and related services \(518210\).](#)
30 [\(29\) Performing arts companies and live entertainment services including, but not limited](#)
31 [to:](#)
32 [\(i\) Theater companies and dinner theaters \(711110\);](#)
33 [\(ii\) Dance companies \(711120\);](#)
34 [\(iii\) Musical groups and artists \(711130\);](#)

1 (iv) Cover charges at drinking establishments (722410) or other music/entertainment
2 establishments; and

3 (v) Other performing arts companies (711190).

4 (30) Spectator sports (except spectator sports involving primary and secondary
5 educational institutions and youth organizations) including, but not limited to:

6 (i) Sport teams and clubs (711211);

7 (ii) Racetracks (711212); and

8 (iii) Other spectator sports (711219).

9 (31) Cultural facilities and similar institutions including, but not limited to:

10 (i) Museums (712110);

11 (ii) Libraries (519120);

12 (iii) Historical sites (712120);

13 (iv) Zoos and botanical gardens (712130); and

14 (v) Nature parks and other similar institutions (712190).

15 (32) Car washes (811192).

16 (33) Civic, social, professional, and similar organizations:

17 (i) Civic and social organizations (813410);

18 (ii) Business associations (813910);

19 (iii) Professional organizations (813920); and

20 (iv) Other similar organizations (813990).

21 (c) The tax administrator is authorized to promulgate rules and regulations to carry out
22 the provisions, policies, and purposes of this chapter including, but not limited to, emergency
23 rules and regulations pursuant to § 42-35-3(b).

24 **44-18-7.4. Newspaper defined.** -- "Newspaper" means an unbound publication printed
25 on newsprint, which contains news, editorial comment, opinions, features, advertising matter,
26 and/or other matters of public interest.

27 **44-18-7.5. Specified digital products defined.** -- "Specified digital products" includes
28 electronically transferred:

29 (1) "Digital audio-visual works" means a series of related images which, when shown in
30 succession, impart an impression of motion, together with accompanying sounds;

31 (2) "Digital audio works" means works that result from the fixation of a series of musical,
32 spoken, or other sounds, including ringtones. For purposes of the definition of "digital audio
33 works", "ringtones" means digitized sound files that are downloaded onto a device and that may
34 be used to alert the customer with respect to a communication.

1 (3) “Digital books” means works that are generally recognized in the ordinary and usual
2 sense as “books”.

3 SECTION 4. Section 44-18-12.2 of the General Laws in Chapter 44-18 entitled “Sales
4 and Use Taxes – Liability and Computation” is hereby amended by adding the following:

5 **44-18-12.2. Measures subject to 1% tax rate. -- (a) The following items will be subject**
6 to sales and use tax at the rate of one percent (1%):

7 (1) Agricultural products for human consumption. The sale, storage, use or other
8 consumption: (i) Of livestock and poultry, the kind of which ordinarily provide food for human
9 consumption; and (ii) Of livestock, the products of which ordinarily constitute fibers for human
10 use.

11 (2) Air and water pollution control facilities. The sale, storage, use, or other consumption
12 in this state of tangible personal property, specified digital property, services as defined in § 44-
13 18-7.3, or supplies acquired for incorporation into or used and consumed in the operation of a
14 facility, the primary purpose of which is to aid in the control of the pollution or contamination of
15 the waters or air of the state, as defined in chapter 12 of title 46 and chapter 25 of title 23,
16 respectively, and which has been certified as approved for that purpose by the director of
17 environmental management. The director of environmental management may certify to a portion
18 of the tangible personal property or supplies acquired for incorporation into those facilities or
19 used and consumed in the operation of those facilities to the extent that that portion has as its
20 primary purpose the control of the pollution or contamination of the waters or air of this state. As
21 used in this subdivision, "facility" means any land, facility, device, building, machinery, or
22 equipment.

23 (3) Aircraft and aircraft parts. The sale, storage, use, or other consumption in this state
24 of any new or used aircraft or aircraft parts.

25 (4) Banks and Regulated investment companies interstate toll-free calls. The furnishing
26 of interstate and international, toll-free terminating telecommunication service that is used
27 directly and exclusively by or for the benefit of an eligible company as defined in this
28 subdivision; provided, that an eligible company employs on average during the calendar year no
29 less than five hundred (500) "full-time equivalent employees", as that term is defined in § 42-
30 64.5-2. For purposes of this section, an "eligible company" means a "regulated investment
31 company" as that term is defined in the Internal Revenue Code of 1986, 26 U.S.C. § 1 et seq., or a
32 corporation to the extent the service is provided, directly or indirectly, to or on behalf of a
33 regulated investment company, an employee benefit plan, a retirement plan or a pension plan or a
34 state chartered bank.

1 (5) Boats. The sale of a boat or vessel to a bona fide nonresident of this state who does
2 not register the boat or vessel in this state, or document the boat or vessel with the United States
3 government at a home port within the state, whether the sale or delivery of the boat or vessel is
4 made in this state or elsewhere.

5 (6) Boats or vessels brought into the state exclusively for winter storage, maintenance,
6 repair or sale. For the period commencing on the first day of October in any year to and
7 including the thirtieth (30th) day of April next succeeding with respect to the use of any boat or
8 vessel within this state exclusively for purposes of: (i) Delivery of the vessel to a facility in this
9 state for storage, including dry storage and storage in water by means of apparatus preventing ice
10 damage to the hull, maintenance, or repair; (ii) The actual process of storage, maintenance, or
11 repair of the boat or vessel; or (iii) Storage for the purpose of selling the boat or vessel.

12 (7) Boats or vessels generally. The sale, storage, use, or other consumption in this state of
13 any new or used boat.

14 (8) Charitable, educational, and religious organizations. (i) The sale to charitable,
15 educational and religious organizations as defined in this section and the storage use and other
16 consumption of tangible personal property, specified digital property, and/or services as defined
17 in § 44-18-7.3. This shall also include hospitals not operated for profit, "educational institutions"
18 as defined in § 44-18-30(17) not operated for a profit, churches, orphanages, and other
19 institutions or organizations operated exclusively for religious or charitable purposes, interest free
20 loan associations not operated for profit, nonprofit organized sporting leagues and associations
21 and bands for boys and girls under the age of nineteen (19) years, the following vocational
22 student organizations that are state chapters of national vocational students organizations:
23 Distributive Education Clubs of America, (DECA); Future Business Leaders of America, phi beta
24 lambda (FBLA/PBL); Future Farmers of America (FFA); Future Homemakers of America/Home
25 Economics Related Occupations (FHA/HERD); and Vocational Industrial Clubs of America
26 (VICA), organized nonprofit golden age and senior citizens clubs for men and women, and parent
27 teacher associations. Sales made to the United States government, this state and its political
28 subdivisions are exempt from this section.

29 (ii) In the case of contract entered into with any agency, institution, or organization as
30 described in subsection (i), the contractor shall charge the one percent (1%) sales or use tax and
31 shall in that instance provide his or her suppliers with certificates in the form as determined by
32 the division of taxation showing the reason for the one percent (1%) exemption; and the
33 contractor's records must substantiate the claim for exemption by showing the disposition of all
34 property so purchased. If any property is then used for a nonexempt purpose, the contractor must

1 pay the tax on the property used.

2 (9) Clothing and footwear. The sales of articles of clothing, including footwear, intended
3 to be worn or carried on or about the human body. For the purposes of this section, "clothing or
4 footwear" does not include clothing accessories or equipment or special clothing or footwear
5 primarily designed for athletic activity or protective use as these terms are defined in § 44-18-
6 7.1(f).

7 (10) Coffins, caskets, and burial garments. The sale, storage, use, or other consumption
8 in this state of coffins or caskets, and shrouds or other burial garments which are ordinarily sold
9 by a funeral director as part of the business of funeral directing.

10 (11) Coins. The sale, storage, use, or other consumption in this state of coins having
11 numismatic or investment value.

12 (12) Commercial fishing vessels. From the sale and storage, use, or other consumption in
13 this state of vessels and other watercraft which are in excess of five (5) net tons and which are
14 used exclusively for "commercial fishing", as defined in this subdivision, and the repair,
15 alteration, or conversion of those vessels and other watercraft, and the sale of property purchased
16 for the use of those vessels and other watercraft including provisions, supplies, and material for
17 the maintenance and/or repair of the vessels and other watercraft and the boats nets, cables,
18 tackle, and other fishing equipment appurtenant to or used in connection with the commercial
19 fishing of the vessels and other watercraft.

20 (13) Commercial vessels. Sales made to a commercial ship, barge, or other vessel of fifty
21 (50) tons burden or over, primarily engaged in interstate or foreign commerce, and from the
22 repair, alteration, or conversion of the vessels, and from the sale of property purchased for the use
23 of the vessels including provisions, supplies, and material for the maintenance and/or repair of the
24 vessels.

25 (14) Compressed air. The sale, storage, use, or other consumption in the state of
26 compressed air.

27 (15) Containers.

28 (i) The sale, storage, use, or other consumption in this state of:

29 (A) Non-returnable containers, including boxes, paper bags, and wrapping materials
30 which are biodegradable and all bags and wrapping materials utilized in the medical and healing
31 arts, when sold without the contents to persons who place the contents in the container and sell
32 the contents with the container.

33 (B) Containers when sold with the contents if the sale price of the contents is not required
34 to be included in the measure of the taxes imposed by this chapter.

1 (C) Returnable containers when sold with the contents in connection with a retail sale of
2 the contents or when resold for refilling.

3 (ii) As used in this subdivision, the term "returnable containers" means containers of a
4 kind customarily returned by the buyer of the contents for reuse. All other containers are "non-
5 returnable containers."

6 (16) Economic development corporation project status designees as described in § 42-
7 64-20. Sales to economic development corporation project status designees as described in § 42-
8 64-20.

9 (17) Educational institutions. The rental charged by any educational institution for living
10 quarters, or sleeping or housekeeping accommodations or other rooms or accommodations to any
11 student or teacher necessitated by attendance at an educational institution. "Educational
12 institution" as used in this section means an institution of learning not operated for profit which is
13 empowered to confer diplomas, educational, literary, or academic degrees, which has a regular
14 faculty, curriculum, and organized body of pupils or students in attendance throughout the usual
15 school year, which keeps and furnishes to students and others records required and accepted for
16 entrance to schools of secondary, collegiate, or graduate rank, no part of the net earnings of which
17 inures to the benefit of any individual.

18 (18) Equipment used for research and development. The sale, storage, use, or other
19 consumption of equipment and the repair and maintenance of equipment to the extent used for
20 research and development purposes by a qualifying firm. For the purposes of this subdivision,
21 "qualifying firm" means a business for which the use of research and development equipment is
22 an integral part of its operation, and "equipment" means scientific equipment, computers,
23 software, and related items.

24 (19) Farm equipment. The sale, storage or use of machinery and equipment used directly
25 for commercial farming and agricultural production; including, but not limited to, tractors,
26 ploughs, harrows, spreaders, seeders, milking machines, silage conveyors, balers, bulk milk
27 storage tanks, trucks with farm plates, mowers, combines, irrigation equipment, greenhouses and
28 greenhouse coverings, graders and packaging machines, tools and supplies and other farming
29 equipment, including replacement parts, appurtenant to or used in connection with commercial
30 farming and tools and supplies used in the repair and maintenance of farming equipment.

31 (20) Farm structure construction materials. The sale, storage, use, or other consumption
32 of lumber, hardware and other materials used in the new construction of farm structures,
33 including production facilities such as, but not limited to, farrowing sheds, free stall and
34 stanchion barns, milking parlors, silos, poultry barns, laying houses, fruit and vegetable storages,

1 rooting cellars, propagation rooms, greenhouses, packing rooms, machinery storage, seasonal
2 farm worker housing, certified farm markets, bunker and trench silos, feed storage sheds, and any
3 other structures used in connection with commercial farming.

4 (21) *Flags.* The sale, storage, consumption, or other use in this state of United States,
5 Rhode Island or POW-MIA flags.

6 (22) *Heating fuels.* The sale, storage, use, or other consumption in this state of every type
7 of fuel used in the heating of homes and residential premises.

8 (23) *Horse food products.* The sale, storage, use, or other consumption in this state of
9 horse food products purchased by a person engaged in the business of the boarding of horses.

10 (24) *Industrial facilities corporation lessees as described in § 45-37.1-9.* Sales to
11 industrial facilities corporation lessees as described in § 45-37.1-9.

12 (25) *Manufacturing machinery and equipment.*

13 (i) The sale, storage, use, or other consumption in this state of tools, dies, and molds, and
14 machinery and equipment (including replacement parts), and related items, specified digital
15 property and services as defined in § 44-18-7.3, to the extent used in an industrial plant in
16 connection with the actual manufacture, conversion, or processing of tangible personal property,
17 or to the extent used in connection with the actual manufacture, conversion or processing of
18 computer software as that term is utilized in industry numbers 7371, 7372, and 7373 in the
19 standard industrial classification manual prepared by the technical committee on industrial
20 classification, office of statistical standards, executive office of the president, United States
21 bureau of the budget, as revised from time to time, to be sold, or that machinery and equipment
22 used in the furnishing of power to an industrial manufacturing plant. For the purposes of this
23 subdivision, "industrial plant" means a factory at a fixed location primarily engaged in the
24 manufacture, conversion, or processing of tangible personal property to be sold in the regular
25 course of business;

26 (ii) Machinery and equipment and related items are not deemed to be used in connection
27 with the actual manufacture, conversion, or processing of tangible personal property, or in
28 connection with the actual manufacture, conversion or processing of computer software as that
29 term is utilized in industry numbers 7371, 7372, and 7373 in the standard industrial classification
30 manual prepared by the technical committee on industrial classification, office of statistical
31 standards, executive office of the president, United States bureau of the budget, as revised from
32 time to time, to be sold to the extent the property is used in administration or distribution
33 operations;

34 (iii) Machinery and equipment and related items used in connection with the actual

1 manufacture, conversion, or processing of any computer software or any tangible personal
2 property which is not to be sold and which would be exempt under or this subdivision if
3 purchased from a vendor or machinery and equipment and related items used during any
4 manufacturing, converting or processing function is exempt under this subdivision even if that
5 operation, function, or purpose is not an integral or essential part of a continuous production flow
6 or manufacturing process.

7 (26) *Precious metal bullion.* (i) The sale, storage, use, or other consumption in this state
8 of precious metal bullion, substantially equivalent to a transaction in securities or commodities.

9 (ii) For purposes of this subdivision, "precious metal bullion" means any elementary
10 precious metal which has been put through a process of smelting or refining, including, but not
11 limited to, gold, silver, platinum, rhodium, and chromium, and which is in a state or condition
12 that its value depends upon its content and not upon its form.

13 (iii) The term does not include fabricated precious metal which has been processed or
14 manufactured for some one or more specific and customary industrial, professional, or artistic
15 uses.

16 (27) *Purchase for manufacturing purposes.*

17 (i) The sale and storage, use, or other consumption in this state of computer software,
18 tangible personal property, specified digital property, services as defined in § 44-18-7.3,
19 electricity, natural gas, artificial gas, steam, refrigeration, and water, when the property or service
20 is purchased for the purpose of being manufactured into a finished product for resale, and
21 becomes an ingredient, component, or integral part of the manufactured, compounded, processed,
22 assembled, or prepared product, or if the property or service is consumed in the process of
23 manufacturing for resale computer software, tangible personal property, electricity, natural gas,
24 artificial gas, steam, refrigeration, or water.

25 (28) *Trade-in value of motor vehicles.* The sale, storage, use, or other consumption in this
26 state of so much of the purchase price paid for a new or used automobile as is allocated for a
27 trade-in allowance on the automobile of the buyer given in trade to the seller or of the proceeds
28 applicable only to the automobile as are received from the manufacturer of automobiles for the
29 repurchase of the automobile whether the repurchase was voluntary or not towards the purchase
30 of a new or used automobile by the buyer. For the purpose of this subdivision, the word
31 "automobile" means a private passenger automobile not used for hire and does not refer to any
32 other type of motor vehicle.

33 (29) *Manufacturing business reconstruction materials.*

34 (i) The sale, storage, use or other consumption in this state of lumber, hardware, and

1 other building materials used in the reconstruction of a manufacturing business facility which
2 suffers a disaster in this state. For the purposes of this section, "Disaster" means any occurrence,
3 natural or otherwise, which results in the destruction of sixty percent (60%) or more of an
4 operating manufacturing business facility within this state. "Disaster" does not include any
5 damage resulting from the willful act of the owner of the manufacturing business facility.

6 (ii) Manufacturing business facility includes, but is not limited to, the structures housing
7 the production and administrative facilities.

8 (iii) In the event a manufacturer has more than one manufacturing site in this state, the
9 sixty percent (60%) provision in subsection (28)(i) above applies to the damages suffered at that
10 one site.

11 (30) Promotional and product literature of boat manufacturers. The sale, storage, use, or
12 other consumption of promotional and product literature of boat manufacturers which are mailed
13 to customers at no charge.

14 (31) Renewable energy products. The sale, storage use, or other consumption in this state
15 of solar photovoltaic modules or panels, or any module or panel that generates electricity from
16 light; solar thermal collectors, including, but not limited to, those manufactured with flat glass
17 plates, extruded plastic, sheet metal, and/or evacuated tubes; geothermal heat pumps, including
18 both water-to-water and water-to-air type pumps; wind turbines; towers used to mount wind
19 turbines if specified by or sold by a wind turbine manufacturer; DC to AC inverters that
20 interconnect with utility power lines; manufactured mounting racks and ballast pans for solar
21 collector, module or panel installation, provided this section shall not include materials that could
22 be fabricated into such racks; monitoring and control equipment, if specified or supplied by a
23 manufacturer of solar thermal, solar photovoltaic, geothermal, or wind energy systems or if
24 required by law or regulation for such systems but not to include pumps, fans or plumbing or
25 electrical fixtures unless shipped from the manufacturer affixed to, or an integral part of, another
26 item specified on this list; and solar storage tanks that are part of a solar domestic hot water
27 system or a solar space heating system.

28 (32) Sales tax for sales by writers, composers, artists as described in § 44-18-30B. The
29 sales by writers, composers, and artists defined in § 44-18-30B.

30 (33) Sales and use taxes for municipal economic development zones as described in § 44-
31 18-30C. Sales by retailers located in a municipal economic development zone as described in §
32 44-18-30C.

33 (34) Tangible personal property and supplies used in the processing or preparation of
34 floral products and floral arrangements. The sale, storage, use, or other consumption in this state

1 of tangible personal property or supplies purchased by florists, garden centers, or other like
2 producers or vendors of flowers, plants, floral products, and natural and artificial floral
3 arrangements which are ultimately sold with flowers, plants, floral products, and natural and
4 artificial floral arrangements or are otherwise used in the decoration, fabrication, creation,
5 processing, or preparation of flowers, plants, floral products, or natural and artificial floral
6 arrangements, including descriptive labels, stickers, and cards affixed to the flower, plant, floral
7 product or arrangement, artificial flowers, spray materials, floral paint and tint, plant shine, flower
8 food, insecticide and fertilizers.

9 (35) Tangible personal property and supplies used in on-site hazardous waste recycling,
10 reuse, or treatment. The sale, storage, use, or other consumption in this state of tangible personal
11 property or supplies, repair and maintenance, specified digital products, and services as defined in
12 § 44-18-7.3 used or consumed in the operation of equipment, the exclusive function of which is
13 the recycling, reuse, or recovery of materials (other than precious metals, as defined in
14 subdivision (24)(ii) of this section) from the treatment of "hazardous wastes", as defined in § 23-
15 19.1-4, where the "hazardous wastes" are generated in Rhode Island solely by the same taxpayer
16 and where the personal property is located at, in, or adjacent to a generating facility of the
17 taxpayer in Rhode Island and services as defined in § 44-18-7.3 are provided and repair and
18 maintenance are delivered. The taxpayer shall procure an order from the director of the
19 department of environmental management certifying that the equipment and/or supplies as used,
20 or consumed, qualify for the exemption under this subdivision.

21 (36) Textbooks. The sale and from the storage, use, or other consumption in this state of
22 textbooks by an "educational institution" as defined in subdivision (16) of this section and as well
23 as any educational institution within the purview of § 16-63-9(4) and used textbooks by any
24 purveyor.

25 (37) Transfers or sales made to immediate family members, and dissolutions and partial
26 liquidations of a business entity. The storage, use, or other consumption in this state of a motor
27 vehicle, a boat, an airplane, or a trailer purchased from other than a licensed motor vehicle dealer
28 or other than a retailer of boats, airplanes, or trailers; provided, however; (i) The transferee or
29 purchaser is the spouse, mother, father, brother, sister, or child of the transferor or seller; or (ii)
30 The transfer or sale is made in connection with the dissolution, or partial liquidation of a business
31 entity.

32 (38) Water for residential use. The sale and from the storage, use, or other consumption
33 in this state of water furnished for domestic use by occupants of residential premises.

34 (b) The tax administrator is authorized to promulgate rules and regulations to carry out

1 [the provisions, policies, and purposes of this chapter including, but not limited to, emergency](#)
2 [rules and regulations pursuant to § 42-35-3\(b\).](#)

3 [\(c\) In recognition of the work being performed by the Streamlined Sales and Use Tax](#)
4 [Governing Board, the provisions of 44-18-12.2 shall sunset as of the effective date of any federal](#)
5 [law which requires remote sellers to collect and remit taxes assessed on sales to this state's](#)
6 [residents.](#)

7 SECTION 5. Sections 44-18-8, 44-18-12, 44-18-15, 44-18-18, 44-18-18.1, 44-18-20, 44-
8 18-21, 44-18-22, 44-18-23, 44-18-25, 44-18-30, 44-18-36.1, 44-18-40.1, of the General Laws in
9 Chapter 44-18 entitled "Sales and Use Taxes – Liability and Computation" are hereby amended
10 to read as follows:

11 **44-18-8. Retail sale or sale at retail defined.** -- A "retail sale" or "sale at retail" means
12 any sale, lease or rentals of tangible personal property, [specified digital products, and/or services](#)
13 [as defined in § 44-18-7.3](#) for any purpose other than resale, sublease or subrent in the regular
14 course of business. The sale of tangible personal property to be used for purposes of rental in the
15 regular course of business is considered to be a sale for resale. In regard to telecommunications
16 service as defined in § 44-18-7(9), retail sale does not include the purchase of
17 telecommunications service by a telecommunications provider from another telecommunication
18 provider for resale to the ultimate consumer; provided, that the purchaser submits to the seller a
19 certificate attesting to the applicability of this exclusion, upon receipt of which the seller is
20 relieved of any tax liability for the sale.

21 **44-18-12. "Sale price" defined.** -- (a) "Sales price" applies to the measure subject to
22 sales tax and means the total amount of consideration, including cash, credit, property, and
23 services, for which personal property or services are sold, leased, or rented, valued in money,
24 whether received in money or otherwise, without any deduction for the following:

- 25 (i) The seller's cost of the property sold;
- 26 (ii) The cost of materials used, labor or service cost, interest, losses, all costs of
27 transportation to the seller, all taxes imposed on the seller, and any other expense of the seller;
- 28 (iii) Charges by the seller for any services necessary to complete the sale, other than
29 delivery and installation charges;
- 30 (iv) Delivery charges, as defined in § 44-18-7.1(i); ~~or~~
- 31 (v) Credit for any trade-in, as determined by state law; ~~or~~ [or](#)
- 32 [\(vi\) The amount charged for labor or services rendered in installing or applying the](#)
33 [property sold.](#)

34 (b) "Sales price" shall not include:

1 (i) Discounts, including cash, term, or coupons that are not reimbursed by a third party
2 that are allowed by a seller and taken by a purchaser on a sale;

3 ~~(ii) The amount charged for labor or services rendered in installing or applying the~~
4 ~~property sold when the charge is separately stated by the retailer to the purchaser; provided that in~~
5 ~~transactions subject to the provisions of this chapter the retailer shall separately state such charge~~
6 ~~when requested by the purchaser and, further, the failure to separately state such charge when~~
7 ~~requested may be restrained in the same manner as other unlawful acts or practices prescribed in~~
8 ~~chapter 13.1 of title 6.~~

9 ~~(iii)~~ (ii) Interest, financing, and carrying charges from credit extended on the sale of
10 personal property or services, if the amount is separately stated on the invoice, bill of sale or
11 similar document given to the purchaser; and

12 ~~(iv)~~ (iii) Any taxes legally imposed directly on the consumer that are separately stated on
13 the invoice, bill of sale or similar document given to the purchaser.

14 ~~(v)~~ (iv) Manufacturer rebates allowed on the sale of motor vehicles.

15 (c) "Sales price" shall include consideration received by the seller from third parties if:

16 (i) The seller actually receives consideration from a party other than the purchaser and the
17 consideration is directly related to a price reduction or discount on the sale;

18 (ii) The seller has an obligation to pass the price reduction or discount through to the
19 purchaser;

20 (iii) The amount of the consideration attributable to the sale is fixed and determinable by
21 the seller at the time of the sale of the item to the purchaser; and

22 (iv) One of the following criteria is met:

23 (A) The purchaser presents a coupon, certificate or other documentation to the seller to
24 claim a price reduction or discount where the coupon, certificate or documentation is authorized,
25 distributed or granted by a third party with the understanding that the third party will reimburse
26 any seller to whom the coupon, certificate or documentation is presented;

27 (B) The purchaser identifies himself or herself to the seller as a member of a group or
28 organization entitled to a price reduction or discount (a "preferred customer" card that is available
29 to any patron does not constitute membership in such a group), or

30 (C) The price reduction or discount is identified as a third party price reduction or
31 discount on the invoice received by the purchaser or on a coupon, certificate or other
32 documentation presented by the purchaser.

33 **44-18-15. "Retailer" defined.** -- (a) "Retailer" includes:

34 (1) Every person engaged in the business of making sales at retail, [specified digital](#)

1 [products, and/or providing services as defined in § 44-18-7.3](#), including sales at auction of
2 tangible personal property owned by the person or others.

3 (2) Every person making sales of tangible personal property, [specified digital products,](#)
4 [and/or providing services as defined in § 44-18-7.3](#), through an independent contractor or other
5 representative, if the retailer enters into an agreement with a resident of this state, under which the
6 resident, for a commission or other consideration, directly or indirectly refers potential customers,
7 whether by a link on an Internet website or otherwise, to the retailer, provided the cumulative
8 gross receipts from sales by the retailer to customers in the state who are referred to the retailer by
9 all residents with this type of an agreement with the retailer, is in excess of five thousand dollars
10 (\$5,000) during the preceding four (4) quarterly periods ending on the last day of March, June,
11 September and December. Such retailer shall be presumed to be soliciting business through such
12 independent contractor or other representative, which presumption may be rebutted by proof that
13 the resident with whom the retailer has an agreement did not engage in any solicitation in the
14 state on behalf of the retailer that would satisfy the nexus requirement of the United States
15 Constitution during such four (4) quarterly periods.

16 (3) Every person engaged in the business of making sales for storage, use, or other
17 consumption, or the business of making sales at auction of tangible personal property, [specified](#)
18 [digital products and/or providing services as defined in § 44-18-7.3](#) owned by the person or
19 others for storage, use, or other consumption.

20 (4) A person conducting a horse race meeting with respect to horses, which are claimed
21 during the meeting.

22 (5) Every person engaged in the business of renting any living quarters in any hotel,
23 rooming house, or tourist camp.

24 (6) Every person maintaining a business within or outside of this state who engages in the
25 regular or systematic solicitation of sales of tangible personal property, [specified digital products](#)
26 [and/or services as defined in § 44-18-7.3](#), in this state by means of:

27 (i) Advertising in newspapers, magazines, and other periodicals published in this state,
28 sold over the counter in this state or sold by subscription to residents of this state, billboards
29 located in this state, airborne advertising messages produced or transported in the airspace above
30 this state, display cards and posters on common carriers or any other means of public conveyance
31 incorporated or operated primarily in this state, brochures, catalogs, circulars, coupons,
32 pamphlets, samples, and similar advertising material mailed to, or distributed within this state to
33 residents of this state;

34 (ii) Telephone;

1 (iii) Computer assisted shopping networks; and
2 (iv) Television, radio or any other electronic media, which is intended to be broadcast to
3 consumers located in this state.

4 (b) When the tax administrator determines that it is necessary for the proper
5 administration of chapters 18 and 19 of this title to regard any salespersons, representatives,
6 truckers, peddlers, or canvassers as the agents of the dealers, distributors, supervisors, employers,
7 or persons under whom they operate or from whom they obtain the tangible personal property
8 sold by them, irrespective of whether they are making sales on their own behalf or on behalf of
9 the dealers, distributors, supervisors, or employers, the tax administrator may so regard them and
10 may regard the dealers, distributors, supervisors, or employers as retailers for purposes of
11 chapters 18 and 19 of this title.

12 **44-18-18. Sales tax imposed.** -- A tax is imposed upon sales at retail in this state
13 including charges for rentals of living quarters in hotels, rooming houses, or tourist camps, at the
14 rate of six percent (6%) of the gross receipts of the retailer from the sales or rental charges;
15 provided, that the tax imposed on charges for the rentals applies only to the first period of not
16 exceeding thirty (30) consecutive calendar days of each rental; provided, ~~further~~ however, that:

17 (i) ~~for~~ For the period commencing July 1, 1990, the tax rate is seven percent (7%); and
18 (ii) For the period commencing July 1, 2011, the tax rate is six percent (6%) which

19 includes services as enumerated in § 44-18-7.3; provided, however, the tax rate is one percent
20 (1%) for items as enumerated in § 44-18-12.2. The tax is paid to the tax administrator by the
21 retailer at the time and in the manner provided. Excluded from this tax are those living quarters in
22 hotels, rooming houses, or tourist camps for which the occupant has a written lease for the living
23 quarters which lease covers a rental period of twelve (12) months or more.

24 **44-18-18.1. Local meals and beverage tax.** -- (a) There is hereby levied and imposed,
25 upon every purchaser of a meal and/or beverage, in addition to all other taxes and fees now
26 imposed by law, a local meals and beverage tax upon each and every meal and/or beverage sold
27 within the state of Rhode Island in or from an eating and/or drinking establishment, whether
28 prepared in the eating and/or drinking establishment or not and whether consumed at the premises
29 or not, at a rate of ~~one~~ percent of the gross receipts; provided, further, that for the period
30 commencing July 1, 2011, the rate is two percent (2%) of gross receipts. The tax shall be paid to
31 the tax administrator by the retailer at the time and in the manner provided.

32 (b) All sums received by the division of taxation for sales prior to July 1, 2011 under this
33 section as taxes, penalties or forfeitures, interest, costs of suit and fines shall be distributed at
34 least quarterly, credited and paid by the state treasurer to the city or town where the meals and

1 beverages are delivered.

2 (c) For sales on or after July 1, 2011, one percent (1%) of the two percent (2%) of the
3 gross receipts paid under § 44-18-18.1(a) received by the division of taxation as taxes, penalties
4 or forfeitures, interest, costs of suit and fines shall be distributed at least quarterly, credited and
5 paid by the state treasurer to the city or town where the meals and beverages are delivered. The
6 remaining one percent (1%) of the total received by the division of taxation under § 44-18-18.1(a)
7 as taxes, penalties or forfeitures, interest, costs of suit and fines shall be deposited in the
8 Municipal Accountability Stability and Transparency Fund and shall be distributed pursuant to
9 §45-13.2.

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

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

13 (2) "Eating and/or drinking establishments" mean and include restaurants, bars, taverns,
14 lounges, cafeterias, lunch counters, drive-ins, roadside ice cream and refreshment stands, fish and
15 chip places, fried chicken places, pizzerias, food and drink concessions, or similar facilities in
16 amusement parks, bowling alleys, clubs, caterers, drive-in theatres, industrial plants, race tracks,
17 shore resorts or other locations, lunch carts, mobile canteens and other similar vehicles, and other
18 like places of business which furnish or provide facilities for immediate consumption of food at
19 tables, chairs or counters or from trays, plates, cups or other tableware or in parking facilities
20 provided primarily for the use of patrons in consuming products purchased at the location.
21 Ordinarily, eating establishments do not mean and include food stores and supermarkets. Eating
22 establishments do not mean "vending machines," a self-contained automatic device that dispenses
23 for sale foods, beverages, or confection products. Retailers selling prepared foods in bulk either in
24 customer-furnished containers or in the seller's containers, for example "Soup and Sauce"
25 establishments, are deemed to be selling prepared foods ordinarily for immediate consumption
26 and, as such, are considered eating establishments.

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

33 ~~(d)~~ (e) This local meals and beverage tax shall be administered and collected by the
34 division of taxation and unless provided to the contrary in this chapter, all of the administration,

1 collection, and other provisions of chapters 18 and 19 of this article apply.

2 **44-18-20. Use tax imposed.** -- (a) An excise tax is imposed on the storage, use, or other
3 consumption in this state of tangible personal property, including a motor vehicle, a boat, an
4 airplane, or a trailer, purchased from any retailer at the rate of six percent (6%) of the sale price of
5 the property.

6 (b) An excise tax is imposed on the storage, use, or other consumption in this state of a
7 motor vehicle, a boat, an airplane, or a trailer purchased from other than a licensed motor vehicle
8 dealer or other than a retailer of boats, airplanes, or trailers respectively, at the rate of six percent
9 (6%) of the sale price of the motor vehicle, boat, airplane, or trailer.

10 (c) The word "trailer" as used in this section and in § 44-18-21 means and includes those
11 defined in § 31-1-5(a) – (e) and also includes boat trailers, camping trailers, house trailers, and
12 mobile homes.

13 (d) Notwithstanding the provisions contained in this section and in § 44-18-21 relating to
14 the imposition of a use tax and liability for this tax on certain casual sales, no tax is payable in
15 any casual sale:

16 (1) Except as otherwise provided in § 44-18-12.2, ~~W-when~~ when the transferee or
17 purchaser is the spouse, mother, father, brother, sister, or child of the transferor or seller; or

18 (2) Except as otherwise provided in § 44-18-12.2, ~~W-when~~ when the transfer or sale is
19 made in connection with the organization, reorganization, dissolution, or partial liquidation of a
20 business entity provided:

21 (i) The last taxable sale, transfer, or use of the article being transferred or sold was
22 subjected to a tax imposed by this chapter;

23 (ii) The transferee is the business entity referred to or is a stockholder, owner, member, or
24 partner; and

25 (iii) Any gain or loss to the transferor is not recognized for income tax purposes under the
26 provisions of the federal income tax law and treasury regulations and rulings issued thereunder;

27 (3) When the sale or transfer is of a trailer, other than a camping trailer, of the type
28 ordinarily used for residential purposes and commonly known as a house trailer or as a mobile
29 home; or

30 (4) When the transferee or purchaser is exempt under the provisions of § 44-18-30 or
31 other general law of this state or special act of the general assembly of this state.

32 (e) The term "casual" means a sale made by a person other than a retailer; provided, that
33 in the case of a sale of a motor vehicle, the term means a sale made by a person other than a
34 licensed motor vehicle dealer or an auctioneer at an auction sale. In no case is the tax imposed

1 under the provisions of subsections (a) and (b) of this section on the storage, use, or other
2 consumption in this state of a used motor vehicle less than the product obtained by multiplying
3 the amount of the retail dollar value at the time of purchase of the motor vehicle by the applicable
4 tax rate; provided, that where the amount of the sale price exceeds the amount of the retail dollar
5 value, the tax is based on the sale price. The tax administrator shall use as his or her guide the
6 retail dollar value as shown in the current issue of any nationally recognized used vehicle guide
7 for appraisal purposes in this state. On request within thirty (30) days by the taxpayer after
8 payment of the tax, if the tax administrator determines that the retail dollar value as stated in this
9 subsection is inequitable or unreasonable, he or she shall, after affording the taxpayer reasonable
10 opportunity to be heard, re-determine the tax.

11 (f) Every person making more than five (5) retail sales of tangible personal property
12 during any twelve (12) month period, including sales made in the capacity of assignee for the
13 benefit of creditors or receiver or trustee in bankruptcy, is considered a retailer within the
14 provisions of this chapter.

15 (g) "Casual sale" includes a sale of tangible personal property not held or used by a seller
16 in the course of activities for which the seller is required to hold a seller's permit or permits or
17 would be required to hold a seller's permit or permits if the activities were conducted in this state;
18 provided, that the sale is not one of a series of sales sufficient in number, scope, and character
19 (more than five (5) in any twelve (12) month period) to constitute an activity for which the seller
20 is required to hold a seller's permit or would be required to hold a seller's permit if the activity
21 were conducted in this state.

22 (2) Casual sales also include sales made at bazaars, fairs, picnics, or similar events by
23 nonprofit organizations, which are organized for charitable, educational, civic, religious, social,
24 recreational, fraternal, or literary purposes during two (2) events not to exceed a total of six (6)
25 days duration each calendar year. Each event requires the issuance of a permit by the division of
26 taxation. Where sales are made at events by a vendor, which holds a sales tax permit and is not a
27 nonprofit organization, the sales are in the regular course of business and are not exempt as casual
28 sales.

29 (h) The use tax imposed under this section for the period commencing July 1, 1990 is at
30 the rate of seven percent (7%); provided, however, that:

31 (i) ~~for~~ For the period commencing July 1, 1990, the tax rate is seven percent (7%); and

32 (ii) For the period commencing July 1, 2011, the tax rate is six percent (6%) which
33 includes services as enumerated in § 44-18-7.3; provided, however, the tax rate is one percent
34 (1%) for items as enumerated in § 44-18-12.2.

1 **44-18-21. Liability for use tax.** -- (a) Every person storing, using, or consuming in this
2 state tangible personal property, including a motor vehicle, boat, airplane, or trailer, purchased
3 from a retailer, and a motor vehicle, boat, airplane, or trailer, purchased from other than a
4 licensed motor vehicle dealer or other than a retailer of boats, airplanes, or trailers respectively; [§ 44-18-7.3](#)
5 [or storing, using or consuming specified digital products, and/or services as defined in § 44-18-](#)
6 [7.3](#) is liable for the use tax. The person's liability is not extinguished until the tax has been paid to
7 this state, except that a receipt from a retailer engaging in business in this state or from a retailer
8 who is authorized by the tax administrator to collect the tax under rules and regulations that he or
9 she may prescribe, given to the purchaser pursuant to the provisions of § 44-18-22, is sufficient to
10 relieve the purchaser from further liability for the tax to which the receipt refers.

11 (b) Each person before obtaining an original or transferral registration for any article or
12 commodity in this state, which article or commodity is required to be licensed or registered in the
13 state, shall furnish satisfactory evidence to the tax administrator that any tax due under this
14 chapter with reference to the article or commodity has been paid, and for the purpose of effecting
15 compliance, the tax administrator, in addition to any other powers granted to him or her, may
16 invoke the provisions of § 31-3-4 in the case of a motor vehicle. The tax administrator, when he
17 or she deems it to be for the convenience of the general public, may authorize any agency of the
18 state concerned with the licensing or registering of these articles or commodities to collect the use
19 tax on any articles or commodities which the purchaser is required by this chapter to pay before
20 receiving an original or transferral registration. The general assembly shall annually appropriate a
21 sum that it deems necessary to carry out the purposes of this section. Notwithstanding the
22 provisions of §§ 44-18-19, 44-18-22, and 44-18-24, the sales or use tax on any motor vehicle
23 and/or recreational vehicle requiring registration by the administrator of the division of motor
24 vehicles shall not be added by the retailer to the sale price or charge but shall be paid directly by
25 the purchaser to the tax administrator, or his or her authorized deputy or agent as provided in this
26 section.

27 (c) In cases involving total loss or destruction of a motor vehicle occurring within one
28 hundred twenty (120) days from the date of purchase and upon which the purchaser has paid the
29 use tax, the amount of the tax constitutes an overpayment. The amount of the overpayment may
30 be credited against the amount of use tax on any subsequent vehicle which the owner acquires to
31 replace the lost or destroyed vehicle or may be refunded, in whole or in part.

32 **44-18-22. Collection of use tax by retailer.** -- Every retailer engaging in business in this
33 state and making sales of tangible personal property [or specified digital products](#) for storage, use,
34 or other consumption in this state, [and/or providing services as defined in § 44-18-7.3](#), not

1 exempted under this chapter shall, at the time of making the sales, or if the storage, use, or other
2 consumption of the tangible personal property, [specified digital products, and/or providing](#)
3 [services as defined in § 44-18-7.3](#), is not then taxable under this chapter, at the time the storage,
4 use, or other consumption [or for providing services](#) becomes taxable, collect the tax from the
5 purchaser and give to the purchaser a receipt in the manner and form prescribed by the tax
6 administrator.

7 **44-18-23. "Engaging in business" defined.** -- As used in §§ 44-18-21 and 44-18-22 the
8 term "engaging in business in this state" means the selling or delivering in this state, or any
9 activity in this state related to the selling or delivering in this state of tangible personal property
10 [or specified digital products](#) for storage, use, or other consumption in this state, [as well as](#)
11 [providing services in this state as defined in § 44-18-7.3](#). This term includes, but is not limited to,
12 the following acts or methods of transacting business:

13 (1) Maintaining, occupying, or using in this state permanently or temporarily, directly or
14 indirectly or through a subsidiary, representative, or agent by whatever name called and whether
15 or not qualified to do business in this state, any office, place of distribution, sales or sample room
16 or place, warehouse or storage place, or other place of business;

17 (2) Having any subsidiary, representative, agent, salesperson, canvasser, or solicitor
18 permanently or temporarily, and whether or not the subsidiary, representative, or agent is
19 qualified to do business in this state, operate in this state for the purpose of selling, delivering, or
20 the taking of orders for any tangible personal property, [specified digital products, and/or services](#)
21 [as defined in § 44-18-7.3](#);

22 (3) The regular or systematic solicitation of sales of tangible personal property, [specified](#)
23 [digital products, and/or services as defined in § 44-18-7.3](#), in this state by means of:

24 (i) Advertising in newspapers, magazines, and other periodicals published in this state,
25 sold over the counter in this state or sold by subscription to residents of this state, billboards
26 located in this state, airborne advertising messages produced or transported in the air space above
27 this state, display cards and posters on common carriers or any other means of public conveyance
28 incorporated or operating primarily in this state, brochures, catalogs, circulars, coupons,
29 pamphlets, samples, and similar advertising material mailed to, or distributed within this state to
30 residents of this state;

31 (ii) Telephone;

32 (iii) Computer-assisted shopping networks; and

33 (iv) Television, radio or any other electronic media, which is intended to be broadcast to
34 consumers located in this state.

1 **44-18-25. Presumption that sale is for storage, use, or consumption – Resale**
2 **certificate.** -- It is presumed that all gross receipts are subject to the sales tax, and that the use of
3 all tangible personal property, specified digital products and/or services provided as defined in §
4 44-18-7.3 ~~are~~ **is** subject to the use tax, and that all tangible personal property, specified digital
5 products and/or services provided as defined in § 44-18-7.3 sold or in processing or intended for
6 delivery or delivered in this state is sold or delivered for storage, use, or other consumption in this
7 state, until the contrary is established to the satisfaction of the tax administrator. The burden of
8 proving the contrary is upon the person who makes the sale and the purchaser, unless the person
9 who makes the sale takes from the purchaser a certificate to the effect that the purchase was for
10 resale. The certificate shall contain any information and be in the form that the tax administrator
11 may require.

12 **44-18-30. Gross receipts exempt from sales and use taxes.** -- ~~There are exempted from~~
13 ~~the taxes imposed by this chapter the following gross receipts:~~

14 Except as provided in § 44-18-12.2, the following gross receipts are exempted from the
15 six percent (6%) tax imposed by this chapter:

16 (1) *Sales and uses beyond constitutional power of state.* From the sale and from the
17 storage, use, or other consumption in this state of tangible personal property the gross receipts
18 from the sale of which, or the storage, use, or other consumption of which, this state is prohibited
19 from taxing under the Constitution of the United States or under the constitution of this state.

20 ~~(2) Newspapers.—~~

21 ~~(i) From the sale and from the storage, use, or other consumption in this state of any~~
22 ~~newspaper.~~

23 ~~(ii) "Newspaper" means an unbound publication printed on newsprint, which contains~~
24 ~~news, editorial comment, opinions, features, advertising matter, and other matters of public~~
25 ~~interest.~~

26 ~~(iii) "Newspaper" does not include a magazine, handbill, circular, flyer, sales catalog, or~~
27 ~~similar item unless the item is printed for and distributed as a part of a newspaper.~~

28 ~~(3)~~(2) *School meals.* From the sale and from the storage, use, or other consumption in this
29 state of meals served by public, private, or parochial schools, school districts, colleges,
30 universities, student organizations, and parent teacher associations to the students or teachers of a
31 school, college, or university whether the meals are served by the educational institutions or by a
32 food service or management entity under contract to the educational institutions.

33 ~~(4)~~(3) *Containers.*

34 (i) From the sale and from the storage, use, or other consumption in this state of:

1 (A) Non-returnable containers, including boxes, paper bags, and wrapping materials
2 which are biodegradable and all bags and wrapping materials utilized in the medical and healing
3 arts, when sold without the contents to persons who place the contents in the container and sell
4 the contents with the container.

5 (B) Containers when sold with the contents if the sale price of the contents is not required
6 to be included in the measure of the taxes imposed by this chapter.

7 (C) Returnable containers when sold with the contents in connection with a retail sale of
8 the contents or when resold for refilling.

9 (ii) As used in this subdivision, the term "returnable containers" means containers of a
10 kind customarily returned by the buyer of the contents for reuse. All other containers are "non-
11 returnable containers."

12 ~~(5)~~(4) *Charitable, educational, and religious organizations.* From the sale to as in
13 defined in this section, and from the storage, use, and other consumption in this state or any other
14 state of the United States of America of tangible personal property by hospitals not operated for a
15 profit, "educational institutions" as defined in subdivision (18) not operated for a profit, churches,
16 orphanages, and other institutions or organizations operated exclusively for religious or charitable
17 purposes, interest free loan associations not operated for profit, nonprofit organized sporting
18 leagues and associations and bands for boys and girls under the age of nineteen (19) years, the
19 following vocational student organizations that are state chapters of national vocational students
20 organizations: Distributive Education Clubs of America, (DECA); Future Business Leaders of
21 America, phi beta lambda (FBLA/PBL); Future Farmers of America (FFA); Future Homemakers
22 of America/Home Economics Related Occupations (FHA/HERD); and Vocational Industrial
23 Clubs of America (VICA), organized nonprofit golden age and senior citizens clubs for men and
24 women, and parent teacher associations.

25 (ii) In the case of contracts entered into with the federal government, its agencies or
26 instrumentalities, this state or any other state of the United States of America, its agencies, any
27 city, town, district, or other political subdivision of the states, hospitals not operated for profit,
28 educational institutions not operated for profit, churches, orphanages, and other institutions or
29 organizations operated exclusively for religious or charitable purposes, the contractor may
30 purchase such materials and supplies (materials and/or supplies are defined as those which are
31 essential to the project) that are to be utilized in the construction of the projects being performed
32 under the contracts without payment of the tax.

33 (iii) The contractor shall not charge any sales or use tax to any exempt agency,
34 institution, or organization but shall in that instance provide his or her suppliers with certificates

1 in the form as determined by the division of taxation showing the reason for exemption; and the
2 contractor's records must substantiate the claim for exemption by showing the disposition of all
3 property so purchased. If any property is then used for a nonexempt purpose, the contractor must
4 pay the tax on the property used.

5 ~~(6)~~(5) *Gasoline.* From the sale and from the storage, use, or other consumption in this
6 state of: (i) gasoline and other products taxed under chapter 36 of title 31, and (ii) fuels used for
7 the propulsion of airplanes.

8 ~~(7)~~(6) *Purchase for manufacturing purposes.*

9 (i) From the sale and from the storage, use, or other consumption in this state of computer
10 software, tangible personal property, electricity, natural gas, artificial gas, steam, refrigeration,
11 and water, when the property or service is purchased for the purpose of being manufactured into a
12 finished product for resale, and becomes an ingredient, component, or integral part of the
13 manufactured, compounded, processed, assembled, or prepared product, or if the property or
14 service is consumed in the process of manufacturing for resale computer software, tangible
15 personal property, electricity, natural gas, artificial gas, steam, refrigeration, or water.

16 (ii) "Consumed" means destroyed, used up, or worn out to the degree or extent that the
17 property cannot be repaired, reconditioned, or rendered fit for further manufacturing use.

18 (iii) "Consumed" includes mere obsolescence.

19 (iv) "Manufacturing" means and includes manufacturing, compounding, processing,
20 assembling, preparing, or producing.

21 (v) "Process of manufacturing" means and includes all production operations performed
22 in the producing or processing room, shop, or plant, insofar as the operations are a part of and
23 connected with the manufacturing for resale of tangible personal property, electricity, natural gas,
24 artificial gas, steam, refrigeration, or water and all production operations performed insofar as the
25 operations are a part of and connected with the manufacturing for resale of computer software.

26 (vi) "Process of manufacturing" does not mean or include administration operations such
27 as general office operations, accounting, collection, sales promotion, nor does it mean or include
28 distribution operations which occur subsequent to production operations, such as handling,
29 storing, selling, and transporting the manufactured products, even though the administration and
30 distribution operations are performed by or in connection with a manufacturing business.

31 ~~(8)~~(7) *State and political subdivisions.* From the sale to, and from the storage, use, or
32 other consumption by, this state, any city, town, district, or other political subdivision of this
33 state. Every redevelopment agency created pursuant to chapter 31 of title 45 is deemed to be a
34 subdivision of the municipality where it is located.

1 ~~(9)~~(8) *Food and food ingredients.* From the sale and storage, use, or other consumption in
2 this state of food and food ingredients as defined in § 44-18-7.1(l).

3 For the purposes of this exemption "food and food ingredients" shall not include candy,
4 soft drinks, dietary supplements, alcoholic beverages, tobacco, food sold through vending
5 machines or prepared food (as those terms are defined in § 44-18-7.1, unless the prepared food is:

6 (i) Sold by a seller whose primary NAICS classification is manufacturing in sector 311,
7 except sub-sector 3118 (bakeries);

8 (ii) Sold in an unheated state by weight or volume as a single item;

9 (iii) Bakery items, including bread, rolls, buns, biscuits, bagels, croissants, pastries,
10 donuts, danish, cakes, tortes, pies, tarts, muffins, bars, cookies, tortillas; and is not sold with
11 utensils provided by the seller, including plates, knives, forks, spoons, glasses, cups, napkins, or
12 straws.

13 ~~(10)~~(9) *Medicines, drugs and durable medical equipment.* From the sale and from the
14 storage, use, or other consumption in this state, of;

15 (i) "Drugs" as defined in § 44-18-7.1(h)(i), sold on prescriptions, medical oxygen, and
16 insulin whether or not sold on prescription, ~~and over the counter drugs as defined in § 44-18-~~
17 ~~7.1(h)(ii).~~ For purposes of this exemption, ~~over the counter~~ drugs shall not include over the
18 counter drugs, and grooming and hygiene products as defined in § 44-18-7.1(h)(iii).

19 (ii) Durable medical equipment as defined in section 44-18-7.1(k) for home use only,
20 including, but not limited to, syringe infusers, ambulatory drug delivery pumps, hospital beds,
21 convalescent chairs, and chair lifts. Supplies used in connection with syringe infusers and
22 ambulatory drug delivery pumps which are sold on prescription to individuals to be used by them
23 to dispense or administer prescription drugs, and related ancillary dressings and supplies used to
24 dispense or administer prescription drugs shall also be exempt from tax.

25 ~~(11)~~(10) *Prosthetic devices and mobility enhancing equipment.* From the sale and from
26 the storage, use, or other consumption in this state, of prosthetic devices as defined in § 44-18-
27 7.1(t), sold on prescription, including but not limited to, artificial limbs, dentures, ~~spectacles and~~
28 ~~eyeglasses,~~ and artificial eyes; artificial hearing devices and hearing aids, whether or not sold on
29 prescription and mobility enhancing equipment as defined in § 44-18-7.1(p) including
30 wheelchairs, crutches and canes.

31 ~~(12)~~(11) *Coffins, caskets, and burial garments.* From the sale and from the storage, use,
32 or other consumption in this state of coffins or caskets, and shrouds or other burial garments
33 which are ordinarily sold by a funeral director as part of the business of funeral directing.

34 ~~(13)~~(12) *Motor vehicles sold to nonresidents.*

1 (i) From the sale, subsequent to June 30, 1958, of a motor vehicle to a bona fide
2 nonresident of this state who does not register the motor vehicle in this state, whether the sale or
3 delivery of the motor vehicle is made in this state or at the place of residence of the nonresident.
4 A motor vehicle sold to a bona fide nonresident whose state of residence does not allow a like
5 exemption to its nonresidents is not exempt from the tax imposed under § 44-18-20. In that event
6 the bona fide nonresident pays a tax to Rhode Island on the sale at a rate equal to the rate that
7 would be imposed in his or her state of residence not to exceed the rate that would have been
8 imposed under § 44-18-20. Notwithstanding any other provisions of law, a licensed motor vehicle
9 dealer shall add and collect the tax required under this subdivision and remit the tax to the tax
10 administrator under the provisions of chapters 18 and 19 of this title. When a Rhode Island
11 licensed motor vehicle dealer is required to add and collect the sales and use tax on the sale of a
12 motor vehicle to a bona fide nonresident as provided in this section, the dealer in computing the
13 tax takes into consideration the law of the state of the nonresident as it relates to the trade-in of
14 motor vehicles.

15 (ii) The tax administrator, in addition to the provisions of §§ 44-19-27 and 44-19-28, may
16 require any licensed motor vehicle dealer to keep records of sales to bona fide nonresidents as the
17 tax administrator deems reasonably necessary to substantiate the exemption provided in this
18 subdivision, including the affidavit of a licensed motor vehicle dealer that the purchaser of the
19 motor vehicle was the holder of, and had in his or her possession a valid out of state motor
20 vehicle registration or a valid out of state driver's license.

21 (iii) Any nonresident who registers a motor vehicle in this state within ninety (90) days of
22 the date of its sale to him or her is deemed to have purchased the motor vehicle for use, storage,
23 or other consumption in this state, and is subject to, and liable for the use tax imposed under the
24 provisions of § 44-18-20.

25 ~~(14)~~(13) *Sales in public buildings by blind people.* From the sale and from the storage,
26 use, or other consumption in all public buildings in this state of all products or wares by any
27 person licensed under § 40-9-11.1.

28 ~~(15)~~(14) *Air and water pollution control facilities.* From the sale, storage, use, or other
29 consumption in this state of tangible personal property or supplies acquired for incorporation into
30 or used and consumed in the operation of a facility, the primary purpose of which is to aid in the
31 control of the pollution or contamination of the waters or air of the state, as defined in chapter 12
32 of title 46 and chapter 25 of title 23, respectively, and which has been certified as approved for
33 that purpose by the director of environmental management. The director of environmental
34 management may certify to a portion of the tangible personal property or supplies acquired for

1 incorporation into those facilities or used and consumed in the operation of those facilities to the
2 extent that that portion has as its primary purpose the control of the pollution or contamination of
3 the waters or air of this state. As used in this subdivision, "facility" means any land, facility,
4 device, building, machinery, or equipment.

5 ~~(16)~~(15) *Camps.* From the rental charged for living quarters, or sleeping or housekeeping
6 accommodations at camps or retreat houses operated by religious, charitable, educational, or
7 other organizations and associations mentioned in subdivision (5), or by privately owned and
8 operated summer camps for children.

9 ~~(17)~~(16) *Certain institutions.* From the rental charged for living or sleeping quarters in an
10 institution licensed by the state for the hospitalization, custodial, or nursing care of human beings.

11 ~~(18)~~(17) *Educational institutions.* From the rental charged by any educational institution
12 for living quarters, or sleeping or housekeeping accommodations or other rooms or
13 accommodations to any student or teacher necessitated by attendance at an educational
14 institution. "Educational institution" as used in this section means an institution of learning not
15 operated for profit which is empowered to confer diplomas, educational, literary, or academic
16 degrees, which has a regular faculty, curriculum, and organized body of pupils or students in
17 attendance throughout the usual school year, which keeps and furnishes to students and others
18 records required and accepted for entrance to schools of secondary, collegiate, or graduate rank,
19 no part of the net earnings of which inures to the benefit of any individual.

20 ~~(19)~~(18) *Motor vehicle and adaptive equipment for persons with disabilities.*

21 (i) From the sale of: (A) special adaptations, (B) the component parts of the special
22 adaptations, or (C) a specially adapted motor vehicle; provided, that the owner furnishes to the
23 tax administrator an affidavit of a licensed physician to the effect that the specially adapted motor
24 vehicle is necessary to transport a family member with a disability or where the vehicle has been
25 specially adapted to meet the specific needs of the person with a disability. This exemption
26 applies to not more than one motor vehicle owned and registered for personal, noncommercial
27 use.

28 (ii) For the purpose of this subsection the term "special adaptations" includes, but is not
29 limited to: wheelchair lifts; wheelchair carriers; wheelchair ramps; wheelchair securements; hand
30 controls; steering devices; extensions, relocations, and crossovers of operator controls; power-
31 assisted controls; raised tops or dropped floors; raised entry doors; or alternative signaling
32 devices to auditory signals.

33 (iii) From the sale of: (a) special adaptations, (b) the component parts of the special
34 adaptations, for a "wheelchair accessible taxicab" as defined in § 39-14-1 and/or a "wheelchair

1 accessible public motor vehicle" as defined in § 39-14.1-1.

2 (iv) For the purpose of this subdivision the exemption for a "specially adapted motor
3 vehicle" means a use tax credit not to exceed the amount of use tax that would otherwise be due
4 on the motor vehicle, exclusive of any adaptations. The use tax credit is equal to the cost of the
5 special adaptations, including installation.

6 ~~(20)~~(19) *Heating fuels.* From the sale and from the storage, use, or other consumption in
7 this state of every type of fuel used in the heating of homes and residential premises.

8 ~~(21)~~(20) *Electricity and gas.* From the sale and from the storage, use, or other
9 consumption in this state of electricity and gas furnished for domestic use by occupants of
10 residential premises.

11 ~~(22)~~ (21) *Manufacturing machinery and equipment.*

12 (i) From the sale and from the storage, use, or other consumption in this state of tools,
13 dies, and molds, and machinery and equipment (including replacement parts), and related items to
14 the extent used in an industrial plant in connection with the actual manufacture, conversion, or
15 processing of tangible personal property, or to the extent used in connection with the actual
16 manufacture, conversion or processing of computer software as that term is utilized in industry
17 numbers 7371, 7372, and 7373 in the standard industrial classification manual prepared by the
18 technical committee on industrial classification, office of statistical standards, executive office of
19 the president, United States bureau of the budget, as revised from time to time, to be sold, or that
20 machinery and equipment used in the furnishing of power to an industrial manufacturing plant.
21 For the purposes of this subdivision, "industrial plant" means a factory at a fixed location
22 primarily engaged in the manufacture, conversion, or processing of tangible personal property to
23 be sold in the regular course of business;

24 (ii) Machinery and equipment and related items are not deemed to be used in connection
25 with the actual manufacture, conversion, or processing of tangible personal property, or in
26 connection with the actual manufacture, conversion or processing of computer software as that
27 term is utilized in industry numbers 7371, 7372, and 7373 in the standard industrial classification
28 manual prepared by the technical committee on industrial classification, office of statistical
29 standards, executive office of the president, United States bureau of the budget, as revised from
30 time to time, to be sold to the extent the property is used in administration or distribution
31 operations;

32 (iii) Machinery and equipment and related items used in connection with the actual
33 manufacture, conversion, or processing of any computer software or any tangible personal
34 property which is not to be sold and which would be exempt under subdivision (7) or this

1 subdivision if purchased from a vendor or machinery and equipment and related items used
2 during any manufacturing, converting or processing function is exempt under this subdivision
3 even if that operation, function, or purpose is not an integral or essential part of a continuous
4 production flow or manufacturing process;

5 (iv) Where a portion of a group of portable or mobile machinery is used in connection
6 with the actual manufacture, conversion, or processing of computer software or tangible personal
7 property to be sold, as previously defined, that portion, if otherwise qualifying, is exempt under
8 this subdivision even though the machinery in that group is used interchangeably and not
9 otherwise identifiable as to use.

10 ~~(23)~~(22) *Trade-in value of motor vehicles.* From the sale and from the storage, use, or
11 other consumption in this state of so much of the purchase price paid for a new or used
12 automobile as is allocated for a trade-in allowance on the automobile of the buyer given in trade
13 to the seller ~~or of the proceeds applicable only to the motor vehicle as are received from an~~
14 ~~insurance claim as a result of a stolen or damaged motor vehicle~~, or of the proceeds applicable
15 only to the automobile as are received from the manufacturer of automobiles for the repurchase of
16 the automobile whether the repurchase was voluntary or not towards the purchase of a new or
17 used automobile by the buyer; ~~provided, that the proceeds from an insurance claim or repurchase~~
18 ~~is in lieu of the benefit prescribed in § 44-18-21 for the total loss or destruction of the automobile;~~
19 ~~and provided, further, that the tax has not been reimbursed as part of the insurance claim or~~
20 ~~repurchase.~~ For the purpose of this subdivision, the word "automobile" means a private passenger
21 automobile not used for hire and does not refer to any other type of motor vehicle.

22 ~~(24)~~(23) *Precious metal bullion.* (i) From the sale and from the storage, use, or other
23 consumption in this state of precious metal bullion, substantially equivalent to a transaction in
24 securities or commodities.

25 (ii) For purposes of this subdivision, "precious metal bullion" means any elementary
26 precious metal which has been put through a process of smelting or refining, including, but not
27 limited to, gold, silver, platinum, rhodium, and chromium, and which is in a state or condition
28 that its value depends upon its content and not upon its form.

29 (iii) The term does not include fabricated precious metal which has been processed or
30 manufactured for some one or more specific and customary industrial, professional, or artistic
31 uses.

32 ~~(25)~~(24) *Commercial vessels.* From sales made to a commercial ship, barge, or other
33 vessel of fifty (50) tons burden or over, primarily engaged in interstate or foreign commerce, and
34 from the repair, alteration, or conversion of the vessels, and from the sale of property purchased

1 for the use of the vessels including provisions, supplies, and material for the maintenance and/or
2 repair of the vessels.

3 ~~(26)~~(25) *Commercial fishing vessels.* From the sale and from the storage, use, or other
4 consumption in this state of vessels and other water craft which are in excess of five (5) net tons
5 and which are used exclusively for "commercial fishing", as defined in this subdivision, and from
6 the repair, alteration, or conversion of those vessels and other watercraft, and from the sale of
7 property purchased for the use of those vessels and other watercraft including provisions,
8 supplies, and material for the maintenance and/or repair of the vessels and other watercraft and
9 the boats nets, cables, tackle, and other fishing equipment appurtenant to or used in connection
10 with the commercial fishing of the vessels and other watercraft. "Commercial fishing" means the
11 taking or the attempting to take any fish, shellfish, crustacea, or bait species with the intent of
12 disposing of them for profit or by sale, barter, trade, or in commercial channels. The term does
13 not include subsistence fishing, i.e., the taking for personal use and not for sale or barter; or sport
14 fishing; but shall include vessels and other watercraft with a Rhode Island party and charter boat
15 license issued by the department of environmental management pursuant to § 20-2-27.1 which
16 meet the following criteria: (i) the operator must have a current U.S.C.G. license to carry
17 passengers for hire; (ii) U.S.C.G. vessel documentation in the coast wide fishery trade; (iii)
18 U.S.C.G. vessel documentation as to proof of Rhode Island home port status or a Rhode Island
19 boat registration to prove Rhode Island home port status; (iv) the vessel must be used as a
20 commercial passenger carrying fishing vessel to carry passengers for fishing. The vessel must be
21 able to demonstrate that at least fifty percent (50%) of its annual gross income derives from
22 charters or provides documentation of a minimum of one hundred (100) charter trips annually; (v)
23 the vessel must have a valid Rhode Island party and charter boat license. The tax administrator
24 shall implement the provisions of this subdivision by promulgating rules and regulations relating
25 thereto.

26 ~~(27)~~(26) *Clothing and footwear.* From the sales of articles of clothing, including
27 footwear, intended to be worn or carried on or about the human body. For the purposes of this
28 section, "clothing or footwear" does not include clothing accessories or equipment or special
29 clothing or footwear primarily designed for athletic activity or protective use as these terms are
30 defined in § 44-18-7.1(f).

31 ~~(28)~~(27) *Water for residential use.* From the sale and from the storage, use, or other
32 consumption in this state of water furnished for domestic use by occupants of residential
33 premises.

34 ~~(29)~~(28) *Bibles.* [Unconstitutional; see Ahlburn v. Clark, 728 A.2d 449 (R.I. 1999); see

1 Notes to Decisions.] From the sale and from the storage, use, or other consumption in the state of
2 any canonized scriptures of any tax-exempt nonprofit religious organization including, but not
3 limited to, the Old Testament and the New Testament versions.

4 ~~(30)~~(29) *Boats.*

5 (i) From the sale of a boat or vessel to a bona fide nonresident of this state who does not
6 register the boat or vessel in this state, or document the boat or vessel with the United States
7 government at a home port within the state, whether the sale or delivery of the boat or vessel is
8 made in this state or elsewhere; provided, that the nonresident transports the boat within thirty
9 (30) days after delivery by the seller outside the state for use thereafter solely outside the state.

10 (ii) The tax administrator, in addition to the provisions of §§ 44-19-17 and 44-19-28, may
11 require the seller of the boat or vessel to keep records of the sales to bona fide nonresidents as the
12 tax administrator deems reasonably necessary to substantiate the exemption provided in this
13 subdivision, including the affidavit of the seller that the buyer represented himself or herself to be
14 a bona fide nonresident of this state and of the buyer that he or she is a nonresident of this state.

15 ~~(31)~~(30) *Youth activities equipment.* From the sale, storage, use, or other consumption in
16 this state of items for not more than twenty dollars (\$20.00) each by nonprofit Rhode Island
17 eleemosynary organizations, for the purposes of youth activities which the organization is formed
18 to sponsor and support; and by accredited elementary and secondary schools for the purposes of
19 the schools or of organized activities of the enrolled students.

20 ~~(32)~~(31) *Farm equipment.* From the sale and from the storage or use of machinery and
21 equipment used directly for commercial farming and agricultural production; including, but not
22 limited to, tractors, ploughs, harrows, spreaders, seeders, milking machines, silage conveyors,
23 balers, bulk milk storage tanks, trucks with farm plates, mowers, combines, irrigation equipment,
24 greenhouses and greenhouse coverings, graders and packaging machines, tools and supplies and
25 other farming equipment, including replacement parts, appurtenant to or used in connection with
26 commercial farming and tools and supplies used in the repair and maintenance of farming
27 equipment. "Commercial farming" means the keeping or boarding of five (5) or more horses or
28 the production within this state of agricultural products, including, but not limited to, field or
29 orchard crops, livestock, dairy, and poultry, or their products, where the keeping, boarding, or
30 production provides at least two thousand five hundred dollars (\$2,500) in annual gross sales to
31 the operator, whether an individual, a group, a partnership, or a corporation for exemptions issued
32 prior to July 1, 2002; for exemptions issued or renewed after July 1, 2002, there shall be two (2)
33 levels. Level I shall be based on proof of annual gross sales from commercial farming of at least
34 twenty-five hundred dollars (\$2,500) and shall be valid for purchases subject to the exemption

1 provided in this subdivision except for motor vehicles with an excise tax value of five thousand
2 dollars (\$5,000) or greater; Level II shall be based on proof of annual gross sales from
3 commercial farming of at least ten thousand dollars (\$10,000) or greater and shall be valid for
4 purchases subject to the exemption provided in this subdivision including motor vehicles with an
5 excise tax value of five thousand dollars (\$5,000) or greater. For the initial issuance of the
6 exemptions, proof of the requisite amount of annual gross sales from commercial farming shall be
7 required for the prior year; for any renewal of an exemption granted in accordance with this
8 subdivision at either Level I or Level II, proof of gross annual sales from commercial farming at
9 the requisite amount shall be required for each of the prior two (2) years. Certificates of
10 exemption issued or renewed after July 1, 2002, shall clearly indicate the level of the exemption
11 and be valid for four (4) years after the date of issue. This exemption applies even if the same
12 equipment is used for ancillary uses, or is temporarily used for a non-farming or a non-
13 agricultural purpose, but shall not apply to motor vehicles acquired after July 1, 2002, unless the
14 vehicle is a farm vehicle as defined pursuant to § 31-1-8 and is eligible for registration displaying
15 farm plates as provided for in § 31-3-31.

16 ~~(33)~~(32) *Compressed air.* From the sale and from the storage, use, or other consumption
17 in the state of compressed air.

18 ~~(34)~~(33) *Flags.* From the sale and from the storage, consumption, or other use in this state
19 of United States, Rhode Island or POW-MIA flags.

20 ~~(35)~~(34) *Motor vehicle and adaptive equipment to certain veterans.* From the sale of a
21 motor vehicle and adaptive equipment to and for the use of a veteran with a service-connected
22 loss of or the loss of use of a leg, foot, hand, or arm, or any veteran who is a double amputee,
23 whether service connected or not. The motor vehicle must be purchased by and especially
24 equipped for use by the qualifying veteran. Certificate of exemption or refunds of taxes paid is
25 granted under rules or regulations that the tax administrator may prescribe.

26 ~~(36)~~(35) *Textbooks.* From the sale and from the storage, use, or other consumption in this
27 state of textbooks by an "educational institution" as defined in subdivision (18) of this section and
28 as well as any educational institution within the purview of § 16-63-9(4) and used textbooks by
29 any purveyor.

30 ~~(37)~~(36) *Tangible personal property and supplies used in on-site hazardous waste*
31 *recycling, reuse, or treatment.* From the sale, storage, use, or other consumption in this state of
32 tangible personal property or supplies used or consumed in the operation of equipment, the
33 exclusive function of which is the recycling, reuse, or recovery of materials (other than precious
34 metals, as defined in subdivision (24)(ii) of this section) from the treatment of "hazardous

1 wastes", as defined in § 23-19.1-4, where the "hazardous wastes" are generated in Rhode Island
2 solely by the same taxpayer and where the personal property is located at, in, or adjacent to a
3 generating facility of the taxpayer in Rhode Island. The taxpayer shall procure an order from the
4 director of the department of environmental management certifying that the equipment and/or
5 supplies as used, or consumed, qualify for the exemption under this subdivision. If any
6 information relating to secret processes or methods of manufacture, production, or treatment is
7 disclosed to the department of environmental management only to procure an order, and is a
8 "trade secret" as defined in § 28-21-10(b), it is not open to public inspection or publicly disclosed
9 unless disclosure is required under chapter 21 of title 28 or chapter 24.4 of title 23.

10 ~~(38)~~(37) *Promotional and product literature of boat manufacturers.* From the sale and
11 from the storage, use, or other consumption of promotional and product literature of boat
12 manufacturers shipped to points outside of Rhode Island which either: (i) accompany the product
13 which is sold, (ii) are shipped in bulk to out of state dealers for use in the sale of the product, or
14 (iii) are mailed to customers at no charge.

15 ~~(39)~~(38) *Food items paid for by food stamps.* From the sale and from the storage, use, or
16 other consumption in this state of eligible food items payment for which is properly made to the
17 retailer in the form of U.S. government food stamps issued in accordance with the Food Stamp
18 Act of 1977, 7 U.S.C. § 2011 et seq.

19 ~~(40)~~(39) *Transportation charges.* From the sale or hiring of motor carriers as defined in §
20 39-12-2(l) to haul goods, when the contract or hiring cost is charged by a motor freight tariff filed
21 with the Rhode Island public utilities commission on the number of miles driven or by the
22 number of hours spent on the job.

23 ~~(41)~~(40) *Trade-in value of boats.* From the sale and from the storage, use, or other
24 consumption in this state of so much of the purchase price paid for a new or used boat as is
25 allocated for a trade-in allowance on the boat of the buyer given in trade to the seller or of the
26 proceeds applicable only to the boat as are received from an insurance claim as a result of a stolen
27 or damaged boat, towards the purchase of a new or used boat by the buyer.

28 ~~(42)~~(41) *Equipment used for research and development.* From the sale and from the
29 storage, use, or other consumption of equipment to the extent used for research and development
30 purposes by a qualifying firm. For the purposes of this subdivision, "qualifying firm" means a
31 business for which the use of research and development equipment is an integral part of its
32 operation, and "equipment" means scientific equipment, computers, software, and related items.

33 ~~(43)~~(42) *Coins.* From the sale and from the other consumption in this state of coins
34 having numismatic or investment value.

1 ~~(44)~~ (43) *Farm structure construction materials.* Lumber, hardware and other materials
2 used in the new construction of farm structures, including production facilities such as, but not
3 limited to, farrowing sheds, free stall and stanchion barns, milking parlors, silos, poultry barns,
4 laying houses, fruit and vegetable storages, rooting cellars, propagation rooms, greenhouses,
5 packing rooms, machinery storage, seasonal farm worker housing, certified farm markets, bunker
6 and trench silos, feed storage sheds, and any other structures used in connection with commercial
7 farming.

8 ~~(45)~~ (44) *Telecommunications carrier access service.* Carrier access service or
9 telecommunications service when purchased by a telecommunications company from another
10 telecommunications company to facilitate the provision of telecommunications service.

11 ~~(46)~~ (45) *Boats or vessels brought into the state exclusively for winter storage,*
12 *maintenance, repair or sale.* Notwithstanding the provisions of §§ 44-18-10, 44-18-11, 44-18-20,
13 the tax imposed by § 44-18-20 is not applicable for the period commencing on the first day of
14 October in any year to and including the 30th day of April next succeeding with respect to the use
15 of any boat or vessel within this state exclusively for purposes of: (i) delivery of the vessel to a
16 facility in this state for storage, including dry storage and storage in water by means of apparatus
17 preventing ice damage to the hull, maintenance, or repair; (ii) the actual process of storage,
18 maintenance, or repair of the boat or vessel; or (iii) storage for the purpose of selling the boat or
19 vessel.

20 ~~(47)~~ (46) *Jewelry display product.* From the sale and from the storage, use, or other
21 consumption in this state of tangible personal property used to display any jewelry product;
22 provided, that title to the jewelry display product is transferred by the jewelry manufacturer or
23 seller and that the jewelry display product is shipped out of state for use solely outside the state
24 and is not returned to the jewelry manufacturer or seller.

25 ~~(48)~~ (47) *Boats or vessels generally.* Notwithstanding the provisions of this chapter, the
26 tax imposed by §§ 44-18-20 and 44-18-18 shall not apply with respect to the sale and to the
27 storage, use, or other consumption in this state of any new or used boat. The exemption provided
28 for in this subdivision does not apply after October 1, 1993, unless prior to October 1, 1993, the
29 federal ten percent (10%) surcharge on luxury boats is repealed.

30 ~~(49)~~ (48) *Banks and Regulated investment companies interstate toll-free calls.*
31 Notwithstanding the provisions of this chapter, the tax imposed by this chapter does not apply to
32 the furnishing of interstate and international, toll-free terminating telecommunication service that
33 is used directly and exclusively by or for the benefit of an eligible company as defined in this
34 subdivision; provided, that an eligible company employs on average during the calendar year no

1 less than five hundred (500) "full-time equivalent employees", as that term is defined in § 42-
2 64.5-2. For purposes of this section, an "eligible company" means a "regulated investment
3 company" as that term is defined in the Internal Revenue Code of 1986, 26 U.S.C. § 1 et seq., or a
4 corporation to the extent the service is provided, directly or indirectly, to or on behalf of a
5 regulated investment company, an employee benefit plan, a retirement plan or a pension plan or a
6 state chartered bank.

7 ~~(50)~~(49) *Mobile and manufactured homes generally.* From the sale and from the storage,
8 use, or other consumption in this state of mobile and/or manufactured homes as defined and
9 subject to taxation pursuant to the provisions of chapter 44 of title 31.

10 ~~(51)~~(50) *Manufacturing business reconstruction materials.*

11 (i) From the sale and from the storage, use or other consumption in this state of lumber,
12 hardware, and other building materials used in the reconstruction of a manufacturing business
13 facility which suffers a disaster, as defined in this subdivision, in this state. "Disaster" means any
14 occurrence, natural or otherwise, which results in the destruction of sixty percent (60%) or more
15 of an operating manufacturing business facility within this state. "Disaster" does not include any
16 damage resulting from the willful act of the owner of the manufacturing business facility.

17 (ii) Manufacturing business facility includes, but is not limited to, the structures housing
18 the production and administrative facilities.

19 (iii) In the event a manufacturer has more than one manufacturing site in this state, the
20 sixty percent (60%) provision applies to the damages suffered at that one site.

21 (iv) To the extent that the costs of the reconstruction materials are reimbursed by
22 insurance, this exemption does not apply.

23 ~~(52) Tangible personal property and supplies used in the processing or preparation of~~
24 ~~floral products and floral arrangements. From the sale, storage, use or other consumption in this~~
25 ~~state of tangible personal property or supplies purchased by florists, garden centers, or other like~~
26 ~~producers of vendors of flowers, plants, floral products, and natural and artificial floral~~
27 ~~arrangements which are ultimately sold with flowers, plants, floral products, and natural and~~
28 ~~artificial floral arrangements or are otherwise used in the decoration, fabrication, creation,~~
29 ~~processing, or preparation of flowers, plants, floral products, or natural and artificial floral~~
30 ~~arrangements, including descriptive labels, stickers, and cards affixed to the flower, plant, floral~~
31 ~~product or arrangement, artificial flowers, spray materials, floral paint and tint, plant shine, flower~~
32 ~~food, insecticide and fertilizers.~~

33 ~~(53)~~(51) *Horse food products.* From the sale and from the storage, use, or other
34 consumption in this state of horse food products purchased by a person engaged in the business of

1 the boarding of horses.

2 ~~(54)~~(52) *Non-motorized recreational vehicles sold to nonresidents.*

3 (i) From the sale, subsequent to June 30, 2003, of a non-motorized recreational vehicle to
4 a bona fide nonresident of this state who does not register the non-motorized recreational vehicle
5 in this state, whether the sale or delivery of the non-motorized recreational vehicle is made in this
6 state or at the place of residence of the nonresident; provided, that a non-motorized recreational
7 vehicle sold to a bona fide nonresident whose state of residence does not allow a like exemption
8 to its nonresidents is not exempt from the tax imposed under § 44-18-20; provided, further, that in
9 that event the bona fide nonresident pays a tax to Rhode Island on the sale at a rate equal to the
10 rate that would be imposed in his or her state of residence not to exceed the rate that would have
11 been imposed under § 44-18-20. Notwithstanding any other provisions of law, a licensed non-
12 motorized recreational vehicle dealer shall add and collect the tax required under this subdivision
13 and remit the tax to the tax administrator under the provisions of chapters 18 and 19 of this title.
14 Provided, that when a Rhode Island licensed non-motorized recreational vehicle dealer is required
15 to add and collect the sales and use tax on the sale of a non-motorized recreational vehicle to a
16 bona fide nonresident as provided in this section, the dealer in computing the tax takes into
17 consideration the law of the state of the nonresident as it relates to the trade-in of motor vehicles.

18 (ii) The tax administrator, in addition to the provisions of §§ 44-19-27 and 44-19-28, may
19 require any licensed non-motorized recreational vehicle dealer to keep records of sales to bona
20 fide nonresidents as the tax administrator deems reasonably necessary to substantiate the
21 exemption provided in this subdivision, including the affidavit of a licensed non-motorized
22 recreational vehicle dealer that the purchaser of the non-motorized recreational vehicle was the
23 holder of, and had in his or her possession a valid out-of-state non-motorized recreational vehicle
24 registration or a valid out-of-state driver's license.

25 (iii) Any nonresident who registers a non-motorized recreational vehicle in this state
26 within ninety (90) days of the date of its sale to him or her is deemed to have purchased the non-
27 motorized recreational vehicle for use, storage, or other consumption in this state, and is subject
28 to, and liable for the use tax imposed under the provisions of § 44-18-20.

29 (iv) "Non-motorized recreational vehicle" means any portable dwelling designed and
30 constructed to be used as a temporary dwelling for travel, camping, recreational, and vacation use
31 which is eligible to be registered for highway use, including, but not limited to, "pick-up coaches"
32 or "pick-up campers," "travel trailers," and "tent trailers" as those terms are defined in chapter 1
33 of title 31.

34 ~~(55)~~(53) *Sprinkler and fire alarm systems in existing buildings.* From the sale in this state

1 of sprinkler and fire alarm systems, emergency lighting and alarm systems, and from the sale of
2 the materials necessary and attendant to the installation of those systems, that are required in
3 buildings and occupancies existing therein in July 2003, in order to comply with any additional
4 requirements for such buildings arising directly from the enactment of the Comprehensive Fire
5 Safety Act of 2003, and that are not required by any other provision of law or ordinance or
6 regulation adopted pursuant to that Act. The exemption provided in this subdivision shall expire
7 on December 31, 2008.

8 ~~(56)~~(54) *Aircraft*. Notwithstanding the provisions of this chapter, the tax imposed by §§
9 44-18-18 and 44-18-20 shall not apply with respect to the sale and to the storage, use, or other
10 consumption in this state of any new or used aircraft or aircraft parts.

11 ~~(57)~~(55) *Renewable energy products*. Notwithstanding any other provisions of Rhode
12 Island general laws the following products shall also be exempt from sales tax: solar photovoltaic
13 modules or panels, or any module or panel that generates electricity from light; solar thermal
14 collectors, including, but not limited to, those manufactured with flat glass plates, extruded
15 plastic, sheet metal, and/or evacuated tubes; geothermal heat pumps, including both water-to-
16 water and water-to-air type pumps; wind turbines; towers used to mount wind turbines if
17 specified by or sold by a wind turbine manufacturer; DC to AC inverters that interconnect with
18 utility power lines; manufactured mounting racks and ballast pans for solar collector, module or
19 panel installation. Not to include materials that could be fabricated into such racks; monitoring
20 and control equipment, if specified or supplied by a manufacturer of solar thermal, solar
21 photovoltaic, geothermal, or wind energy systems or if required by law or regulation for such
22 systems but not to include pumps, fans or plumbing or electrical fixtures unless shipped from the
23 manufacturer affixed to, or an integral part of, another item specified on this list; and solar storage
24 tanks that are part of a solar domestic hot water system or a solar space heating system. If the tank
25 comes with an external heat exchanger it shall also be tax exempt, but a standard hot water tank is
26 not exempt from state sales tax.

27 ~~(58)~~(56) *Returned property*. The amount charged for property returned by customers
28 upon rescission of the contract of sale when the entire amount exclusive of handling charges paid
29 for the property is refunded in either cash or credit, and where the property is returned within one
30 hundred twenty (120) days from the date of delivery.

31 ~~(59)~~(57) *Dietary Supplements*. From the sale and from the storage, use or other
32 consumption of dietary supplements as defined in § 44-18-7.1(l)(v), sold on prescriptions.

33 ~~(60)~~(58) *Blood*. From the sale and from the storage, use or other consumption of human
34 blood.

1 ~~(61) Prewritten computer software delivered electronically. From the sale and from the~~
2 ~~storage, use or other consumption of prewritten computer software delivered electronically or by~~
3 ~~load and leave.~~

4 ~~(62)~~(59) *Agricultural products for human consumption.* From the sale and from the
5 storage, use or other consumption of livestock and poultry of the kinds of products of which
6 ordinarily constitute food for human consumption and of livestock of the kind the products of
7 which ordinarily constitute fibers for human use.

8 ~~(63)~~(60) *Diesel emission control technology.* From the sale and use of diesel retrofit
9 technology that is required by § 31-47.3-4 of the general laws.

10 **44-18-30.B. Exemption from sales tax for sales by writers, composers, artists –**

11 **Findings.** -- (a) The general assembly makes the following findings of facts:

12 (1) The downtown area of the city of Providence has been characterized by blighted
13 areas, and dilapidated and abandoned structures;

14 (2) As a result, the downtown area has been designated an economic development zone in
15 order to stop the deterioration and stimulate economic activity;

16 (3) The capitol center area of the city of Providence has become an attractive location,
17 especially with the construction of the Providence Place Mall;

18 (4) In order to promote, revitalize and redevelop the "Old Downtown" area of the city of
19 Providence it is necessary to provide tax exemptions to this area as it has been designated as an
20 economic development zone;

21 (5) In order to promote, revitalize, and redevelop the "Downtown or other industrial or
22 manufacturing buildings" located in the City of Pawtucket, it is necessary to provide tax
23 exemptions to this area as it has been designated as an economic development zone;

24 (6) The development of an active artistic community, including "artists in residence", in
25 this area would promote economic development, revitalization, tourism, employment
26 opportunities, and encourage business development by providing alternative commercial
27 enterprises while in Providence creating a link between the Old Downtown and the Capital Center
28 Area;

29 (7) There is a separate artistic community in the town of Westerly which is important to
30 preserve, promote, and revitalize, and which is distinct from that in the city of Providence;

31 (8) There is a separate artistic community in the city of Woonsocket which is important
32 to promote and revitalize and which is distinct from that in the cities of Providence and Pawtucket
33 and the town of Westerly;

34 (9) There is a separate artistic community in the city of Warwick which is important to

1 preserve, promote, and revitalize and which is distinct from that in the cities of Providence,
2 Pawtucket, Woonsocket and the town of Westerly;

3 (10) There are separate artistic communities in the city of Newport and in the town of
4 Tiverton which are important to promote and revitalize and which are distinct from those in the
5 cities of Providence, Pawtucket, Warwick and Woonsocket and the towns of Westerly and Little
6 Compton;

7 (11) There is a separate artistic community in the town of Warren which is important to
8 promote and revitalize and which is distinct from that in the cities of Providence, Pawtucket,
9 Newport, Warwick and Woonsocket and the towns of Westerly and Tiverton.

10 (b) This section only applies to sales by writers, composers and artists residing in and
11 conducting a business within a section of the defined economic development zone in the cities of
12 Providence or Pawtucket, or the defined economic development zone in the town of Westerly or
13 the defined economic zone in the city of Woonsocket, or the defined economic zone in the city of
14 Warwick, or in those areas within the city of Newport, and the town of Little Compton, which are
15 zoned "general business," "waterfront business," or "limited business" or have been designated by
16 the city of Newport as part of the arts district, or in those areas of the town of Warren which are
17 zoned "waterfront district," "special district," "village business district," "manufacturing district,"
18 "business district" or "Warren historic district," or in those areas of the town of Tiverton which
19 are zoned "business commercial," "business waterfront" or "village commercial." For the
20 purposes of this section, a "work" means an original and creative work, whether written,
21 composed or executed for "one-of-a-kind limited" production and which falls into one of the
22 following categories:

23 (i) A book or other writing;

24 (ii) A play or the performance of said play;

25 (iii) A musical composition or the performance of said composition;

26 (iv) A painting or other like picture;

27 (v) A sculpture;

28 (vi) Traditional and fine crafts;

29 (vii) The creation of a film or the acting within the film;

30 (viii) The creation of a dance or the performance of the dance.

31 (2) For the purposes of this section, a "work" includes any product generated as a result
32 of any of the above categories.

33 (3) For the purposes of this section, a "work" does not apply to any piece or performance
34 created or executed for industry oriented or related production.

1 (c) This section applies to sales by any individual:

2 (i) Who is a resident of and has a principal place of business situated in the section of the
3 economic development zone designated as the arts and entertainment district in the downtown
4 area of the city of Providence or in the city of Pawtucket, or the defined economic development
5 zone in the town of Westerly or the defined economic zone in the city of Woonsocket, or the
6 defined economic zone in the city of Warwick, or who is a resident of and has a principal place of
7 business situated in those areas within the city of Newport or the town of Little Compton, which
8 are zoned "general business," "waterfront business," or "limited business," or have been
9 designated by the city of Newport as part of the arts district, or who is a resident of and has a
10 principal place of business situated in those areas within the town of Warren which are zoned
11 "waterfront district," "special district," "village business district," "manufacturing district,"
12 "business district" or "Warren historic district," or who is a resident or has a principal place of
13 business situated in those areas within the town of Tiverton which are zoned "business
14 commercial," "business waterfront" or "village commercial." For the purposes of this section, the
15 Providence arts and entertainment district in Providence is defined as the area bounded by Pine
16 Street to the southeast, Dorrance Street to the northeast, Sabin Street to the northwest and Empire
17 Street to the southwest. Said Providence arts and entertainment district also includes the area
18 beginning at the point of intersection of Acorn Street and Harris Avenue, then turning east onto
19 Atwells Avenue to Service Road 7, then turning southerly onto Service Road 7 to Westminster
20 Street, then turning westerly onto Westminster Street, continuing until Bridgham, then turning
21 south onto Bridgham to Cranston Street, then turning southwesterly onto Cranston Street, then
22 continuing to Messer Street, then turning north onto Messer Street to Westminster Street, turning
23 west onto Westminster Street to US Hwy 6 off ramp, then heading west on US Hwy 6 to Sheridan
24 Street, then heading northeast on Sheridan Street to Aleppo Street, then turning southeast along
25 Aleppo Street to Pelham Street, then heading northeast on Pelham Street to Manton Avenue, then
26 continuing southeast on Manton Avenue until Delaine Street, then heading northeast on Delaine
27 Street until Appleton Street, then continuing northwesterly on Appleton Street until Bowdoin
28 Street, then heading north on Bowdoin Street until Barstow Street, then heading east on Barstow
29 until Valley Street, then heading northeast on Valley Street to Hemlock Street, then turning
30 southeast on Hemlock Street until Promenade Street, then heading east on Promenade Street to
31 Acorn Street, then heading south on Acorn Street to the intersection of Acorn Street and Harris
32 Avenue. The named streets are included in the Providence district; and in Pawtucket is defined as
33 the area beginning at the point of intersection of Dexter Street and the Central Falls line, then east
34 along the Central Falls line to the Blackstone River, then north along the city boundary on the

1 Blackstone River to the Cumberland line, then west along the Pawtucket city boundary line to I-
2 95, then south along I-95 to Pine Street, then north on Pine Street to AMTRAK Right of Way,
3 then northwest along the AMTRAK Right of Way to Dexter Street, then north on Dexter Street to
4 the Central Falls line. The named streets are included in the district. The Westerly arts and
5 entertainment district is defined as assessor's plat 56, lots 1 through 24, lot 48, lots 50 through 62,
6 and lots 71 through 82, and assessors plat 66, lots 22 through 26, and lots 29 through 36 the
7 Woonsocket arts and entertainment district is defined as the area beginning at a point of land on
8 the southwest bank of the Blackstone River abutting the bridge for the Providence & Worcester
9 Railroad and proceeding northerly to a point at the intersection of Worrall Street, Clinton Street
10 and Harry S. Truman Drive, then proceeding northwesterly along Worrall Street to its intersection
11 with Social Street, then turning westerly on Social Street proceeding to its intersection with Main
12 Street, Blackstone Street and North Main Street, then turning northwesterly and proceeding along
13 Blackstone Street to its intersection with River Street, then turning northerly and proceeding
14 along River Street to its intersection with the north/east bank of Blackstone River, then following
15 the riverbank southerly to the bridge at Bernon Street and turning easterly crossing the Blackstone
16 River via Bernon Street and proceeding to its intersection with Front Street, then turning
17 northeasterly on Front Street and proceeding to its intersection with Hamlet Avenue, and to
18 include the former courthouse on the southerly side of Front Street at its intersection with Hamlet
19 Avenue, then turning easterly on Hamlet Avenue and proceeding to its intersection with Manville
20 Road, then turning southeasterly on Manville Road and proceeding to its intersection with
21 Davison Avenue, then turning northeasterly on Davison Avenue and proceeding to a point on the
22 south/west bank of the Blackstone River, then turning northerly, following the southerly
23 riverbank to the point of beginning. The abovementioned streets are included in the district. The
24 Warwick arts district is defined as that area known as Pontiac Village, beginning on Route 5 at
25 the Warwick/Cranston municipal boundary, then south to the intersection of Route 5 and the
26 Pawtuxet River, then following the Pawtuxet River in an easterly and northerly direction to the
27 municipal boundary in the vicinity of Knight Street, then from the intersection of Knight Street
28 and the municipal boundary westerly along the Warwick/Cranston municipal boundary to the
29 intersection of Route 5 and Greenwich Avenue. The above named streets are included in the
30 district.

31 (ii) Who is determined by the tax administrator, after consideration of any evidence he or
32 she deems necessary or which is submitted to him or her by the individual, to have written,
33 composed, or executed, either solely or jointly, a work or works which would fall into one of the
34 categories listed in subsection (b)(1).

1 (2) This section also applies to sales by any other gallery located in the arts and
2 entertainment district described in subsection (c)(1)(i) as well as any other arts and entertainment
3 district designated by the general assembly, as well as to sales by any other gallery located in
4 those areas within the city of Newport, or the town of Little Compton, which are zoned "general
5 business," "waterfront business," or "limited business" or have been designated by the city of
6 Newport as part of the arts district, as well as to sales by any other gallery located in those areas
7 within the town of Warren which are zoned "waterfront district," "special district," "village
8 business district," "manufacturing district," "business district" or "Warren historic district," as
9 well as to sales by any other gallery located in those areas within the town of Tiverton which are
10 zoned "business commercial," "business waterfront" or "village commercial."

11 (3) The tax administrator shall not make a determination unless:

12 (i) The individual(s) concerned duly make(s) an application to the tax administrator for
13 the sales tax exemption which applies to the works defined in this section; and

14 (ii) The individual has complied and continues to comply with any and all requests made
15 by the tax administrator.

16 (d) [Except as otherwise provided in § 44-18-12.2, ~~A~~ any](#) individual to whom this section
17 applies and who makes an application to the tax administrator is entitled to a sales tax exemption
18 for the sale of a work or works sold from the individual's business located in the economic
19 development zone which would, apart from this section, be subject to the tax rate imposed by the
20 state of Rhode Island.

21 (e) When an individual makes a request for the exemption, the tax administrator is
22 entitled to all books, documents, or other evidence relating to the publication, production or
23 creation of the works that may be deemed necessary by the tax administrator for the purposes of
24 the exemption. The time period in which to provide this information is in the sole discretion of
25 the tax administrator and specified in the notice.

26 (f) In addition to the information required in subsection (e), the tax administrator may
27 require the individual(s) to submit an annual certified accounting of the numbers of works sold,
28 the type of work sold, and the date of the sale. Failure to file this report may, in the sole discretion
29 of the tax administrator, terminate the individual's eligibility for the exemption [under this section](#).

30 (g) [Except as otherwise provided in § 44-18-12.2, ~~A~~ any](#) any person storing, using, or
31 otherwise consuming in this state any work or works which is deemed to be exempt from the
32 sales tax pursuant to this section is not liable for the use tax on the work or works.

33 (h) Notwithstanding the provisions of this section, any individual to whom this section
34 may apply shall comply with all the administration, collection, and other provisions of chapters

1 18 and 19 of this title.

2 **44-18-30.C. Exemption from or stabilization of sales and use taxes for municipal**
3 **economic development zones – West Warwick. -- (a) Findings.** The general assembly makes

4 the following findings of fact:

5 (1) Various sections of several towns in the state, including, but not limited to, the town
6 of West Warwick, are deteriorated, blighted areas which have created very difficult challenges to
7 economic development;

8 (2) Several areas of the state are in a distressed financial condition as defined by § 45-13-
9 12(b) and cannot finance economic development projects on its own without the participation of
10 private enterprise;

11 (3) The general assembly has found that it is nearly impossible for private enterprise
12 alone to meet these challenges;

13 (4) In certain sections of financially distressed communities, the serious challenges of
14 economic development and/or redevelopment have not been met by private enterprise alone and
15 the impact is being felt throughout the community;

16 (5) Legislation enacted to encourage redevelopment of the deteriorated, blighted areas
17 through the formation of local redevelopment agencies has had very limited success;

18 (6) Various states, such as New Jersey, Pennsylvania and Michigan have had a great deal
19 of success in generating economic development by exercising the authority to exempt and/or
20 stabilize taxes;

21 (7) The state of Rhode Island has generated economic growth by redirecting and/or
22 exempting certain commercial and retail activity from the imposition of sales, use and income
23 taxes with recent examples being the Providence Place Mall, the Arts Districts in the cities of
24 Providence, Pawtucket and Westerly, and financial services and aquaculture industries;

25 (8) Most recently, municipalities in our state have had great success in attracting large
26 commercial development, including financial services, manufacturing, and major energy
27 facilities, due in large part to the authority to exempt and/or stabilize property, tangible and/or
28 inventory taxes;

29 (9) Attracting large non-residential developments or encouraging expansion of existing
30 commercial entities can be extremely important to municipalities, where the quality of public
31 education is largely dependent on the local tax base, thereby expanding the commercial tax base
32 and reducing reliance upon the residential tax base;

33 (10) The ability to attract this development and increase the non-residential tax base, in
34 turn, improves municipalities' ability to finance school systems, municipal services and

1 infrastructure, thereby improving the quality of life;

2 (11) In addition to increasing the local non-residential tax base, this development creates
3 construction jobs, permanent jobs, and spurs additional investment by private enterprises; and

4 (12) Providing authority to offer tax exemptions from, or to stabilize, the imposition of
5 sales and use taxes will attract and assist in expanding, revitalizing and redeveloping the tax base
6 in our municipalities, thereby providing long-term economic benefits and development.

7 (1) In order to attract new construction and development in a municipal economic
8 development zone (MED) as provided in this section, upon the designation of such a zone as set
9 forth in subsection (c) of this section, [except as otherwise provided in § 44-18-12.2](#), all businesses
10 engaging in qualifying sales and located in new construction in a MED zone (a MED zone
11 business) shall be exempt from the requirement to charge and collect fifty percent (50%) of the
12 current sales and use tax pursuant to §§ 44-18-18 and 44-18-20 for a period of ten (10) years.
13 Sales and use taxes collected in a MED zone shall be returned to the same MED zone in
14 accordance with the provisions of this section. The ten (10) year exemption period for all MED
15 zone businesses shall begin to run from the latest to occur of: (i) the date that is three (3) years
16 from the effective date of the January session 2003 amendments [July 17, 2003]; or (ii) the date
17 that is two (2) years from the date upon which the city or town council designates the MED zone
18 for its municipality; or (iii) the date the first MED zone business obtains a certification of
19 exemption as set forth in subdivision (c)(6) of this section.

20 (2) For purposes of this section, "qualifying sales" for a MED zone business shall not
21 include gambling activities, or the retail sales of motor vehicles, furniture, home furnishings
22 including mattresses and oriental rugs, tobacco products, or packaged alcoholic beverages.

23 (3) "Qualifying sales" shall be sales at which the point of sale is located within the same
24 MED zone and point of delivery is located within the same MED zone.

25 (1) The city or town council of a financially distressed community may designate in
26 accordance with the provisions of this section one MED zone in the municipality, provided that
27 the municipality is:

28 (i) A financially distressed community as defined by § 45-13-12(b), using the criteria set
29 forth in § 45-13-12(b)(1) through (4);

30 (ii) Has a population less than fifty thousand (50,000) persons; and

31 (iii) The MED zone shall be a parcel of or contiguous parcels of land consisting in total
32 of not less than ten (10) acres, but not more than thirty (30) acres in the area served by adequate
33 utilities and transportation facilities.

34 (2) The city or town council of any financially distressed city or town, as set forth in

1 subdivision (1) of this subsection, in creating a MED zone, shall have the power and authority of
2 a redevelopment agency, as provided in chapter 32 of title 45, to undertake the redevelopment of
3 a MED zone.

4 (3) The city or town council, in designating a MED zone, shall after public notice,
5 hearing and vote as provided by § 45-32-4, comply with the plan requirements of § 45-32-8 and
6 shall be responsible for carrying on the plan. The city or town council in implementing the MED
7 zone plan shall have the power of eminent domain as set forth in § 45-32-24, and the provisions
8 of §§ 45-32-25 – 45-32-41 shall apply to all such condemnations.

9 (4) All sales and use taxes collected within a MED zone shall be reimbursed to the
10 municipality in which the MED zone is located, and may be expended by the municipality to
11 implement the capital improvement component of the MED zone plan for MED zone property or
12 for property located within one mile of the MED zone or for such other capital improvements as
13 the municipality may determine are required to mitigate MED zone impacts.

14 (5) *West Warwick.* The following area or portions of them of the town of West Warwick
15 may be designated as the town's municipal economic development zone by the town council of
16 the town of West Warwick after public notice, hearing and vote as provided in § 45-32-4: The
17 area bounded generally by the East Coast Bike Path in the east, Archambault and Gardner
18 Avenue in the north, Payan Street to Curson Street, Curson Street to McNiff, McNiff to Barnes
19 Street, Barnes Street to Nowicki Street to East Street, East Street to Blanchard Street, Blanchard
20 Street to West Street in the west, West Street to Washington Street, Washington Street to Nolan
21 Street, Nolan Street to the East Coast Bike Path in the south, all as more particularly described on
22 the West Warwick municipal economic development zone map on file with the town clerk.

23 (6) The tax administrator shall issue a certification of exemption to the MED zone
24 business at the time the business applies for its permit to make sales at retail and provides the tax
25 administrator with a MED zone business certificate issued by the town clerk stating that the
26 business is located in new construction in the MED zone. The duration of the certificate shall be
27 determined in accordance with subdivision (b)(1) of this section.

28 (7) No business shall be permitted to become a MED zone business or to receive a
29 certificate of exemption pursuant to subdivision (6) of this subsection by relocating from any area
30 within the state of Rhode Island but outside the MED zone to new construction within the MED
31 zone, unless the relocation results in the creation of new permanent employment positions that
32 increase the total employment of the business by not less than fifty percent (50%) of its average
33 total employment for the two (2) year period immediately preceding the year in which it applies
34 for its certificate of exemption. Any business that expands its operations by adding a new location

1 within the MED zone and then ceases to operate any of its locations within the state of Rhode
2 Island that existed prior to the establishment of the MED zone location shall immediately have its
3 certificate of exemption for the MED zone location revoked.

4 **44-18-36.1. Hotel tax.** -- (a) There is imposed a hotel tax of five percent (5%) upon the
5 total consideration charged for occupancy of any space furnished by any hotel in this state. The
6 hotel tax is in addition to any sales tax imposed. This hotel tax is administered and collected by
7 the division of taxation and unless provided to the contrary in this chapter, all the administration,
8 collection, and other provisions of chapters 18 and 19 of this title apply. Nothing in this chapter
9 shall be construed to limit the powers of the convention authority of the city of Providence
10 established pursuant to the provisions of chapter 84 of the public laws of 1980, except that
11 distribution of hotel tax receipts shall be made pursuant to chapter 63.1 of title 42 rather than
12 chapter 84 of the public laws of 1980.

13 (b) There is hereby levied and imposed, upon the total consideration charged for
14 occupancy of any space furnished by any hotel in this state, in addition to all other taxes and fees
15 now imposed by law, a local hotel tax at a rate of one percent (1.0%), provided, however, for the
16 period commencing July 1, 2011, the rate is two percent (2%). The local hotel tax shall be
17 administered and collected in accordance with subsection (a).

18 (c) All sums received by the division of taxation for sales prior to July 1, 2011 under this
19 section as taxes, penalties or forfeitures, interest, costs of suit and fines shall be distributed at
20 least quarterly, credited and paid by the state treasurer to the city or town where the space for
21 occupancy that is furnished by the hotel is located. Unless provided to the contrary in this chapter,
22 all of the administration, collection, and other provisions of chapters 18 and 19 of this title shall
23 apply.

24 (d) For sales on or after July 1, 2011, one percent (1%) of the two percent (2%) of the
25 gross receipts paid under § 44-18-36.1(b) received by the division of taxation as taxes, penalties
26 or forfeitures, interest, costs of suit and fines shall be distributed at least quarterly, credited and
27 paid by the state treasurer to the city or town where the space for occupancy that is furnished by
28 the hotel is located. The remaining one percent (1%) of the total received by the division of
29 taxation under this section as taxes, penalties or forfeitures, interest, costs of suit and fines shall
30 be deposited in the Tourism Asset Protection Fund which shall be dedicated to capital projects to
31 preserve and enhance state owned assets which are directly related to tourism. Such funds shall
32 be allocated in the annual capital budgeting pursuant to § 35-4-24.

33 ~~(d)~~(e) Notwithstanding the provisions of subsection (a) of this section, the city of
34 Newport shall have the authority to collect from hotels located in the city of Newport the tax

1 imposed by subsection (a) of this section.

2 (1) Within ten (10) days of collection of the tax, the city of Newport shall distribute the
3 tax as provided in § 42-63.1-3. No later than the first day of March and the first day of September
4 in each year in which the tax is collected, the city of Newport shall submit to the division of
5 taxation a report of the tax collected and distributed during the six (6) month period ending thirty
6 (30) days prior to the reporting date.

7 (2) The city of Newport shall have the same authority as the division of taxation to
8 recover delinquent hotel taxes pursuant to chapter 44-19, and the amount of any hotel tax, penalty
9 and interest imposed by the city of Newport until collected constitutes a lien on the real property
10 of the taxpayer

11 **44-18-40.1. Exemption for certain energy products.** -- [Except as provided in § 44-18-](#)
12 [12.2](#) or ~~Notwithstanding~~ any [other](#) provision of the general laws to the contrary, the gross receipts
13 from the sale, storage, use or other consumption of electricity, steam and thermal energy which is
14 produced, transmitted and/or sold by the Rhode Island economic development corporation are
15 exempt from the taxes imposed by this chapter.

16 SECTION 6. Section 44-19-7 of the General Laws in Chapter 44-19 entitled “Sales and
17 Use Taxes – Enforcement & Collection” is hereby amended to read as follows:

18 **44-19-7. Registration of retailers.** -- Every retailer selling tangible personal property [or](#)
19 [specified digital products](#) for storage, use, or other consumption in this state, [or providing](#)
20 [services as defined in § 44-18-7.3](#), or renting living quarters in any hotel, rooming house, or
21 tourist camp in this state must register with the tax administrator and give the name and address
22 of all agents operating in this state, the location of all distribution or sales houses or offices, or of
23 any hotel, rooming house, or tourist camp or other places of business in this state, and other
24 information that the tax administrator may require.

25 SECTION 7. Section 45-37.1-9 of the General Laws in Chapter 45-37.1 entitled
26 “Industrial Facilities Corporation” is hereby amended to read as follows:

27 **45-37.1-9. Exemption from taxation.** -- (a) The exercise of the powers granted by this
28 chapter will be in all respects for the benefit of the people of this state, for the increase of their
29 commerce, welfare and prosperity, and for the improvement of their health and living conditions,
30 and will constitute the performance of an essential government function, and the corporation is
31 not required to pay any taxes or assessments upon or in respect of a project, or any property or
32 moneys of the corporation, levied by any municipality or political subdivision of the state, nor is
33 the corporation required to pay state taxes of any kind, and the corporation, its projects, property,
34 and moneys, and any bonds and notes issued under the provisions of this chapter, their transfer

1 and the income from them, including any profit made on their sale, are at all times free from
2 taxation of every kind by the state [except as otherwise provided in § 44-18-12.2](#), and by the
3 municipalities and all other political subdivisions of the state, and the corporation is not required
4 to pay any transfer tax of any kind on account of instruments recorded by or on its behalf or in
5 connection with the financing of any of its projects; provided, that any person, partnership,
6 corporation, or concern leasing a project from the corporation shall pay to the city, town, school
7 district, or other political subdivision or special district having taxing powers, in which the project
8 is located, a payment in lieu of taxes which equals the taxes on real and personal property which
9 the lessee would have been required to pay, had it been the owner of the property during the
10 period for which the payment is made, and under no circumstances are the corporation or its
11 projects, properties, money, bonds, or notes obligated, liable, or subject to a lien of any kind for
12 their enforcement, collection, or payment; and provided, further, that in the case of any person,
13 partnership, corporation, or concern leasing a project from the corporation any such person,
14 partnership, corporation or concern so leased shall be exempt from payment of state sales tax
15 applicable to materials used in construction of such a facility only to the extent that the costs of
16 such materials do not exceed the amount financed through the corporation.

17 (b) If and to the extent the proceedings under which the bonds or notes authorized to be
18 issued under the provisions of this chapter so provide, the corporation may agree to cooperate
19 with the lessee of a project in connection with any administrative or judicial proceedings for
20 determining the validity or amount of payments, and may agree to appoint or designate and
21 reserve the right in and for the lessee to take all action which the corporation may lawfully take in
22 respect of those payments and all matters relating to them, provided, that the lessee bears and pay
23 all costs and expenses of the corporation thereby incurred at the request of the lessee or by reason
24 of any action taken by the lessee in behalf of the corporation. Any lessee of a project, which has
25 paid the amounts in lieu of taxes required by the first sentence of this section, is not required to
26 pay any taxes for which a payment in lieu thereof has been made to the state or to any city, town,
27 school district, or other political subdivision or special district having taxing powers,
28 notwithstanding any other statute to the contrary.

29 SECTION 8. This article shall take effect upon passage.

30 **ARTICLE 27**

31 **RELATING TO PHARMACEUTICAL ASSISTANCE TO THE ELDERLY**

32 SECTION 1. Chapter 42-66.2 of the General Laws entitled "Pharmaceutical Assistance
33 to the Elderly" is hereby repealed:

34 ~~§ 42-66.2-1 Short title. This chapter shall be known and cited as the "Pharmaceutical~~

1 ~~Assistance to the Elderly Act".~~

2 ~~§ 42-66.2-2 Program established.~~ There is established a program for pharmaceutical
3 assistance to the elderly. This program is limited to eligible persons and eligible drugs.

4 ~~§ 42-66.2-3 Definitions.~~ As used in this chapter, unless the context requires otherwise:

5 (1) ~~"Consumer"~~ means any full-time resident of the state who fulfills the eligibility
6 requirements set forth in § 42-66.2-5. Residence for purposes of this chapter shall be in
7 accordance with the definitions and evidence standards set forth in § 17-1-3.1.

8 (2) ~~"Contractor"~~ means a third party or private vendor capable of administering a
9 program of reimbursement for prescription drugs, and drug program eligibility administrative
10 support as required by the director, the vendor to be determined through a competitive bid process
11 in which the director awards a three (3)-year contract for services.

12 (3) ~~"Department"~~ means the department of elderly affairs.

13 (4) ~~"Director"~~ means the director of the department of elderly affairs.

14 (5) ~~"Eligible drugs"~~ means insulin, injectable drugs for multiple sclerosis, and shall mean
15 non-injectable drugs which require a physician's prescription according to federal law and which
16 are contained in the following American Hospital Formulary Service pharmacologic therapeutic
17 classifications categories that have not been determined by the federal "Drug Efficacy and Safety
18 Implementation (DESI) Commission" to lack substantial evidence of effectiveness. Eligible drugs
19 are limited to the following classification categories: cardiac drugs, hypotensive drugs, diuretics,
20 anti-diabetic agents, insulin, disposable insulin syringes, vasodilators (cardiac indications only),
21 anticoagulants, hemorreologic agents, glaucoma drugs, drugs for the treatment of Parkinson's
22 disease, antilipemic drugs and oral antineoplastic drugs and drugs for the treatment of asthma and
23 other chronic respiratory diseases and prescription vitamin and mineral supplements for renal
24 patients, and drugs approved for the treatment of Alzheimer's disease, drugs used for the
25 treatment of depression, those drugs approved for the treatment of urinary incontinence, anti-
26 infectives, drugs used for the treatment of arthritis, drugs approved for the treatment of
27 osteoporosis, and neuraminidase-inhibiting drugs indicated for the treatment of influenza A and
28 B.

29 (ii) ~~"Additional drugs"~~ means non-injectable drugs which require a physician's
30 prescription according to federal law and which are contained in the American Hospital
31 Formulary Service pharmacologic therapeutic classifications categories that have not been
32 determined by the federal "Drug Efficacy and Safety Implementation (DESI) Commission" to
33 lack substantial evidence of effectiveness, which are not included in the definition of drugs as
34 defined in this subdivision. However, this shall not include prescription drugs used for cosmetic

1 ~~purposes.~~

2 ~~(6) "Income" for the purposes of this chapter means the sum of federal adjusted gross~~
3 ~~income as defined in the Internal Revenue Code of the United States, 26 U.S.C. § 1 et seq., and~~
4 ~~all nontaxable income including, but not limited to, the amount of capital gains excluded from~~
5 ~~adjusted gross income, alimony, support money, nontaxable strike benefits, cash public assistance~~
6 ~~and relief (not including relief granted under this chapter), the gross amount of any pension or~~
7 ~~annuity (including Railroad Retirement Act benefits, 45 U.S.C. § 231 et seq., all payments~~
8 ~~received under the federal Social Security Act, 42 U.S.C. § 301 et seq., state unemployment~~
9 ~~insurance laws, and veterans' disability pensions), nontaxable interest received from the federal~~
10 ~~government or any of its instrumentalities, workers' compensation, and the gross amount of "loss~~
11 ~~of time" insurance. It does not include gifts from nongovernmental sources, or surplus foods or~~
12 ~~other relief in kind supplied by a public or private agency.~~

13 ~~(7) "Pharmaceutical manufacturer" means any entity holding legal title to or possession~~
14 ~~of a national drug code number issued by the federal food and drug administration.~~

15 ~~(8) "Pharmacy" means a pharmacy licensed by the state of Rhode Island.~~

16 ~~(9) [Deleted by P.L. 2008, ch. 100, art. 8, § 2].~~

17 ~~§ 42-66.2-4 Amount of payment.~~ The state shall pay the percentage rate of the
18 ~~maximum allowable amount per prescription as formulated in the contract, as of the date of~~
19 ~~purchase of the drug, between the contractor and participating pharmacies in accordance with the~~
20 ~~income eligibility and co-payment shares set forth in § 42-66.2-5. The rebates generated pursuant~~
21 ~~to § 42-66.2-10 shall be used to offset the state's payment. The pharmacy shall collect from the~~
22 ~~consumer the percentage rate of the maximum allowable amount per prescription as formulated in~~
23 ~~the contract, as of the date of the purchase of the eligible drug or additional drug, between the~~
24 ~~contractor and participating pharmacies in accordance with the income eligibility and co-payment~~
25 ~~shares set forth in § 42-66.2-5.~~

26 ~~§ 42-66.2-4.1 Catastrophic illness coverage.~~ The state shall pay one hundred percent
27 ~~(100%) of the prescription drug costs for eligible drugs as defined in § 42-66.2-3(5) for any~~
28 ~~consumer, as defined in § 42-66.2-3(1), who is eligible to receive pharmaceutical drug coverage~~
29 ~~benefits under § 42-66.2-5(a)(1)(i) or (a)(2)(i) and who has expended at least one thousand five~~
30 ~~hundred dollars (\$1,500) in total co-payments within a state fiscal year. The initial one thousand~~
31 ~~five hundred dollars (\$1,500) paid by the consumer shall not be reimbursed by the state. The state~~
32 ~~shall make payments under this section only until the end of the fiscal year.~~

33 ~~§ 42-66.2-5 Persons eligible.~~ (a) Persons eligible for assistance under the provisions of
34 ~~this chapter include any resident of the state who is at least sixty five (65) years of age or at least~~

1 ~~fifty five (55) years of age and receiving social security disability benefits. State and consumer~~
2 ~~co-payment shares for these persons shall be determined as follows:~~

3 ~~(1) For unmarried persons or married persons living separate and apart whose income for~~
4 ~~the calendar year immediately preceding the year in which assistance is sought is:~~

5 ~~(i) Less than nineteen thousand three hundred forty one dollars (\$19,341) the state shall~~
6 ~~pay sixty percent (60%) of the cost of the prescriptions and the consumer shall pay forty percent~~
7 ~~(40%) of the cost of the prescriptions.~~

8 ~~(ii) More than nineteen thousand three hundred forty one dollars (\$19,341) and less than,~~
9 ~~twenty four thousand two hundred and eighty dollars (\$24,280) the state shall pay thirty percent~~
10 ~~(30%) of the cost of the prescriptions and the consumer shall pay seventy percent (70%) of the~~
11 ~~cost of the prescriptions; and~~

12 ~~(iii) More than twenty four thousand two hundred and eighty dollars (\$24,280) and less~~
13 ~~than forty two thousand four hundred and ninety three dollars (\$42,493), the state shall pay~~
14 ~~fifteen percent (15%) of the cost of prescriptions and the consumer shall pay eighty five percent~~
15 ~~(85%) of the cost of prescriptions.~~

16 ~~(2) For married persons whose income for the calendar year immediately preceding the~~
17 ~~year in which assistance is sought hereunder when combined with any income of the person's~~
18 ~~spouse in the same year is:~~

19 ~~(i) Twenty four thousand one hundred and seventy nine dollars (\$24,179) or less, the~~
20 ~~state shall pay sixty percent (60%) of the cost of the prescriptions and the consumer shall pay~~
21 ~~forty percent (40%) of the cost of the prescriptions;~~

22 ~~(ii) More than twenty four thousand one hundred and seventy nine dollars (\$24,179) and~~
23 ~~less than thirty thousand three hundred and fifty two dollars (\$30,352), the state shall pay thirty~~
24 ~~percent (30%) of the cost of the prescriptions and the consumer shall pay seventy percent (70%)~~
25 ~~of the cost of prescriptions; and~~

26 ~~(iii) More than thirty thousand three hundred and fifty two dollars (\$30,352) and less than~~
27 ~~forty eight thousand five hundred and sixty three dollars (\$48,563), the state shall pay fifteen~~
28 ~~percent (15%) of the cost of prescriptions and the consumer shall pay eighty five percent (85%)~~
29 ~~of the cost of prescriptions.~~

30 ~~(3) Eligibility may also be determined by using income data for the ninety (90) days prior~~
31 ~~to application for benefits and projecting that income on an annual basis. The income levels shall~~
32 ~~not include those sums of money expended for medical and pharmaceutical that exceed three~~
33 ~~percent (3%) of the applicant's annual income or three percent (3%) of the applicant's preceding~~
34 ~~ninety (90) day income computed on an annual basis.~~

1 ~~(4) For persons on social security disability benefits who are: (i) unmarried or married~~
2 ~~and living separate and apart with income for the calendar year immediately preceding the year in~~
3 ~~which assistance is sought that is less than forty two thousand four hundred and ninety three~~
4 ~~dollars (\$42,493); or (ii) married with income that is less than forty eight thousand five hundred~~
5 ~~and sixty three dollars (\$48,563) the state shall pay fifteen percent (15%) of the cost of~~
6 ~~prescriptions and the consumer shall pay eighty five percent (85%) of the cost.~~

7 ~~(b) On July 1 of each year, the maximum amount of allowable income for both unmarried~~
8 ~~and married residents set forth in subsection (a) shall be increased by a percentage equal to the~~
9 ~~percentage of the cost of living adjustment provided for social security recipients.~~

10 ~~(c) No person whose prescription drug expenses are paid or reimbursable, either in whole~~
11 ~~or in part, by any other plan of assistance or insurance is eligible for assistance under this section,~~
12 ~~until the person's prescription drug coverage for a specific covered prescription medication is~~
13 ~~exhausted or the specific prescription medication is not covered by the plan during a benefit year,~~
14 ~~and as provided in subsection (d).~~

15 ~~(d) The fact that some of a person's prescription drug expenses are paid or reimbursable~~
16 ~~under the provisions of the federal Medicare program shall not disqualify that person, if he or she~~
17 ~~is otherwise eligible, to receive assistance under this chapter. In those cases, the state shall pay~~
18 ~~the eligible percentage of the cost of those prescriptions for qualified drugs for which no payment~~
19 ~~or reimbursement is made by the federal government.~~

20 ~~(e) Eligibility for receipt of any other benefit under any other provisions of the Rhode~~
21 ~~Island general laws as a result of eligibility for the pharmaceutical assistance program authorized~~
22 ~~under this section shall be limited to those persons whose income qualify them for a sixty percent~~
23 ~~(60%) state co-payment share of the cost of prescriptions.~~

24 ~~(f) For all additional drugs, the consumer shall pay one hundred percent (100%) of the~~
25 ~~cost of prescriptions as set forth in § 42-66.2-4.~~

26 ~~(g) To promote coordination of benefits between the pharmaceutical assistance program~~
27 ~~created under this chapter and the Medicare Part D prescription drug program created in the~~
28 ~~federal Medicare Prescription Drug, Improvement and Modernization Act of 2003, RIPAE~~
29 ~~enrollees must apply for and enroll in the Medicare Part D prescription drug program.~~

30 ~~§ 42-66.2-6 Responsibilities of department of elderly affairs.—(a) Determination of~~
31 ~~eligibility. The department shall adopt regulations relating to the determination of eligibility of~~
32 ~~prospective consumers and the determination and elimination of program abuse. The department~~
33 ~~has the power to declare ineligible any consumer who abuses or misuses the established~~
34 ~~prescription plan. The department has the power to investigate cases of suspected provider or~~

1 ~~consumer fraud.~~

2 ~~(b) Rebates for expenses prohibited. (1) A system of rebates or reimbursements to the~~
3 ~~consumer for pharmaceutical expenses shall be prohibited.~~

4 ~~(2) Subdivision (1) shall not be interpreted to exclude other consumers not participating~~
5 ~~in the pharmaceutical assistance to the elderly program from receiving financial offers or~~
6 ~~redeemable coupons that are available to only those who have paid for the service or product~~
7 ~~through direct cash payment, insurance premiums, or cost sharing with an employer.~~

8 ~~(c) Program criteria. The program includes the following criteria:~~

9 ~~(1) Collection of the co-payment by pharmacies is mandatory;~~

10 ~~(2) Senior citizens participating in the program are not required to maintain records of~~
11 ~~each transaction but shall sign a receipt for eligible and additional drugs;~~

12 ~~(3) A system of rebates or reimbursements to the consumer for pharmaceutical expenses~~
13 ~~is prohibited;~~

14 ~~(ii) This subdivision shall not be interpreted to exclude other consumers from receiving~~
15 ~~financial offers or redeemable coupons that are available to only those who have paid for the~~
16 ~~service or product through direct cash payment, insurance premiums, or cost sharing with an~~
17 ~~employer.~~

18 ~~(4) Prescription benefits for any single prescription may be dispensed in the amounts~~
19 ~~authorized by the physician, and agreed to by the consumer, up to a maximum of a one hundred~~
20 ~~(100) day supply or two hundred (200) doses, whichever is less and/or a one hundred (100) day~~
21 ~~supply or one quart of liquid, whichever is less; provided, however, that disposable insulin~~
22 ~~syringes are dispensed in a quantity of one hundred (100);~~

23 ~~(5) Experimental drugs are excluded from the program;~~

24 ~~(6) A system of mail order delivery for prescriptions is allowed under this program; and~~

25 ~~(7) Eligible and additional drugs must be dispensed within one year of the original~~
26 ~~prescription order.~~

27 ~~(d) The director shall issue an eligibility card containing a program ID number and the~~
28 ~~time period for which the card is valid.~~

29 ~~(e) The director shall provide a mechanism, within the department, to handle all public~~
30 ~~inquiries concerning the program.~~

31 ~~(f) The director shall establish a process, in accordance with the Administrative~~
32 ~~Procedures Act, chapter 35 of this title, to provide an appeals hearing on the determination of~~
33 ~~eligibility.~~

34 ~~(g) The director shall forward to the contractor a list of all eligible consumers.~~

1 ~~(h) Expenditures for multiple sclerosis drugs shall not exceed thirty thousand dollars~~
2 ~~(\$30,000).~~

3 ~~(i) Generic drug substitution is mandatory when there is an available generic drug~~
4 ~~equivalent.~~

5 ~~§ 42-66.2-7 Contract.~~—(a) The director is authorized and shall enter into a contract with
6 the contractor for the effective administrative support of this program.

7 ~~(b) A competitive bid and contract award shall occur in accordance with the state~~
8 ~~Medicaid authority's competitive bid process and cycle.~~

9 ~~§ 42-66.2-8 Penalties.~~—(a) Criminal penalties. Any person who submits a false or
10 fraudulent claim under this chapter, or who aids or abets another in the submission of a false or
11 fraudulent claim, or who is eligible under a private, state, or federal program for prescription
12 assistance and who claims or receives duplicative benefits hereunder or who otherwise violates
13 any provisions of this chapter is deemed guilty of a misdemeanor and is subject to imprisonment
14 for a term of not more than one year or a fine of not less than five hundred dollars (\$500), or both.

15 ~~(b) Any provider or consumer found guilty of intentionally violating the provisions of~~
16 ~~this chapter shall be subject to immediate termination from this program for a period of no less~~
17 ~~than one year.~~

18 ~~(c) Repayment of gain. Any provider or consumer who is found guilty under this chapter~~
19 ~~is subject to repay three (3) times the value of the material gain he or she received.~~

20 ~~§ 42-66.2-9 Annual report.~~—(a) The director shall submit an annual report to the
21 governor, the budget officer, the chairperson of the house finance committee, the chairperson of
22 the senate finance committee, and the chairperson of the board of pharmacy as established by § 5-
23 19.1-4. The report shall contain the number of consumers eligible for the program, the number of
24 consumers utilizing the program, the number of appeals, an outline of problems encountered in
25 the administration of the program and suggested solutions to the problems, and any
26 recommendations to enhance the program.

27 ~~(b) The contractor shall submit an annual report to the governor, the budget officer, the~~
28 ~~chairperson of the house finance committee, the chairperson of the senate finance committee, and~~
29 ~~the board of pharmacy as established by § 5-19.1-4. The report shall contain financial and~~
30 ~~utilization statistics as to drug use by therapeutic category, actuarial projections, an outline of~~
31 ~~problems encountered in the administration of the program, and suggested solutions to the~~
32 ~~problems and any recommendations to enhance the program.~~

33 ~~(c) [Deleted by P.L. 2008, ch. 100, art. 8, § 2].~~

34 ~~§ 42-66.2-10 Pharmaceutical manufacturer drug rebates.~~—(a) The director shall enter

1 ~~into prescription drug rebate agreements with individual pharmaceutical manufacturers under~~
2 ~~which the department shall receive a rebate from the pharmaceutical manufacturer equal to the~~
3 ~~basic rebate supplied by the manufacturer under 42 U.S.C. § 1396a for every eligible prescription~~
4 ~~drug dispensed under the program. Each prescription drug rebate agreement shall provide that the~~
5 ~~pharmaceutical manufacturer shall make quarterly rebate payments to the department equal to the~~
6 ~~basic rebate supplied by the manufacturer under 42 U.S.C. § 1396a for the total number of dosage~~
7 ~~units of each form and strength of a prescription drug which the department reports as reimbursed~~
8 ~~to providers of prescription drugs, provided these payments shall not be due until thirty (30) days~~
9 ~~following the manufacturer's receipt of utilization data from the department including the number~~
10 ~~of dosage units reimbursed to providers of eligible prescription drugs during the quarter for which~~
11 ~~payment is due.~~

12 ~~(b) Upon receipt of the utilization data from the department, the pharmaceutical~~
13 ~~manufacturer shall calculate the quarterly payment. The department may, at its expense, hire a~~
14 ~~mutually agreed upon independent auditor to verify the calculation and payment. In the event that~~
15 ~~a discrepancy is discovered between the pharmaceutical manufacturer's calculation and the~~
16 ~~independent auditor's calculation, the pharmaceutical manufacturer shall justify its calculations or~~
17 ~~make payment to the department for any additional amount due.~~

18 ~~(2) The pharmaceutical manufacturer may, at its expense, hire a mutually agreed upon~~
19 ~~independent auditor to verify the accuracy of the utilization data provided by the department. In~~
20 ~~the event that a discrepancy is discovered, the department shall justify its data or refund any~~
21 ~~excess payment to the pharmaceutical manufacturer. The department may, at its expense,~~
22 ~~establish a grievance adjudication procedure, which provides for independent review of~~
23 ~~manufacturer documentation substantiating the basic rebate amount per unit delivered under 42~~
24 ~~U.S.C. § 1396a. In the event that a discrepancy is discovered, the department shall justify its data~~
25 ~~or refund any excess payment to the pharmaceutical manufacturer.~~

26 ~~(c) All eligible prescription drugs of a pharmaceutical manufacturer that enters into an~~
27 ~~agreement pursuant to subsection (a) shall be immediately available and the cost of these eligible~~
28 ~~drugs shall be reimbursed and not subject to any restrictions or prior authorization requirements.~~
29 ~~Any prescription drug of a manufacturer that does not enter into an agreement pursuant to~~
30 ~~subsection (a) shall not be reimbursable, unless the department determines the eligible~~
31 ~~prescription drug is essential to program participants.~~

32 ~~(d) All rebates collected by the department from the rebate payments made for drugs for~~
33 ~~persons eligible under the provisions of § 42-66.2-5(a) shall be deposited in a restricted receipt~~
34 ~~account, hereby created within the agency and known as Pharmaceutical Rebates, to pay costs in~~

1 ~~accordance with the provisions of § 42-66.2-4.~~

2 ~~§ 42-66.2-11 Repealed.~~

3 SECTION 2. TITLE 42 of the General Laws entitled “STATE AFFAIRS AND
4 GOVERNMENT” is hereby amended by adding thereto the following chapter:

5 CHAPTER 42-66.2.2

6 THE RHODE ISLAND SUPPLEMENTAL PRESCRIPTION ASSISTANCE PROGRAM

7 **42-66.2.2-1. Short Title.** -- This chapter shall be known and cited as the “Rhode Island
8 Supplemental Prescription Assistance Program.”

9 **42-66.2.2-2. Program.** -- This chapter establishes authority for the director of the
10 department of elderly affairs to implement a program for pharmaceutical assistance to the elderly
11 during the period July 1, 2011 through December 31, 2018, with the intent to supplement
12 prescription drug benefits provided under the provisions of the federal Patient Protection and
13 Affordable Care Act (U.S. Public Law 111-148) enacted in March 2010. This program is limited
14 as set forth in this chapter.

15 **42-66.2.2-3. Definitions.** -- As used in this chapter:

16 (1) “Department” means the department of elderly affairs.

17 (2) “Director” means the director of the department of elderly affairs.

18 **42-66.2.2-4. Authorization to Establish Program.** -- (a) Notwithstanding any general
19 law to the contrary, pursuant to section 42-66.2.2-5 herein, the director may design a financial
20 prescription drug benefit program for eligible persons who are also eligible for prescription drug
21 coverage under the federal Medicare Prescription Drug, Improvement, and Modernization Act of
22 2003 or its successor legislation. Any prescription drug benefit program established by the
23 director pursuant to this chapter shall be subject to availability of funds allocated to such purposes
24 and shall be limited to such drugs as shall be determined by the director.

25 (b) Any prescription drug benefit program established by the director pursuant to this
26 chapter shall expire no later than December 31, 2018.

27 (c) The director, at his or her discretion, may enter into agreements and/or arrangements
28 with other parties in order to effectuate the intent of this chapter to supplement, for persons
29 eligible for assistance under this chapter for the period through December 31, 2018, the
30 prescription drug benefits provided under the provisions of the federal Patient Protection and
31 Affordable Care Act (U.S. Public Law 111-148). Such agreements and/or arrangements may
32 include, but are not limited to, the development, modification and/or expansion of other programs
33 operated by third parties in order to include persons eligible for assistance under this chapter.

34 **42-66.2-5. Persons Eligible.** -- Persons eligible for assistance under the provisions of this

1 chapter may include any full time resident of the state: (1) Who is at least sixty-five (65) years of
2 age or at least fifty-five (55) years of age and receiving social security disability benefits; and (2)
3 Who meets such other eligibility requirements as shall be established by the director. To promote
4 coordination of benefits between any prescription drug benefit program created under this chapter
5 and the Medicare Part D prescription drug program created in the federal Medicare Prescription
6 Drug, Improvement and Modernization Act of 2003, enrollees in any prescription drug benefit
7 program created under this chapter must also be enrolled in the Medicare Part D prescription drug
8 program.

9 **42-66.2.2-6. Regulations.** -- The director shall promulgate regulations to implement and
10 conduct any prescription drug benefit program established by the director pursuant to this chapter.

11 **42-66.2.2-7. Severability.** -- If any provision of this act or the application thereof to any
12 circumstances shall be held invalid, such invalidity shall not affect the provisions or application
13 of the act which can be given effect, and to this end, the provisions of this act are declared to be
14 severable.

15 SECTION 3 This article shall take effect upon passage.

16 ARTICLE 28

17 RELATING TO THE VETERANS' HOME

18 SECTION 1. Section 30-24-10 of the General Laws in Chapter 30-24 entitled "Rhode
19 Island Veteran's Home" is hereby amended to read as follows:

20 **30-24-10. Admissible to home – Fees.** -- (a) Any person who has served in the army,
21 navy, marine corps, coast guard, or air force of the United States for a period of ninety (90) days
22 or more and that period began or ended during any foreign war in which the United States shall
23 have been engaged or in any expedition or campaign for which the United States government
24 issues a campaign medal, and who was honorably discharged from it, and who shall be deemed to
25 be in need of care provided at the Rhode Island veterans' home, may be admitted to that facility
26 subject to such rules and regulations as shall be adopted by the director of veterans' affairs to
27 govern the admission of applicants to the facility. Any person who has served in the armed forces
28 of the United States designated herein and otherwise qualified, who has served less than the
29 ninety-day period described in this section, and who was honorably discharged from service, and
30 who, as a result of the service, acquired a service-connected disability or disease, may be
31 admitted. No person shall be admitted to the facility unless the person has been accredited to the
32 enlistment or induction quota of the state or has resided in the state for at least two (2)
33 consecutive years next prior to the date of the application for admission to the facility.

34 (b) The director shall, at the end of each fiscal year, determine the net per diem

1 expenses of maintenance of residents in the facility and shall assess against each resident who has
2 "net income", as defined in this section, a fee equal to ~~eighty percent (80%)~~ one hundred percent
3 (100%) of the resident's net income, provided that fee shall not exceed the actual cost of care and
4 maintenance for the resident; and provided that an amount equal to twenty percent (20%) of the
5 maintenance fee assessed shall be allocated to and deposited in the veterans' restricted account.
6 For the purposes of this section, "net income" is defined as gross income minus applicable federal
7 and state taxes and minus:

8 (i) An amount equal to one hundred fifty dollars (\$150) per month of residency and
9 fifty percent (50%) of any sum received due to wounds incurred under battle conditions for which
10 the resident received the purple heart; and

11 (ii) The amount paid by a resident for the support and maintenance of his or her spouse,
12 parent(s), minor child(ren), or child(ren) who is/are blind or permanently and totally disabled as
13 defined in title XVI of the Federal Social Security Act, 42 U.S.C. §§ 1381 – 1383d, subject to a
14 maximum amount to be determined by rules and regulations as shall be adopted by the director.

15 (2) The fees shall be paid monthly to the home and any failure to make payment when
16 due shall be cause for dismissal from the facility. Prior to dismissal, the resident shall be afforded
17 administrative due process.

18 (c) Admissions to the veterans' home shall be made without discrimination as to race,
19 color, national origin, religion, sex, disability, marital status, age, sexual orientation, gender
20 identity or expression, assets, or income.

21 (d) Laundry services shall be provided to the residents of the Rhode Island veterans'
22 home at no charge to the residents, with such funds to cover the cost of providing laundry
23 services for residents of the Rhode Island Veterans' Home derived from monies appropriated to
24 the department of veterans' affairs.

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

26 **ARTICLE 29**

27 AN ACT RELATING TO department of health—elimination of certificate of need

28 SECTION 1. Sections 23-1-1.1 and 23-1-1.2 of the General Laws in Chapter 23-1
29 entitled "Department of Health" are hereby amended to read as follows:

30 **23-1-1.1. Health planning – Findings.** -- It is found and determined that health planning
31 is essential to promote appropriate access to high quality health services at a reasonable cost and
32 is a precondition to effective public health practice by the department of health; ~~and that health~~
33 ~~planning is a prerequisite to the effective discharge of the department of health's certificate of~~
34 ~~need responsibilities.~~

1 **23-1-1.2. Health planning process.** -- The department of health is authorized to conduct
2 health planning studies and to develop health plan documents to assist the department of health,
3 and the director of health, ~~and the health services council~~ in the conduct of their public health
4 responsibilities. The director of health, with the approval of the governor, may appoint various
5 committees and task forces as appropriate to assist and advise the department of health in the
6 conduct of its health planning responsibilities, provided that the director of health may appoint ad
7 hoc short-term committees or task forces to advise and assist the director on technical issues.

8 SECTION 2. Sections 23-15-1, 23-15-2, 23-15-3, 23-15-4, 23-15-4.1, 23-15-4.2, 23-15-
9 4.4, 23-15-5, 23-15-6.1, 23-15-7, 23-15-8, 23-15-9, 23-15-10, and 23-15-11 of the General Laws
10 in Chapter 23-15 entitled "Determination of Need for New Health Care Equipment and New
11 Institutional Health Services" are hereby repealed:

12 ~~**23-15-1 Short title.**— This chapter may be cited as the "Health Care Certificate of Need
13 Act of Rhode Island".~~

14 ~~**23-15-2 Definitions.**— As used in this chapter:~~

15 ~~(1) "Affected person" means and includes the person whose proposal is being reviewed,
16 or the applicant, health care facilities located within the state which provide institutional health
17 services, the state medical society, the state osteopathic society, those voluntary nonprofit area
18 wide planning agencies that may be established in the state, the state budget office, the office of
19 health insurance commissioner, any hospital or medical service corporation organized under the
20 laws of the state, the statewide health coordinating council, contiguous health systems agencies,
21 and those members of the public who are to be served by the proposed new institutional health
22 services or new health care equipment.~~

23 ~~(2) "Cost impact analysis" means a written analysis of the effect that a proposal to offer
24 or develop new institutional health services or new health care equipment, if approved, will have
25 on health care costs and shall include any detail that may be prescribed by the state agency in
26 rules and regulations.~~

27 ~~(3) "Director" means the director of the Rhode Island state department of health.~~

28 ~~(4) "Health care facility" means any institutional health service provider, facility or
29 institution, place, building, agency, or portion of them, whether a partnership or corporation,
30 whether public or private, whether organized for profit or not, used, operated, or engaged in
31 providing health care services, which are limited to hospitals, nursing facilities, inpatient
32 rehabilitation centers (including drug and/or alcohol abuse treatment centers), certain facilities
33 providing surgical treatment to patients not requiring hospitalization (surgi centers, multi practice
34 physician ambulatory surgery centers and multi practice podiatry ambulatory surgery centers) and~~

1 ~~facilities providing inpatient hospice care. Single practice physician or podiatry ambulatory~~
2 ~~surgery centers (as defined in subdivisions 23-17-2(13) and 23-17-2(14), respectively) are exempt~~
3 ~~from the requirements of chapter 15 of this title; provided, however, that such exemption shall not~~
4 ~~apply if a single practice physician or podiatry ambulatory surgery center is established by a~~
5 ~~medical practice group (as defined in § 5-37-1) within two (2) years following the formation of~~
6 ~~such medical practice group, when such medical practice group is formed by the merger or~~
7 ~~consolidation of two (2) or more medical practice groups or the acquisition of one medical~~
8 ~~practice group by another medical practice group. The term "health care facility" does not include~~
9 ~~Christian Science institutions (also known as Christian Science nursing facilities) listed and~~
10 ~~certified by the Commission for Accreditation of Christian Science Nursing~~
11 ~~Organizations/Facilities, Inc.~~

12 ~~(ii) Any provider of hospice care who provides hospice care without charge shall be~~
13 ~~exempt from the provisions of this chapter.~~

14 ~~(5) "Health care provider" means a person who is a direct provider of health care services~~
15 ~~(including but not limited to physicians, dentists, nurses, podiatrists, physician assistants, or nurse~~
16 ~~practitioners) in that the person's primary current activity is the provision of health care services~~
17 ~~for persons.~~

18 ~~(6) "Health services" means organized program components for preventive, assessment,~~
19 ~~maintenance, diagnostic, treatment, and rehabilitative services provided in a health care facility.~~

20 ~~(7) "Health services council" means the advisory body to the Rhode Island state~~
21 ~~department of health established in accordance with chapter 17 of this title, appointed and~~
22 ~~empowered as provided to serve as the advisory body to the state agency in its review functions~~
23 ~~under this chapter.~~

24 ~~(8) "Institutional health services" means health services provided in or through health~~
25 ~~care facilities and includes the entities in or through which the services are provided.~~

26 ~~(9) "New health care equipment" means any single piece of medical equipment (and any~~
27 ~~components which constitute operational components of the piece of medical equipment)~~
28 ~~proposed to be utilized in conjunction with the provision of services to patients or the public, the~~
29 ~~capital costs of which would exceed one million dollars (\$1,000,000); provided, however, that the~~
30 ~~state agency shall exempt from review any application which proposes one for one equipment~~
31 ~~replacement as defined in regulation.~~

32 ~~(10) "New institutional health services" means and includes:~~

33 ~~(i) Construction, development, or other establishment of a new health care facility.~~

34 ~~(ii) Any expenditure except acquisitions of an existing health care facility which will not~~

1 ~~result in a change in the services or bed capacity of the health care facility by or on behalf of an~~
2 ~~existing health care facility in excess of two million dollars (\$2,000,000) which is a capital~~
3 ~~expenditure including expenditures for predevelopment activities.~~

4 ~~(iii) Where a person makes an acquisition by or on behalf of a health care facility or~~
5 ~~health maintenance organization under lease or comparable arrangement or through donation,~~
6 ~~which would have required review if the acquisition had been by purchase, the acquisition shall~~
7 ~~be deemed a capital expenditure subject to review.~~

8 ~~(iv) Any capital expenditure which results in the addition of a health service or which~~
9 ~~changes the bed capacity of a health care facility with respect to which the expenditure is made,~~
10 ~~except that the state agency may exempt from review by rules and regulations promulgated for~~
11 ~~this chapter any bed reclassifications made to licensed nursing facilities and annual increases in~~
12 ~~licensed bed capacities of nursing facilities that do not exceed the greater of ten (10) beds or ten~~
13 ~~percent (10%) of facility licensed bed capacity and for which the related capital expenditure does~~
14 ~~not exceed two million dollars (\$2,000,000).~~

15 ~~(v) Any health service proposed to be offered to patients or the public by a health care~~
16 ~~facility which was not offered on a regular basis in or through the facility within the twelve (12)~~
17 ~~month period prior to the time the service would be offered, and which increases operating~~
18 ~~expenses by more than seven hundred and fifty thousand dollars (\$750,000), except that the state~~
19 ~~agency may exempt from review by rules and regulations promulgated for this chapter any health~~
20 ~~service involving reclassification of bed capacity made to licensed nursing facilities.~~

21 ~~(vi) Any new or expanded tertiary or specialty care service, regardless of capital expense~~
22 ~~or operating expense, as defined by and listed in regulation, the list not to exceed a total of twelve~~
23 ~~(12) categories of services at any one time and shall include full body magnetic resonance~~
24 ~~imaging and computerized axial tomography; provided, however, that the state agency shall~~
25 ~~exempt from review any application which proposes one for one equipment replacement as~~
26 ~~defined by and listed in regulation. Acquisition of full body magnetic resonance imaging and~~
27 ~~computerized axial tomography shall not require a certificate of need review and approval by the~~
28 ~~state agency if satisfactory evidence is provided to the state agency that it was acquired for under~~
29 ~~one million dollars (\$1,000,000) on or before January 1, 2010 and was in operation on or before~~
30 ~~July 1, 2010.~~

31 ~~(11) "Person" means any individual, trust or estate, partnership, corporation (including~~
32 ~~associations, joint stock companies, and insurance companies), state or political subdivision, or~~
33 ~~instrumentality of a state.~~

34 ~~(12) "Predevelopment activities" means expenditures for architectural designs, plans,~~

1 ~~working drawings and specifications, site acquisition, professional consultations, preliminary~~
2 ~~plans, studies, and surveys made in preparation for the offering of a new institutional health~~
3 ~~service.~~

4 (13) ~~"State agency" means the Rhode Island state department of health.~~

5 (14) ~~"To develop" means to undertake those activities which, on their completion, will~~
6 ~~result in the offering of a new institutional health service or new health care equipment or the~~
7 ~~incurring of a financial obligation, in relation to the offering of that service.~~

8 (15) ~~"To offer" means to hold oneself out as capable of providing, or as having the means~~
9 ~~for the provision of, specified health services or health care equipment.~~

10 ~~**23-15-3 Purpose.**— The purpose of this chapter is to provide for the development,~~
11 ~~establishment, and enforcement of standards for the authorization and allocation of new~~
12 ~~institutional health services and new health care equipment.~~

13 ~~**23-15-4 Review and approval of new health care equipment and new institutional**~~
14 ~~**health services.**— (a) No health care provider or health care facility shall develop or offer new~~
15 ~~health care equipment or new institutional health services in Rhode Island, the magnitude of~~
16 ~~which exceeds the limits defined by this chapter, without prior review by the health services~~
17 ~~council and approval by the state agency; except that review by the health services council may~~
18 ~~be waived in the case of expeditious reviews conducted in accordance with § 23-15-5, and except~~
19 ~~that health maintenance organizations which fulfill criteria to be established in rules and~~
20 ~~regulations promulgated by the state agency with the advice of the health services council shall be~~
21 ~~exempted from the review and approval requirement established in this section upon approval by~~
22 ~~the state agency of an application for exemption from the review and approval requirement~~
23 ~~established in this section which contain any information that the state agency may require to~~
24 ~~determine if the health maintenance organization meets the criteria.~~

25 (b) ~~No approval shall be made without an adequate demonstration of need by the~~
26 ~~applicant at the time and place and under the circumstances proposed, nor shall the approval be~~
27 ~~made without a determination that a proposal for which need has been demonstrated is also~~
28 ~~affordable by the people of the state.~~

29 (c) ~~No approval of new institutional health services for the provision of health services to~~
30 ~~inpatients shall be granted unless the written findings required in accordance with § 23-15-6(b)(6)~~
31 ~~are made.~~

32 (d) ~~Applications for determination of need shall be filed with the state agency on a date~~
33 ~~fixed by the state agency together with plans and specifications and any other appropriate data~~
34 ~~and information that the state agency shall require by regulation, and shall be considered in~~

1 ~~relation to each other no less than once a year. A duplicate copy of each application together with~~
2 ~~all supporting documentation shall be kept on file by the state agency as a public record.~~

3 ~~(e) The health services council shall consider, but shall not be limited to, the following in~~
4 ~~conducting reviews and determining need:~~

5 ~~(1) The relationship of the proposal to state health plans that may be formulated by the~~
6 ~~state agency;~~

7 ~~(2) The impact of approval or denial of the proposal on the future viability of the~~
8 ~~applicant and of the providers of health services to a significant proportion of the population~~
9 ~~served or proposed to be served by the applicant;~~

10 ~~(3) The need that the population to be served by the proposed equipment or services has~~
11 ~~for the equipment or services;~~

12 ~~(4) The availability of alternative, less costly, or more effective methods of providing~~
13 ~~services or equipment, including economies or improvements in service that could be derived~~
14 ~~from feasible cooperative or shared services;~~

15 ~~(5) The immediate and long term financial feasibility of the proposal, as well as the~~
16 ~~probable impact of the proposal on the cost of, and charges for, health services of the applicant;~~

17 ~~(6) The relationship of the services proposed to be provided to the existing health care~~
18 ~~system of the state;~~

19 ~~(7) The impact of the proposal on the quality of health care in the state and in the~~
20 ~~population area to be served by the applicant;~~

21 ~~(8) The availability of funds for capital and operating needs for the provision of the~~
22 ~~services or equipment proposed to be offered;~~

23 ~~(9) The cost of financing the proposal including the reasonableness of the interest rate,~~
24 ~~the period of borrowing, and the equity of the applicant in the proposed new institutional health~~
25 ~~service or new equipment;~~

26 ~~(10) The relationship, including the organizational relationship of the services or~~
27 ~~equipment proposed, to ancillary or support services;~~

28 ~~(11) Special needs and circumstances of those entities which provide a substantial portion~~
29 ~~of their services or resources, or both, to individuals not residing within the state;~~

30 ~~(12) Special needs of entities such as medical and other health professional schools,~~
31 ~~multidisciplinary clinics, and specialty centers; also, the special needs for and availability of~~
32 ~~osteopathic facilities and services within the state;~~

33 ~~(13) In the case of a construction project:~~

34 ~~(i) The costs and methods of the proposed construction,~~

1 ~~(ii) The probable impact of the construction project reviewed on the costs of providing~~
2 ~~health services by the person proposing the construction project; and~~

3 ~~(iii) The proposed availability and use of safe patient handling equipment in the new or~~
4 ~~renovated space to be constructed.~~

5 ~~(14) Those appropriate considerations that may be established in rules and regulations~~
6 ~~promulgated by the state agency with the advice of the health services council;~~

7 ~~(15) The potential of the proposal to demonstrate or provide one or more innovative~~
8 ~~approaches or methods for attaining a more cost effective and/or efficient health care system;~~

9 ~~(16) The relationship of the proposal to the need indicated in any requests for proposals~~
10 ~~issued by the state agency;~~

11 ~~(17) The input of the community to be served by the proposed equipment and services~~
12 ~~and the people of the neighborhoods close to the health care facility who are impacted by the~~
13 ~~proposal;~~

14 ~~(18) The relationship of the proposal to any long range capital improvement plan of the~~
15 ~~health care facility applicant.~~

16 ~~(19) Cost impact statements forwarded pursuant to subsection 23-15-6(e).~~

17 ~~(f) In conducting its review, the health services council shall perform the following:~~

18 ~~(1) Within one hundred and fifteen (115) days after initiating its review, which must be~~
19 ~~commenced no later than thirty one (31) days after the filing of an application, the health services~~
20 ~~council shall determine as to each proposal whether the applicant has demonstrated need at the~~
21 ~~time and place and under the circumstances proposed, and in doing so may apply the criteria and~~
22 ~~standards set forth in subsection (e) of this section; provided however, that a determination of~~
23 ~~need shall not alone be sufficient to warrant a recommendation to the state agency that a proposal~~
24 ~~should be approved. The director shall render his or her decision within five (5) days of the~~
25 ~~determination of the health services council.~~

26 ~~(2) Prior to the conclusion of its review in accordance with § 23-15-6(e), the health~~
27 ~~services council shall evaluate each proposal for which a determination of need has been~~
28 ~~established in relation to other proposals, comparing proposals with each other, whether similar~~
29 ~~or not, establishing priorities among the proposals for which need has been determined, and~~
30 ~~taking into consideration the criteria and standards relating to relative need and affordability as~~
31 ~~set forth in subsection (e) of this section and § 23-15-6(f).~~

32 ~~(3) At the conclusion of its review, the health services council shall make~~
33 ~~recommendations to the state agency relative to approval or denial of the new institutional health~~
34 ~~services or new health care equipment proposed; provided that:~~

1 ~~(i) The health services council shall recommend approval of only those proposals found~~
2 ~~to be affordable in accordance with the provisions of § 23-15-6(f); and~~

3 ~~(ii) If the state agency proposes to render a decision that is contrary to the~~
4 ~~recommendation of the health services council, the state agency must render its reasons for doing~~
5 ~~so in writing.~~

6 ~~(g) Approval of new institutional health services or new health care equipment by the~~
7 ~~state agency shall be subject to conditions that may be prescribed by rules and regulations~~
8 ~~developed by the state agency with the advice of the health services council, but those conditions~~
9 ~~must relate to the considerations enumerated in subsection (e) and to considerations that may be~~
10 ~~established in regulations in accordance with subsection (e)(14).~~

11 ~~(h) The offering or developing of new institutional health services or health care~~
12 ~~equipment by a health care facility without prior review by the health services council and~~
13 ~~approval by the state agency shall be grounds for the imposition of licensure sanctions on the~~
14 ~~facility, including denial, suspension, revocation, or curtailment or for imposition of any~~
15 ~~monetary fines that may be statutorily permitted by virtue of individual health care facility~~
16 ~~licensing statutes.~~

17 ~~(i) No government agency and no hospital or medical service corporation organized~~
18 ~~under the laws of the state shall reimburse any health care facility or health care provider for the~~
19 ~~costs associated with offering or developing new institutional health services or new health care~~
20 ~~equipment unless the health care facility or health care provider has received the approval of the~~
21 ~~state agency in accordance with this chapter. Government agencies and hospital and medical~~
22 ~~service corporations organized under the laws of the state shall, during budget negotiations, hold~~
23 ~~health care facilities and health care providers accountable to operating efficiencies claimed or~~
24 ~~projected in proposals which receive the approval of the state agency in accordance with this~~
25 ~~chapter.~~

26 ~~(j) In addition, the state agency shall not make grants to, enter into contracts with, or~~
27 ~~recommend approval of the use of federal or state funds by any health care facility or health care~~
28 ~~provider which proceeds with the offering or developing of new institutional health services or~~
29 ~~new health care equipment after disapproval by the state agency.~~

30 ~~**23-15-4.1 Exemption for nonclinical capital expenditures.** — Notwithstanding the~~
31 ~~requirements of any other provisions of any general or public laws, capital expenditures by a~~
32 ~~health care facility that are not directly related to the provision of health services as defined in~~
33 ~~this chapter, including, but not limited to, capital expenditures for parking lots, billing computer~~
34 ~~systems, and telephone systems, shall not require a certificate of need review and approval by the~~

1 ~~state agency.~~

2 ~~**23-15-4.2 Exemption for research.**— Notwithstanding the requirements of any other~~
3 ~~provisions of any general or public laws, capital expenditures by a health care facility related to~~
4 ~~research in basic biomedical or medical research areas that are not directly related to the~~
5 ~~provision of clinical or patient care services shall not require a certificate of need review and~~
6 ~~approval by the state agency.~~

7 ~~**23-15-4.4 Exemption for voter approved capital bond issues for health care**~~
8 ~~**facilities.**— Notwithstanding the requirements of any other provisions of any general law or~~
9 ~~public laws, voter approved state bond issues authorizing capital expenditures for state health care~~
10 ~~facilities shall not require a certificate of need review and approval by the state agency.~~

11 ~~**23-15-5 Expeditious review.**— Any person who proposes to offer or develop new~~
12 ~~institutional health services or new health care equipment for documented emergency needs, or~~
13 ~~for the purpose of eliminating or preventing documented fire or safety hazards affecting the lives~~
14 ~~and health of patients or staff, or for compliance with accreditation standards required for receipt~~
15 ~~of federal or state reimbursement, or for any other purpose that the state agency may specify in~~
16 ~~rules and regulations, may apply for an expeditious review. The state agency may exercise its~~
17 ~~discretion in recommending approvals through an expeditious review except that no new~~
18 ~~institutional health service or new health care equipment may be approved through the~~
19 ~~expeditious review if provision of the new institutional health service or new health care~~
20 ~~equipment is contra indicated by the state health plan as may be formulated by the state agency.~~
21 ~~Specific procedures for the conduct of expeditious reviews shall be promulgated in rules and~~
22 ~~regulations adopted by the state agency with the advice of the health services council.~~

23 ~~**23-15-6 Procedures for review.** — (a) The state agency, with the advice of the health~~
24 ~~services council, and in accordance with the Administrative Procedures Act, chapter 35 of title~~
25 ~~42, after public hearing pursuant to reasonable notice, which notice shall include affected persons,~~
26 ~~shall promulgate appropriate rules and regulations that may be designated to further the~~
27 ~~accomplishment of the purposes of this chapter including the formulation of procedures that may~~
28 ~~be particularly necessary for the conduct on reviews of particular types of new institutional health~~
29 ~~services or new health care equipment.~~

30 ~~(b) Review procedures promulgated in accordance with subsection (a) shall include at~~
31 ~~least the following, except that substitute procedures for the conduct of expeditious and~~
32 ~~accelerated reviews may be promulgated by the state agency in accordance with § 23-15-5:~~

33 ~~(1) Provision that the state agency established a process requiring potential applicants to~~
34 ~~file a detailed letter of intent to submit an application at least forty five (45) days prior to the~~

1 ~~submission of an application and that the state agency shall undertake reviews in a timely fashion~~
2 ~~no less often than twice a year and give written notification to affected persons of the beginning~~
3 ~~of the review including the proposed schedule for the review, the period within which a public~~
4 ~~meeting may be held, and the manner by which notification will be provided of the time and place~~
5 ~~of any public meeting so held.~~

6 ~~(2) Provision that no more than one hundred and twenty (120) days shall elapse between~~
7 ~~initial notification of affected persons and the final decision of the state agency.~~

8 ~~(3) Provision that, if the state agency fails to act upon an application within the applicable~~
9 ~~period established in subsection (b)(2), the applicant may apply to the superior court of~~
10 ~~Providence County to require the state agency to act upon the application.~~

11 ~~(4) Provision for review and comment by the health services council and any affected~~
12 ~~person, including but not limited to those parties defined in § 23-15-2(1) and the department of~~
13 ~~business regulation, the department of mental health, retardation, and hospitals, the department of~~
14 ~~human services, health maintenance organizations, and the state professional standards review~~
15 ~~organization, on every application for the determination of need.~~

16 ~~(5) Provision that a public meeting may be held during the course of the state agency~~
17 ~~review at which any person may have the opportunity to present testimony. Procedures for the~~
18 ~~conduct of the public meeting shall be established in rules and regulations promulgated by the~~
19 ~~state agency with the advice of the health services council.~~

20 ~~(6) Provision for issuance of a written decision by the state agency which shall be based~~
21 ~~upon the findings and recommendations of the health services council unless the state agency~~
22 ~~shall afford written justification for variance from that decision.~~

23 ~~(ii) In the case of any proposed new institutional health service for the provision of health~~
24 ~~services to inpatients, a state agency shall not make a finding that the proposed new institutional~~
25 ~~health service is needed, unless it makes written findings as to:~~

26 ~~(A) The efficiency and appropriateness of the use of existing inpatient facilities providing~~
27 ~~inpatient services similar to those proposed;~~

28 ~~(B) The capital and operating costs (and their potential impact on patient charges),~~
29 ~~efficiency, and appropriateness of the proposed new institutional health services; and~~

30 ~~(C) Makes each of the following findings in writing:~~

31 ~~(I) That superior alternatives to inpatient services in terms of cost, efficiency, and~~
32 ~~appropriateness do not exist and that the development of alternatives is not practicable;~~

33 ~~(II) That, in the case of new construction, alternatives to new construction (e.g.,~~
34 ~~modernization or sharing arrangements) have been considered and implemented to the maximum~~

1 ~~extent practicable;~~

2 ~~(III) That patients will experience serious problems in terms of costs, availability, or~~
3 ~~accessibility, or any other problems that may be identified by the state agency, in obtaining~~
4 ~~inpatient care of the type proposed in the absence of the proposed new service; and~~

5 ~~(IV) That, in the case of a proposal for the addition of beds for the provision of skilled~~
6 ~~nursing or intermediate care, the relationship of the addition to the plans of other agencies of the~~
7 ~~state responsible for providing and financing long term care (including home health services) has~~
8 ~~been considered.~~

9 ~~(7) Provision for the distribution of the decision of the state agency, including its findings~~
10 ~~and recommendations, to the applicant and to affected persons.~~

11 ~~(8) Provision that the state agency may approve or disapprove in whole or in part any~~
12 ~~application as submitted, but that the parties may mutually agree to a modification of any element~~
13 ~~of an application as submitted, without requiring resubmission of the application.~~

14 ~~(9) Provision that any person affected may request in writing reconsideration of a state~~
15 ~~agency decision if the person:~~

16 ~~(A) Presents significant relevant information not previously considered by the state~~
17 ~~agency;~~

18 ~~(B) Demonstrates that there have been significant changes in factors or circumstances~~
19 ~~relied upon by the state agency in reaching its decision;~~

20 ~~(C) Demonstrates that the state agency has materially failed to follow its adopted~~
21 ~~procedures in reaching its decision; or~~

22 ~~(D) Provides any other basis for reconsideration that the state agency may have~~
23 ~~determined by regulation to constitute good cause.~~

24 ~~(ii) Procedures for reconsideration shall be established in regulations promulgated by the~~
25 ~~state agency with the advice of the health services council.~~

26 ~~(10) Provision that upon the request of any affected person, the decision of the state~~
27 ~~agency to issue, deny, or withdraw a certificate of need or to grant or deny an exemption shall be~~
28 ~~administratively reviewed under an appeals mechanism provided for in the rules and regulations~~
29 ~~of the state agency, with the review to be conducted by a hearing officer appointed by the director~~
30 ~~of health. The procedures for judicial review shall be in accordance with the provisions of § 42-~~
31 ~~35-15.~~

32 ~~(e) The state agency shall publish at least annually a report of reviews of new institutional~~
33 ~~health services and new health care equipment conducted, together with the findings and~~
34 ~~decisions rendered in the course of the reviews. The reports shall be published on or about~~

1 ~~February 1 of each year and shall contain evaluations of the prior year's statutory changes where~~
2 ~~feasible.~~

3 ~~(d) All applications reviewed by the state agency and all written materials pertinent to~~
4 ~~state agency review, including minutes of all health services council meetings, shall be accessible~~
5 ~~to the public upon request.~~

6 ~~(e) In the case of review of proposals by health care facilities who by contractual~~
7 ~~agreement, chapter 19 of title 27, or other statute are required to adhere to an annual schedule of~~
8 ~~budget or reimbursement determination to which the state is a party, the state budget office, the~~
9 ~~office of the health insurance commissioner, and hospital service corporations organized under~~
10 ~~chapter 19 of title 27 shall forward to the health services council within forty five (45) days of the~~
11 ~~initiation of the review of the proposals by the health services council under § 23-15-4(f)(1):~~

12 ~~(1) A cost impact analysis of each proposal which analysis shall include, but not be~~
13 ~~limited to, consideration of increases in operating expenses, per diem rates, health care insurance~~
14 ~~premiums, and public expenditures; and~~

15 ~~(2) Comments on acceptable interest rates and minimum equity contributions and/or~~
16 ~~maximum debt to be incurred in financing needed proposals.~~

17 ~~(f) The health services council shall not make a recommendation to the state agency that~~
18 ~~a proposal be approved unless it is found that the proposal is affordable to the people of the state.~~
19 ~~In determining whether or not a proposal is affordable, the health service council shall consider~~
20 ~~the condition of the state's economy, the statements of authorities and/or parties affected by the~~
21 ~~proposals, and any other factors that it may deem appropriate.~~

22 ~~**23-15-6.1 Action subsequent to review.**—Development of any new institutional health~~
23 ~~services or new health care equipment approved by the state agency must be initiated within one~~
24 ~~year of the date of the approval and may not exceed the maximum amount of capital expenditures~~
25 ~~specified in the decision of the state agency without prior authorization of the state agency. The~~
26 ~~state agency, with the advice of the health services council, shall adopt procedures for the review~~
27 ~~of the applicant's failure to develop new institutional health services or new health care~~
28 ~~equipment within the timeframe and capital limitation stipulated in this section, and for the~~
29 ~~withdrawal of approval in the absence of a good faith effort to meet the stipulated timeframe.~~

30 ~~**23-15-7 Health services council.**—The health services council, established in~~
31 ~~accordance with chapter 17 of this title, shall function as the advisory body to the state agency in~~
32 ~~discharging the purpose of this chapter.~~

33 ~~**23-15-8 Funds for administration.**—There is authorized to be appropriated from the~~
34 ~~state treasury those sums that may be necessary for the purposes of administering this chapter.~~

1 ~~**23-15-9 Severability.**— If any provision of this chapter or the application of any~~
2 ~~provision of this chapter to any person or circumstances shall be held invalid, the invalidity shall~~
3 ~~not affect the provisions or application of this chapter which can be given effect without the~~
4 ~~invalid provision or application, and to this end the provisions of the chapter are declared to be~~
5 ~~severable.~~

6 ~~**23-15-10 Application fees.**— The state agency shall require that any applicant for~~
7 ~~certificate of need submit an application fee prior to requesting any review of matters pursuant to~~
8 ~~the requirements of this chapter; except that health care facilities owned and operated by the state~~
9 ~~of Rhode Island shall be exempt from this application fee requirement. The application fee shall~~
10 ~~be paid by check made payable to the general treasurer. Except for applications that propose new~~
11 ~~or expanded tertiary or specialty care services as defined in subdivision 23-15-2(10)(vi),~~
12 ~~submission of any application filed in accordance with § 23-15-4(d) shall include an application~~
13 ~~fee of five hundred dollars (\$500) per application plus an amount equal to one quarter of one~~
14 ~~percent (0.25%) of the total capital expenditure costs associated with the application. For an~~
15 ~~application filed in accordance with the requirements of § 23-15-5 (Expeditious review), the~~
16 ~~application shall include an application processing fee of seven hundred and fifty dollars (\$750)~~
17 ~~per application plus an amount equal to one quarter of one percent (0.25%) of the total capital~~
18 ~~expenditure costs associated with the application. Applications that propose new or expanded~~
19 ~~tertiary or specialty care services as defined in subdivision 23-15-2(10)(vi), shall include an~~
20 ~~application fee of ten thousand dollars (\$10,000) plus an amount equal to one quarter of one~~
21 ~~percent (0.25%) of the total capital expenditure costs associated with the application. Application~~
22 ~~fees shall be non-refundable. All fees received pursuant to this chapter shall be deposited in the~~
23 ~~general fund.~~

24 ~~**23-15-11 Reports, use of experts, all costs and expenses.**— The state agency may in~~
25 ~~effectuating the purposes of this chapter engage experts or consultants including, but not limited~~
26 ~~to, actuaries, investment bankers, accountants, attorneys, or industry analysts. Except for~~
27 ~~privileged or confidential communications between the state agency and engaged attorneys, all~~
28 ~~copies of final reports prepared by experts and consultants, and all costs and expenses associated~~
29 ~~with the reports, shall be public. All costs and expenses incurred under this provision shall be the~~
30 ~~responsibility of the applicant in an amount to be determined by the director as he or she shall~~
31 ~~deem appropriate. No application made pursuant to the requirements of this chapter shall be~~
32 ~~considered complete unless an agreement has been executed with the director for the payment of~~
33 ~~all costs and expenses in accordance with this section. The maximum cost and expense to an~~
34 ~~applicant for experts and/or consultants that may be required by the state agency shall be twenty~~

1 ~~thousand dollars (\$20,000); provided however, that the maximum amount shall be increased by~~
2 ~~regulations promulgated by the state agency on or after January 1, 2008 by the most recently~~
3 ~~available annual increase in the federal consumer price index as determined by the state agency.~~

4 SECTION 3. Sections 23-17-6 and 23-17-10 of the General Laws in Chapter 23-17
5 entitled "Licensing of Health Care Facilities" are hereby amended to read as follows:

6 **23-17-6. Issuance of license – Posting – Transfer – Conditions.** -- ~~(a)~~ Upon receipt of
7 an application for a license, the licensing agency shall issue a license if the applicant and health
8 care facility meet the requirements established under this chapter and any rules and regulations
9 that may be established in accordance with the requirements established under this chapter. A
10 license issued under the provisions of this section shall be the property of the state and loaned to
11 the licensee, and it shall be kept posted in a conspicuous place on the licensed premises. Each
12 license shall be issued only for the premises and persons named in the application, and shall not
13 be transferable or assignable except with the written approval of the licensing agency. Home
14 nursing care providers and home care providers operating under a single license may establish
15 branch offices under that same single license and that license shall be maintained and posted in
16 the central office.

17 ~~(b) Any change in owner, operator, or lessee of a licensed health care facility, (except~~
18 ~~for single practice physician ambulatory surgery centers, multi practice physician ambulatory~~
19 ~~surgery centers, single practice podiatry ambulatory surgery centers and multi practice podiatry~~
20 ~~ambulatory surgery centers as defined in subsections 13 and 14 of chapter 17, section 2) which~~
21 ~~license shall be transferable or assignable by decision of the licensing agency as shall be provided~~
22 ~~by regulation, shall require prior review by the health services council and approval of the~~
23 ~~licensing agency as a condition precedent to the transfer, assignment, or issuance of a new~~
24 ~~license. Issuance of the license may be made subject to any condition; provided, that no condition~~
25 ~~may be made unless it directly relates to the statutory purpose expressed in § 23-17-3 or to the~~
26 ~~review criteria set forth in § 23-17-14.3. This shall not limit the authority of the licensing agency~~
27 ~~to require correction of conditions or defects which existed prior to the proposed change of~~
28 ~~owner, operator, or lessee and of which notice had been given to the health care facility by the~~
29 ~~licensing agency.~~

30 **23-17-10. Regulations, inspections, and investigations – Certain hospitals required**
31 **to provide on-premises coverage by physician – Uniform reports – Data systems.** -- (a) The
32 licensing agency, ~~with the advice of the health services council,~~ shall after a public hearing
33 pursuant to reasonable notice adopt, amend, promulgate, and enforce rules, regulations, and
34 standards with respect to each category of health care facility to be licensed under this chapter

1 that may be designed to further the accomplishment of the purposes of this chapter in promoting
2 safe and adequate treatment of individuals in health care facilities in the interest of public health,
3 safety, and welfare. Provided, further, however, that all licensed medical, surgical, or obstetrical
4 hospitals (excepting those hospitals as defined in § 23-17-2, as amended, which maintain an on-
5 premises emergency room staffed by a licensed physician, resident, or intern at all times) shall be
6 required to protect their patients by providing on-premises coverage by a licensed physician,
7 resident or intern at all times.

8 (2) In developing regulations for home nursing care providers and home care providers,
9 the director shall consider and adopt, where appropriate, standards of relevant national accrediting
10 bodies. The director shall make or cause to be made quality improvement and licensure
11 inspections of each licensed home nursing care provider and home care provider at a minimum of
12 once in a twelve (12) month period. These inspections shall include but not be limited to: home
13 visits; patient surveys; and employee interviews.

14 (b) The licensing agency shall make or cause to be made any inspections and
15 investigations that it deems necessary including medical records. The licensing agency, ~~with the~~
16 ~~advice of the health services council,~~ shall also adopt, amend, promulgate, and enforce rules and
17 regulations to provide for a uniform system of reporting detailed financial and statistical data
18 pertaining to the operation, services, and facilities of the health care facilities and the periodic
19 reporting shall, in accordance with the rules and regulations, be concerned with, but not limited
20 to, unit cost utilization charges of health care facility services, financial condition of health care
21 facilities, and quality of health care facility care. The uniform reports shall also include
22 institutional plans that shall be prescribed in accordance with rules and regulations promulgated
23 by the licensing agency ~~with the advice of the health services council.~~ Each health care facility
24 shall establish and maintain data systems to meet the requirements of any uniform system of
25 periodic reporting that may be prescribed in accordance with the provisions of this section. The
26 data shall be made available and be considered by the state agency concerned with the
27 reimbursement and/or utilization of health care facility services.

28 SECTION 4. Sections 23-17-13, 23-17-14, 23-17-14.1, 23-17-14.2, 23-17-14.3, and 23-
29 17-14.4 of the General Laws in Chapter 23-17 entitled "Licensing of Health Care Facilities" are
30 hereby repealed:

31 ~~§ 23-17-13 Health services council. There shall be established a health services~~
32 ~~council consisting of twenty four (24) members, eight (8) of whom shall be appointed by the~~
33 ~~speaker of the house, one of whose appointments shall represent hospital service corporations, six~~
34 ~~(6) of whom shall be appointed by the president of the senate, one of whose appointments shall~~

1 ~~represent hospitals and a second of whose appointments shall represent the business community,~~
2 ~~and ten (10) of whom shall be appointed by the governor, one of whose appoints shall represent~~
3 ~~the state budget office, a second of whose appointment shall represent the department of human~~
4 ~~services and two (2) of whom shall be members of the general public that maintain his or her~~
5 ~~principal residence within fifteen hundred feet (1500 ft.) of a licensed hospital. The governor~~
6 ~~shall appoint members of the council in staggered appointments, three (3) members one year, two~~
7 ~~(2) members the next year, and two (2) members the year after that. All members shall serve until~~
8 ~~their successors are appointed and qualified. In the month of February in each year, the governor~~
9 ~~shall appoint successors to the members of the council whose terms shall expire in that year, to~~
10 ~~hold office commencing on the first day of March in the year of appointment until the first day of~~
11 ~~March in the third (3rd) year after appointment or until their respective successors are appointed~~
12 ~~and qualified. Legislative members shall serve until the end of their legislative term. Any vacancy~~
13 ~~of a member appointed which may occur in the commission shall be filled by appointment by the~~
14 ~~respective appointing authority for the remainder of the unexpired term. The council may also~~
15 ~~serve as an advisory council as authorized by § 23-16-3.~~

16 ~~—§ 23-17-14 Functions of health services council.—~~The health services council shall
17 ~~have the following responsibilities and duties:~~

18 ~~(1) To consult and advise with the licensing agency regarding licensing reviews~~
19 ~~conducted under §§ 23-17-14.3 and 23-17-14.4 and in matters of policy affecting administration~~
20 ~~of this chapter, and in the development of rules, regulations, and standards provided for under this~~
21 ~~chapter;~~

22 ~~(2) To review and make recommendations with respect to rules, regulations, and~~
23 ~~standards authorized under this chapter prior to their promulgation by the licensing agency as~~
24 ~~specified in this section;~~

25 ~~(3) To consult and advise with the licensing agency with respect to the administration~~
26 ~~of chapter 15 of this title;~~

27 ~~(4) When acting as an advisory council authorized by § 23-16-3, to consult with the~~
28 ~~director of the state department of health in carrying out the purposes of chapter 16 of this title.~~

29 ~~23-17-14.1 Immunity for council members.—~~No member of the health services
30 ~~council while acting in his or her capacity as a council member shall be liable for any civil~~
31 ~~damages as a result of individual or collective actions or recommendations as a member of the~~
32 ~~council.~~

33 ~~23-17-14.2 Compensation.—~~The chairperson and vice chairperson of the health
34 ~~services council and no other member of the council while serving on business of the council~~

1 ~~shall receive compensation for the discharge of their official duties.~~

2 ~~**23-17-14.3 Review criteria.**— Except as otherwise provided in this section, a review by~~
3 ~~the health services council of an application for an initial license or a license in the case of a~~
4 ~~proposed change in the owner, operator, or lessee of any licensed health care facility may not be~~
5 ~~made subject to any criterion unless the criterion directly relates to the statutory purpose~~
6 ~~expressed in § 23-17-3. In conducting reviews of the applications, the health services council~~
7 ~~shall specifically consider:~~

8 ~~(1) The character, commitment, competence, and standing in the community of the~~
9 ~~proposed owners, operators, or directors of the health care facility;~~

10 ~~(2) In cases of initial licensure or of proposed change in owner, operator, or lessee, the~~
11 ~~extent to which the facility will provide or will continue to provide, without material effect on its~~
12 ~~viability at the time of initial licensure or of change of owner, operator, or lessee, safe and~~
13 ~~adequate treatment for individuals receiving the health care facility's services;~~

14 ~~(3) The extent to which the facility will provide or will continue to provide safe and~~
15 ~~adequate treatment for individuals receiving the health care facility's services; and~~

16 ~~(4) The extent to which the facility will provide or will continue to provide appropriate~~
17 ~~access with respect to traditionally underserved populations and in consideration of the proposed~~
18 ~~continuation or termination of health care services by the health care facility.~~

19 ~~**23-17-14.4 Procedures for review.**— (a) Within ten (10) working days of receipt, in~~
20 ~~acceptable form, of an application for an initial license or a license in connection with a change in~~
21 ~~the owner, operator, or lessee of any existing health care facility, the licensing agency will notify~~
22 ~~and afford the public an opportunity to comment on the application.~~

23 ~~(b) The recommendations of the health services council and the decision of the~~
24 ~~licensing agency will be rendered within ninety (90) days of acceptance of the application for~~
25 ~~license.~~

26 ~~—(c) The licensing agency shall promulgate in rules and regulations procedures and~~
27 ~~criteria for expedited review of licensure applications. The criteria for expedited review~~
28 ~~consideration shall include, but not be limited to, all of the following: (1) that the licensure~~
29 ~~application is solely for initial licensure; (2) that the legal entity seeking a license currently is the~~
30 ~~licensee for one or more Rhode Island licensed health care facilities whose records of compliance~~
31 ~~are deemed by the licensing agency to demonstrate the legal entity's ability and commitment to~~
32 ~~provide quality health care services; and (3) that the licensure application demonstrates complete~~
33 ~~and satisfactory compliance with review criteria in § 23-17-14.3. The licensing agency shall~~
34 ~~exercise its discretion in granting expedited review of license applications and a decision by the~~

1 ~~licensing agency not to process an application on an expedited review basis shall be final and~~
2 ~~shall not be subject to appeal.~~

3 ~~(d) The decision of the licensing agency shall be based upon the findings and~~
4 ~~recommendations of the health services council unless the licensing agency shall afford written~~
5 ~~justification for variance from these findings and recommendations.~~

6 ~~(e) All applications reviewed by the licensing agency and all written materials pertinent~~
7 ~~to licensing agency review, including minutes of all health services council meetings, shall be~~
8 ~~accessible to the public upon request.~~

9 ~~(f) Any person holding a valid certificate of need issued pursuant to chapter 15 of this~~
10 ~~title, shall be exempt from the requirements of § 23-17-14.3 or 23-17-14.4 of this chapter for~~
11 ~~initial facility licensure.~~

12 ~~(g) Any person holding a valid license for an outpatient rehabilitation center intended to~~
13 ~~be operational for less than twelve (12) months and so indicated upon its application shall~~
14 ~~surrender its license upon cessation of patient care operations for that operational season. Within~~
15 ~~a period not to exceed twelve (12) months from the surrender, the person may apply for a new~~
16 ~~license for the identical activities and premises authorized by the previous but surrendered~~
17 ~~license, and shall be exempt from the requirements of § 23-17-14.3 or 23-17-14.4 for initial~~
18 ~~facility licensure.~~

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

20 **ARTICLE 30**

21 **RELATING TO medical assistance NURSING FACILITIES RATE REFORM**

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

24 **40-8-19. Rates of payment to nursing facilities.** -- (a) Rate reform.

25 (1) The rates to be paid by the state to nursing facilities licensed pursuant to chapter 17 of
26 title 23, and certified to participate in the Title XIX Medicaid program for services rendered to
27 Medicaid-eligible residents, shall be reasonable and adequate to meet the costs which must be
28 incurred by efficiently and economically operated facilities in accordance with 42 U.S.C. §
29 1396a(a)(13). The department of human services shall promulgate or modify the principles of
30 reimbursement for nursing facilities ~~currently~~ in effect ~~on~~ as of July 1, ~~2003~~ 2011 to be consistent
31 with the provisions of this section and Title XIX, 42 U.S.C. § 1396 et seq., of the Social Security
32 Act.

33 (2) The department of human services shall review the current methodology for
34 providing Medicaid payments to nursing facilities, including other long-term care services

1 providers, and is authorized to modify the principles of reimbursement to ~~provide for an acuity~~
2 ~~based rate adjustment to nursing facilities. The department of human services is authorized to~~
3 ~~implement changes to the payment structure for the purpose of basing compensation for Medicaid~~
4 ~~services to nursing facilities and long term care service providers for services which shall be~~
5 ~~based upon performance, quality, and the scope and the intensity of the services required by the~~
6 ~~provider to meet the Medicaid recipient's level of care needs~~ replace the current cost based
7 methodology rates with rates based on a price based methodology to be paid to all facilities with
8 recognition of the acuity of patients and the relative Medicaid occupancy.

9 ~~No adjustment, subject to this section, that is made on the basis of, or in order to~~
10 ~~accommodate or address, resident acuity shall be designed or implemented in such a way as to:~~

11 ~~(i) Decrease the total of Medicaid funding for nursing facility care, although such~~
12 ~~methodology may reallocate such funding from one nursing facility to another;~~

13 ~~(ii) Provide incentives, financial or otherwise, that would disproportionately influence~~
14 ~~the nursing facilities that loses funding under the acuity adjustment to accommodate those losses~~
15 ~~by decreasing nursing staff, as opposed to non nursing staff or other areas of expense. Such a~~
16 ~~prohibited incentive would be created by incorporating incentives for cost containment only with~~
17 ~~regard to nursing labor costs, or disproportionately disfavoring nursing labor costs.~~

18 ~~(iii) Result, by itself, in any single nursing facility gaining or losing more than two and~~
19 ~~two tenths percent (2.2%) of its existing per diem rate between July 1, 2010 and October 1, 2011.~~

20 (3) By no later than October 1, 2011, under the direction of the Secretary of Health and
21 Human Services, the Department of Human Services shall modify the principles of
22 reimbursement to include the acuity needs of patients and the relative Medicaid occupancy as a
23 factor in determining the reimbursement rates to nursing facilities.

24 ~~(b) Rate reform. Subject to the phase in provisions in subsections (c) and (d), the~~
25 ~~department shall, on or before October 1, 2005, modify the principles of reimbursement for~~
26 ~~nursing facilities to include the following elements:~~

27 ~~(1) Annual base years;~~

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

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

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

34 ~~(5) A ceiling maximum for allowable costs in the other operating cost center to be~~

1 ~~established by the department between ninety percent (90%) and one hundred fifteen percent~~
2 ~~(115%) of the median for all facilities for the most recent array year;~~

3 ~~(6) Adjustment of costs and ceiling maximums by the increase in the National Nursing~~
4 ~~Home Price Index ("NNHPI") for the direct labor cost center and the other operating cost center~~
5 ~~for year between array years; such adjustments to be applied on October 1st of each year~~
6 ~~beginning October 1, 2003 for the direct labor cost center and October 1, 2005 for the other~~
7 ~~operating cost center, except for the fiscal year beginning July 1, 2006 for which the price index~~
8 ~~shall be applied on February 1, 2007 and for the fiscal year beginning October 1, 2007 for which~~
9 ~~the adjustment of costs and ceiling maximums shall be one and one-tenth percent (1.1%). For the~~
10 ~~fiscal year beginning July 1, 2008, the price index shall be applied on April 1, 2009.~~

11 ~~(7) Application of a fair rental value system to be developed by the department for~~
12 ~~calculating allowable reimbursement for the property cost center;~~

13 ~~(8) Such quality of care and cost containment incentives as may be established by~~
14 ~~departmental regulations.~~

15 ~~(9) Notwithstanding the above provisions, for FY 2009 the department is authorized to~~
16 ~~reduce the per diem room and board rate calculated in accordance with the principles of~~
17 ~~reimbursement as described above, paid to the nursing facilities certified to participate in the Title~~
18 ~~XIX Medicaid program for services rendered to Medicaid-eligible residents by five percent (5%).~~
19 ~~This reduction is deemed to be reasonable and adequate to meet the costs which must be incurred~~
20 ~~by efficiently and economically operated facilities in accordance with 42 U.S.C. § 1396a(a)(13).~~

21 ~~(e) (b) Phase I Implementation.~~ The department shall file a state plan amendment with
22 the U.S. Department of Health and Human Services on or before August 1, ~~2003~~ 2011 to modify
23 the principles of reimbursement for nursing facilities, to be effective on October 1, ~~2003~~ 2011, or
24 as soon thereafter as is authorized by an approved state plan amendment, to establish ~~the direct~~
25 ~~labor cost center and the pass through items cost center utilizing calendar year 2002 cost data, and~~
26 ~~to apply the ceiling maximums in subsections (b)(4) and (b)(5). Nursing facilities whose~~
27 ~~allowable 2002 direct labor costs are below the median in the direct labor cost center may make~~
28 ~~application to the department for a direct labor cost interim payment adjustment equal to twenty-~~
29 ~~five percent (25%) of the amount such allowable 2002 direct labor costs are below the median in~~
30 ~~the direct labor cost center, provided that the interim payment adjustment granted by the~~
31 ~~department on or after October 1, 2003 must be expended by the facility on expenses allowable~~
32 ~~within the direct labor cost center, and any portion of the interim payment not expended on~~
33 ~~allowable direct labor cost center expenses shall be subject to retroactive adjustment and~~
34 ~~recoupment by the department upon the department's determination of a final direct labor~~

1 ~~payment adjustment after review of the facility's actual direct labor expenditures. The final direct~~
2 ~~labor payment adjustment will be included in the facility's October 1, 2004 rate until the facility's~~
3 ~~next base year.~~

4 ~~(d) Phase II Implementation. The department shall file a state plan amendment with the~~
5 ~~U.S. Department of Health and Human Services to modify the principles of reimbursement for~~
6 ~~nursing facilities, to be effective on September 1, 2004, or as soon thereafter as is authorized by~~
7 ~~an approved state plan amendment, to establish a fair rental value system for calculating~~
8 ~~allowable reimbursement for the property cost center in accordance with subsection (b)(7);~~
9 ~~provided, however, that no facility shall receive a payment as of September 1, 2004 for property-~~
10 ~~related expenses pursuant to the fair rental value system that is less than the property related~~
11 ~~payment they would have received for the other property related ("OPR") cost center system in~~
12 ~~effect as of June 30, 2004~~ price based payment rates for nursing facilities, recognizing patient
13 acuity and Medicaid occupancy.

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

15 ARTICLE 31

16 RELATING TO HUMAN SERVICES—abused and neglected children

17 SECTION 1. Sections 40-11-6 and 40-11-7 of the General Laws in Chapter 40-11
18 entitled “Abused and Neglected Children” are hereby amended to read as follows:

19 **40-11-6. Report by physicians of abuse or neglect.** -- (a) When any physician or duly
20 certified registered nurse practitioner has cause to suspect that a child brought to him or her or
21 coming to him or her for examination, care, or treatment, is an abused or neglected child as
22 defined in this chapter, or when he or she determines that a child under the age of twelve (12)
23 years is suffering from any sexually transmitted disease, he or she shall report the incident or
24 cause a report thereof to be made to the department as provided in subsection (b).

25 (b) An immediate oral report shall be made by telephone or otherwise, to both the
26 department and law enforcement agency, and shall be followed by a report, in writing, to the
27 department and law enforcement agency explaining the extent and nature of the abuse or neglect
28 the child is alleged to have suffered.

29 (c) The department, upon receipt of such a report by a person other than a physician or
30 duly certified registered nurse practitioner alleging that a child has been physically abused, shall
31 investigate the report, and if the investigation reveals evidence of ~~physical injury~~ or that the child
32 has been the victim of sexual abuse, the department shall have the child examined by a licensed
33 physician or duly certified registered nurse practitioner. Any child protective investigator shall,
34 with or without the consent of the parent or other person responsible for the child's welfare, have

1 the right to remove the child from the place where the child may be to secure the examination
2 required by this subsection. Upon completion of the examination, it shall be mandatory for the
3 physician or duly certified registered nurse practitioner to make a written report of his or her
4 findings to the department.

5 [\(d\) The department shall promulgate rules and regulations to implement the intent of this](#)
6 [section.](#)

7 **40-11-7. Investigation of reports – Petition for removal from custody – Report to**
8 **child advocate – Attorney general – Court-appointed special advocate. --** (a) The department

9 shall investigate ~~each report~~ [reports of child abuse and neglect](#) made under this chapter [in](#)
10 [accordance with the rules the department has promulgated and in order](#) to determine the
11 circumstances surrounding the alleged abuse or neglect and the cause thereof. The investigation
12 shall include personal contact with the child named in the report and any other children in the
13 same household. Any person required to investigate reports of child abuse and/or neglect may
14 question the subjects of those reports with or without the consent of the parent or other person
15 responsible for the child's welfare. The interviewing of the child or children, if they are of the
16 mental capacity to be interviewed, shall take place in the absence of the person or persons
17 responsible for the alleged neglect or abuse. In the event that any person required to investigate
18 child abuse and/or neglect is denied reasonable access to a child by the parents or other person,
19 and that person required to investigate deems that the best interests of the child so require, they
20 may request the intervention of a local law enforcement agency, or seek an appropriate court
21 order to examine and interview the child. The department shall provide such social services and
22 other services as are necessary to protect the child and preserve the family.

23 (b) In the event that after investigation it is determined by the department that the child
24 is being or has been abused or neglected but that the circumstances of the child's family or
25 otherwise do not require the removal of the child for his or her protection, the department may
26 allow the child to remain at home and ~~shall petition the family court for an order for the provision~~
27 ~~of treatment of the family and child~~ [provide the family and child with access to preventative](#)
28 [support and services.](#)

29 (c) The department shall ~~also~~ have the duty to petition the family court for removal of
30 the child from the care and custody of the parents, or any other person having custody or care of
31 the child ~~in cases where it is felt that a particular child has suffered abuse or neglect and that~~
32 ~~continued care and custody by that person might result in further harm to the child~~ [if there is a](#)
33 [determination that a child has been abused or neglected; which results in a child death, serious](#)
34 [physical or emotional harm, sexual abuse or exploitation or an act or failure to act which](#)

1 represents an imminent risk of serious harm. In addition, in cases of alleged abuse and/or neglect,
2 the department may petition the family court for the removal of the alleged perpetrator of that
3 abuse, and/or neglect from the household of the child or children when the child or children are
4 eleven (11) years of age or older. It shall be the responsibility of the department to make the
5 parent or other person responsible for the child's welfare aware of the court action, the possible
6 consequences of the court action, and to explain the rights of the parent relative to the court
7 action.

8 (d) The department shall forward immediately any reports of institutional child abuse
9 and neglect to the child advocate who shall investigate the report in accordance with chapter 73 of
10 title 42, and also to any guardian ad litem and/or attorney of record for the child.

11 (e) In the event that after investigation the department takes any action regarding
12 placement of the child, the department shall immediately notify the child advocate of such action.

13 (f) In the event that after investigation the department has reasonable cause to know or
14 suspect that a child has been subjected to criminal abuse or neglect, the department shall forward
15 immediately any information as it relates to that knowledge or suspicion to the law enforcement
16 agency.

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

18 **ARTICLE 32**

19 **RELATING TO EDUCATION – JUVENILE CORRECTIONS**

20 SECTION 1. Section 16-64-1.1 of the General Laws in Chapter 16-64 entitled
21 “Residence of Children for School Purposes” is hereby amended to read as follows:

22 **16-64-1.1. Payment and reimbursement for educational costs of children placed in**
23 **foster care, group homes, or other residential facility by a Rhode Island state agency. --** (a)

24 Children placed in foster care by a Rhode Island licensed child placing agency or a Rhode Island
25 governmental agency shall be entitled to the same free appropriate public education provided to
26 all other residents of the city or town where the child is placed. The city or town shall pay the cost
27 of the education of the child during the time the child is in foster care in the city or town.

28 (b) Children placed by DCYF in a group home or other residential facility that does not
29 include the delivery of educational services are to be educated by the community in which the
30 group home or other residential facility is located, and those children shall be entitled to the same
31 free appropriate public education provided to all other residents of the city or town where the
32 child is placed. For purposes of payment and reimbursement for educational costs under this
33 chapter, the term "group home or other residential facility" shall not include independent living
34 programs. Each city and town that contains one or more group homes or other residential

1 facilities that do not include delivery of educational services will receive funds as part of state aid
2 to education in accordance with the following provisions:

3 (1) On December 31 of each year the DCYF shall provide the department of elementary
4 and secondary education with a precise count of how many group home or other residential
5 facility "beds" exist in each Rhode Island city or town, counting only those "beds" in facilities
6 that do not include the delivery of educational services. The number of "beds" in each group
7 home or other residential facility shall be equal to the maximum number of children that may be
8 placed in that group home or other residential facility on any given night according to the
9 applicable licensure standards of the DCYF.

10 (2) For the fiscal year beginning July 1, 2007, if the number of beds certified by the
11 Department of Children, Youth and Families for a school district by December 31, 2007 is greater
12 than the number certified March 14, 2007 upon which the education aid for FY 2008 was
13 appropriated, the education aid for that district will be increased by the number of increased beds
14 multiplied by fifteen thousand dollars (\$15,000). Notwithstanding the provisions of this section or
15 any law to the contrary, the education aid for all group home or other residential facility "beds"
16 located or associated with the Children's Residential and Family Treatment (CRAFT) program
17 located on the East Providence campus of Bradley Hospital shall be twenty-two thousand dollars
18 (\$22,000) per bed. The Department of Elementary and Secondary Education shall include the
19 additional aid in equal payments in March, April, May and June, and the Governor's budget
20 recommendations pursuant to § 35-3-8 shall include the amounts required to provide the
21 increased aid.

22 For all fiscal years beginning after June 30, 2008, education aid for each school district
23 shall include fifteen thousand dollars (\$15,000) for each bed certified by the Department of
24 Children, Youth and Families by the preceding December 31. Notwithstanding the provisions of
25 this section or any law to the contrary, the education aid for all group home or other residential
26 facility "beds" located or associated with the Children's Residential and Family Treatment
27 (CRAFT) program located on the East Providence campus of Bradley Hospital shall be twenty-
28 two thousand dollars (\$22,000) per bed. For all fiscal years beginning after June 30, 2008,
29 whenever the number of beds certified by the Department of Children, Youth and Families for a
30 school district by December 31 is greater than the number certified the prior December 31 upon
31 which the education aid for that fiscal year was appropriated, the education aid for that district as
32 enacted by the assembly during the prior legislative session for that fiscal year will be increased
33 by the number of increased beds multiplied by the amount per bed authorized for that fiscal year.
34 The Department of Elementary and Secondary Education shall include the additional aid in equal

1 payments in March, April, May and June, and the Governor's budget recommendations pursuant
2 to § 35-3-8 shall include the amounts required to provide the increased aid.

3 (3) [Deleted by P.L. 2007, ch. 73, art. 21, § 6.]

4 (4) [Deleted by P.L. 2007, ch. 73, art. 21, § 6.]

5 (5) [Deleted by P.L. 2007, ch. 73, art. 21, § 6.]

6 (c) Children who are ordered by the family court to be detained or sentenced to the
7 Thomas C. Slater Training School or who are placed by DCYF in a residential treatment
8 program, group home, or other residential facility, whether or not located in the state of Rhode
9 Island, which includes the delivery of educational services, provided by that facility (excluding
10 facilities where students are taught on grounds for periods of time by teaching staff provided by
11 the school district in which the facility is located), shall have the cost of their education paid for
12 as provided for in ~~subsection (d) of this section and~~ § 16-64-1.2. Provided, however, that the ~~The~~
13 city or town determined to be responsible to DYCF for a per-pupil special education cost
14 pursuant to § 16-64-1.2 shall pay its share of the cost of educational services to DCYF or to the
15 facility providing educational services.

16 ~~(d) Children placed by DCYF in group homes, child caring facilities, community~~
17 ~~residences, or other residential facilities shall have the entire cost of their education paid for by~~
18 ~~DCYF if:~~

19 ~~(1) The facility is operated by the state of Rhode Island or the facility has a contract with~~
20 ~~DCYF to fund a pre-determined number of placements or part of the facility's program;~~

21 ~~(2) The facility is state licensed; and~~

22 ~~(3) The facility operates an approved on-grounds educational program, whether or not the~~
23 ~~child attends the on-grounds program.~~

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

25 ARTICLE 33

26 RELATING TO HOSPITAL PAYMENT RATES

27 SECTION 1. Section 40-8-13.4 of the General Laws in Chapter 40-8 entitled "Medical
28 Assistance" is hereby amended to read as follows:

29 **40-8-13.4. Rate methodology for payment for in state and out of state hospital**
30 **services.** -- (a) The department of human services shall implement a new methodology for
31 payment for in state and out of state hospital services in order to ensure access to and the
32 provision of high quality and cost-effective hospital care to its eligible recipients.

33 (b) In order to improve efficiency and cost effectiveness, the department of human
34 services shall:

1 (1)(A) With respect to inpatient services for persons in fee for service Medicaid, which is
2 non-managed care, implement a new payment methodology for inpatient services utilizing the
3 Diagnosis Related Groups (DRG) method of payment, which is, a patient classification method
4 which provides a means of relating payment to the hospitals to the type of patients cared for by
5 the hospitals. It is understood that a payment method based on Diagnosis Related Groups may
6 include cost outlier payments and other specific exceptions. The department will review the DRG
7 payment method and the DRG base price annually, making adjustments as appropriate in
8 consideration of such elements as trends in hospital input costs, patterns in hospital coding,
9 beneficiary access to care, and the Center for Medicare and Medicaid Services national CMS
10 Prospective Payment System (IPPS) Hospital Input Price index.

11 (B) With respect to inpatient services, (i) it is required as of January 1, 2011 until
12 December 31, 2011, that the Medicaid managed care payment rates between each hospital and
13 health plan shall not exceed ninety and one tenth percent (90.1%) of the rate in effect as of June
14 30, 2010. Negotiated increases in inpatient hospital payments for ~~the~~ each annual twelve (12)
15 month period beginning January 1, 2012 may not exceed the Centers for Medicare and Medicaid
16 Services national CMS Prospective Payment System (IPPS) Hospital Input Price index for the
17 applicable period; (ii) The Rhode Island department of human services will develop an audit
18 methodology and process to assure that savings associated with the payment reductions will
19 accrue directly to the Rhode Island Medicaid program through reduced managed care plan
20 payments and shall not be retained by the managed care plans; (iii) All hospitals licensed in
21 Rhode Island shall accept such payment rates as payment in full; and (iv) for all such hospitals,
22 compliance with the provisions of this section shall be a condition of participation in the Rhode
23 Island Medicaid program.

24 (2) With respect to outpatient services and notwithstanding any provisions of the law to
25 the contrary, for persons enrolled in fee for service Medicaid, the department will reimburse
26 hospitals for outpatient services using a rate methodology determined by the department and in
27 accordance with federal regulations. Fee-for service outpatient rates shall align with Medicare
28 payments for similar services. Changes to outpatient rates will be implemented on July 1 each
29 year. With respect to the outpatient rate, it is required as of January 1, 2011 until December 31,
30 2011, that the Medicaid managed care payment rates between each hospital and health plan shall
31 not exceed one hundred percent (100%) of the rate in effect as of June 30, 2010. Negotiated
32 increases in hospital outpatient payments for each annual twelve (12) month period beginning
33 January 1, 2012 may not exceed the Centers for Medicare and Medicaid Services national CMS
34 Outpatient Prospective Payment System (OPPS) hospital price index for the applicable period.

1 (c) It is intended that payment utilizing the Diagnosis Related Groups method shall
2 reward hospitals for providing the most efficient care, and provide the department the opportunity
3 to conduct value based purchasing of inpatient care.

4 (d) The director of the department of human services and/or the secretary of executive
5 office of health and human services is hereby authorized to promulgate such rules and regulations
6 consistent with this chapter, and to establish fiscal procedures he or she deems necessary for the
7 proper implementation and administration of this chapter in order to provide payment to hospitals
8 using the Diagnosis Related Group payment methodology. Furthermore, amendment of the
9 Rhode Island state plan for medical assistance (Medicaid) pursuant to Title XIX of the federal
10 Social Security Act is hereby authorized to provide for payment to hospitals for services provided
11 to eligible recipients in accordance with this chapter.

12 (e) The department shall comply with all public notice requirements necessary to
13 implement these rate changes.

14 (f) As a condition of participation in the DRG methodology for payment of hospital
15 services, every hospital shall submit year-end settlement reports to the department within one
16 year from the close of a hospital's fiscal year. Should a participating hospital fail to timely submit
17 a year-end settlement report as required by this section, the department shall withhold financial
18 cycle payments due by any state agency with respect to this hospital by not more than ten percent
19 (10%) until said report is submitted.

20 (g) The provisions of this section shall be effective upon implementation of the
21 amendments and new payment methodology pursuant to this section and § 40-8-13.3 which shall
22 in any event be no later than March 30, 2010, at which time the provisions of § § 40-8-13.2, 27-
23 19-14, 27-19-15, and 27-19-16 shall be repealed in their entirety.

24 (h) The director of the Department of Human Services shall establish an independent
25 study commission comprised of representatives of the hospital network, representatives from the
26 communities the hospitals serve, state and local policy makers and any other stakeholders or
27 consumers interested in improving the access and affordability of hospital care.

28 The study commission shall assist the director in identifying: issues of concern and
29 priorities in the community hospital system, the delivery of services and rate structures, including
30 graduate medical education and training programs; and opportunities for building sustainable and
31 effective public-private partnerships that support the missions of the department and the state's
32 community hospitals.

33 The director of the Department of Human Services shall report to the chairpersons of the
34 House and Senate Finance Committees the findings and recommendations of the study

1 commission by December 31, 2010.

2 SECTION 2. This article shall take effect on passage.

3 **ARTICLE 34**

4 RELATING TO department of transportation--TOLLING OF STATE HIGHWAYS

5 SECTION 1. Chapter 37-5 of the General Laws entitled "Department of Transportation"
6 is hereby amended by adding thereto the following section:

7 **37-5-8. Tolling of State Highways. --**

8 (a) Legislative Findings. It is hereby found and declared as follows:

9 (1) A December 2008 report by Governor Carcieri's Blue Ribbon Panel on
10 Transportation Financing identified an annual funding gap of some two hundred eighty-five
11 million dollars (\$285,000,000) in transportation system financing in order to bring the
12 transportation system to the state of good operation and repair;

13 (2) Tolling has been identified as one potential option to increase revenues to fund
14 transportation improvements;

15 (3) Tolling of I-95 at the Rhode Island border with Connecticut could bring in significant
16 revenues to the state which would enable the state to replace the Providence viaduct, to construct
17 the missing ramps between I-95 and Route 4, and to adequately maintain the Interstate Highway
18 System;

19 (4) In order to impose a new toll on an Interstate Highway, under current federal
20 legislation (SAFETEA-LU), a state must apply to FHWA and gain approval under the Interstate
21 System Construction Toll Pilot Program. Only one additional slot remains for projects under the
22 Pilot Program.

23 (b) Authorization

24 (1) The director of the department of transportation is authorized to undertake a toll
25 planning study to examine the prospect of tolling within Rhode Island and in a regional context
26 with Connecticut and Massachusetts. This planning effort may include tolling options on
27 Interstate highways, non-Interstate highways and bridges within the state and region.

28 (2) Such study may include an assessment of the potential fiscal and infrastructure
29 improvements associated with the following:

30 (i) Any tolls collected in Bristol and Newport Counties of the state will first go to the
31 repayment of the costs associated with tolling. All remaining toll revenue will be devoted to
32 projects that maintain, repair and/or upgrade the transportation infrastructure exclusively within
33 Bristol and Newport Counties.

34 (ii) Any tolls collected in the I-95 Corridor of the State will first go to repayment of costs

1 associated with tolling. All remaining toll revenue will be devoted to projects that maintain, repair
2 and/or upgrade the transportation infrastructure exclusively within the I-95 Corridor, including I-
3 295.

4 (iii) All non-toll state and federal funding shall continue to be programmed through the
5 Rhode Island's Operating and Capital Budgets to address statewide infrastructure requirements.

6 (3) The director of the department of transportation may apply to participate in the United
7 States Department of Transportation, Federal Highway Administration Interstate System
8 Construction Toll Pilot Program authorized by Title 23 U.S.C. Section 129, 301; P.L. 109-59, Sec
9 1604, or any successor federal legislation. Such application shall designate the Rhode Island
10 Turnpike and Bridge Authority as the agent to collect tolls on behalf of the department of
11 transportation.

12 (c) Further authorization required. Notwithstanding the authorizations made in section
13 37-5-8 (a) above, tolling Rhode Island's highways, roads, freeways or bridges shall not be
14 imposed until further act and approval from the general assembly. In addition, all programs and
15 funding proposals shall conform to federal law, rules and regulations.

16 **ARTICLE 35**

17 **RELATING TO REGISTRATION OF motor VEHICLES**

18 **SECTION 1.** Section 31-3-40 of the General Laws in Chapter 31-3 entitled "Registration
19 of Vehicles" is hereby amended to read as follows:

20 **31-3-40. Special use identification tags.** -- (a) A new car dealer or used car dealer may
21 apply to the administrator of the division of motor vehicles for special use identification tags for
22 use on vehicles sold by him or her pending the registration of the vehicles, and provided that all
23 vehicles upon which special use identification tags are to be used conform to the standards for
24 general safety. Special use identification tags shall be of a size and type determined by the
25 administrator of the division of motor vehicles, and shall be sold to dealers ~~in packs of ten (10)~~
26 ~~plates per pack upon payment of two hundred dollars (\$200) per pack~~ at a cost to be determined
27 by the administrator of the division of motor vehicles, not to exceed twenty-five dollars (\$25) per
28 plate.

29 (b) Special use certificates and special use identification tags may be used on a vehicle
30 sold by the dealer to a resident or nonresident. The special use certificate and special use
31 identification tags shall be valid for no more than twenty (20) days including the date of delivery
32 of the certificate and tags by the dealer, and no dealer or any other person shall extend the
33 expiration date thereof, nor shall any person other than the administrator of the division of motor
34 vehicles issue another similar certificate or tag. The special certificate shall be carried in the

1 vehicle bearing the special use identification tags whenever the vehicle is being operated on a
2 public highway. Special use identification tags shall be displayed in the same manner as required
3 in this chapter for the display of registration plates. Upon the removal of special use identification
4 tags from a vehicle, they shall be destroyed immediately by the person to whom issued or his or
5 her agent.

6 (c) Upon the issuance of a special use certificate and special use identification tags, the
7 dealer shall prepare the special use certificate in triplicate and shall print or type all of the
8 information required on the certificate. The dealer shall imprint legibly with a rubber date stamp,
9 in black ink, upon the special use identification tag, the date of expiration of the tag in letters and
10 numerals not less than one inch (1") in height, nor less than one-fourth of an inch (1/4") in width.
11 The special use identification tag shall also contain the vehicle identification number of the car on
12 which it is displayed and the dealer's identification number. The original copy of the special use
13 certificate shall be given to the person named in the certificate. The duplicate copy shall become
14 the notice required by subsection (d) of this section. The third copy shall be held in the dealer's
15 files and shall be exhibited upon demand of the administrator of the division of motor vehicles or
16 of any peace officer.

17 (d) Notice of delivery of the special use certificate and special use identification tags shall
18 be mailed to the administrator of the division of motor vehicles not later than the next business
19 day after delivery.

20 (e) In the event that a dealer goes out of business, or transfers his or her business to any
21 other person, firm, or corporation, the dealer shall return to the administrator of the division of
22 motor vehicles within five (5) days all special use certificates and special use identification tags
23 held by him or her.

24 (f) No dealer shall make any use of special use certificates or special use identification
25 tags except in accordance with the provisions of this section.

26 (g) Violations of this section are subject to fines enumerated in § 31-41.1-4.

27 SECTION 2. Section 31-3-33 of the Rhode Island General Laws entitled "Registration of
28 Vehicles" is hereby amended to read as follows:

29 **31-3-33. Renewal of registration.** -- (a) Application for renewal of a vehicle registration
30 shall be made by the owner on a proper application form and by payment of the registration fee
31 for the vehicle as provided by law.

32 (b) The division of motor vehicles may receive applications for renewal of registration,
33 and may grant the renewal and issue new registration cards and plates at any time prior to
34 expiration of registration.

1 (c) Upon renewal, owners will be issued a renewal sticker for each registration plate
2 which shall be placed at the bottom right hand corner of the plate. ~~Owners shall be issued a new~~
3 ~~fully reflective plate beginning September 1, 2011 and reissuance will be conducted no less than~~
4 ~~every (10) years.~~

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

6 ARTICLE 36

7 RELATING TO state PROPERTY--leases

8 SECTION 1. Rhode Island General Law 37-6-2 entitled "Acquisition of Land," is hereby
9 amended:

10 **37-6-2. Rules, regulations, and procedures of committee.** – (a) The state properties
11 committee is hereby authorized and empowered to adopt and prescribe rules of procedure and
12 regulations, and from time to time amend, change, and eliminate rules and regulations, and make
13 such orders and perform such actions as it may deem necessary to the proper administration of
14 this chapter and §§ 37-7-1 – 37-7-9. In performance of the commission's duties hereunder, the
15 commission may in any particular case prescribe a variation in procedure or regulations when it
16 shall deem it necessary in view of the exigencies of the case and the importance of speedy action
17 in order to carry out the intent and purpose of this chapter and §§ 37-7-1 – 37-7-9. The
18 commission shall file written notice thereof in the office of the secretary of state. All filings shall
19 be available for public inspection.

20 (b) The following siting criteria shall be utilized whenever current existing leases expire
21 or additional office space is needed:

22 (1) A preference shall be given to sites designated as enterprise zone census tracts
23 pursuant to chapter 64.3 of title 42, or in blighted and/or substandard areas pursuant to § 45-31-8,
24 or in downtown commercial areas where it can be shown the facilities would make a significant
25 impact on the economic vitality of the community's central business district;

26 (2) Consideration should be given to adequate access via public transportation for both
27 employees as well as the public being served, and where appropriate, adequate parking;

28 (3) A site must be consistent with the respective community's local comprehensive plan;
29 and

30 (4) The division of planning within the department of administration shall be included in
31 the evaluation of all future lease proposals.

32 (c) The state properties committee shall explain, in writing, how each site selected by the
33 committee for a state facility meets the criteria described in subsection (b) of this section.

34 ~~(d) For any lease, rental agreement or extension of an existing rental agreement for~~

~~1 leased office and operating space which carries a term of five (5) years or longer, including any
2 options or extensions that bring the total term to five (5) years or longer, where the state is the
3 tenant and the aggregate rent of the terms exceeds five hundred thousand dollars (\$500,000) the
4 state properties committee shall request approval of the general assembly prior to entering into
5 any new agreements or signing any extensions with existing landlords. The state properties
6 committee, in the form of a resolution, shall provide information relating to the purpose of the
7 lease or rental agreement, the agency's current lease or rental costs, the expiration date of any
8 present lease or rental agreement, the range of costs of a new lease or rental agreement, the
9 proposed term of a new agreement, and the location and owner of the desired property.~~

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

11 ARTICLE 37

12 RELATING TO THE UNCLASSIFIED SERVICE

13 SECTION 1. Section 36-4-2 of the General Laws in Chapter 36-4 entitled "Merit
14 System" is hereby amended to read as follows:

15 **36-4-2. Positions in unclassified service.** -- The classified service shall comprise all
16 positions in the state service now existing or hereinafter established, except the following specific
17 positions which with other positions heretofore or hereinafter specifically exempted by legislative
18 act shall constitute the unclassified service:

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

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

22 (3) Officers, secretaries, and employees of the office of the governor, office of the
23 lieutenant governor, department of state, department of the attorney general, and the treasury
24 department.

25 (4) Members of boards and commissions appointed by the governor, members of the
26 state board of elections and the appointees of the board, members of the commission for human
27 rights and the employees of the commission, and directors of departments.

28 (5) The following specific offices:

29 (i) In the department of administration: director, chief information officer;

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

31 (iii) In the department of elementary and secondary education: commissioner of
32 elementary and secondary education;

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

34 (v) In the department of health: director;

- 1 (vi) In the department of labor and training: director, administrative assistant,
2 administrator of the labor board and legal counsel to the labor board;
- 3 (vii) In the department of environmental management: director;
- 4 (viii) In the department of transportation: director;
- 5 (ix) In the department of human services: director;
- 6 (x) In the state properties committee: secretary;
- 7 (xi) In the workers' compensation court: judges, administrator, deputy administrator,
8 clerk, assistant clerk, clerk secretary;
- 9 (xii) In the department of elderly affairs: director;
- 10 (xiii) In the department of mental health, retardation, and hospitals: director;
- 11 (xiv) In the department of corrections: director, assistant director
12 (institutions/operations), assistant director (rehabilitative services), assistant director
13 (administration), and wardens;
- 14 (xv) In the department of children, youth and families: director, one assistant director,
15 one associate director, and one executive director;
- 16 (xvi) In the public utilities commission: public utilities administrator;
- 17 (xvii) In the water resources board: general manager;
- 18 (xviii) In the human resources investment council: executive director.
- 19 (xix) In the office of health and human services: secretary of health and human
20 services.
- 21 (6) Chief of the hoisting engineers, licensing division, and his or her employees;
22 executive director of the veterans memorial building and his or her clerical employees.
- 23 (7) One confidential stenographic secretary for each director of a department and each
24 board and commission appointed by the governor.
- 25 (8) Special counsel, special prosecutors, regular and special assistants appointed by the
26 attorney general, the public defender and employees of his or her office, and members of the
27 Rhode Island bar occupying a position in the state service as legal counsel to any appointing
28 authority.
- 29 (9) The academic and/or commercial teaching staffs of all state institution schools, with
30 the exception of those institutions under the jurisdiction of the board of regents for elementary
31 and secondary education and the board of governors for higher education.
- 32 (10) Members of the military or naval forces, when entering or while engaged in the
33 military or naval service.
- 34 (11) Judges, referees, receivers, clerks, assistant clerks, and clerical assistants of the

1 supreme, superior, family, and district courts, the traffic tribunal, jurors and any persons
2 appointed by any court.

3 (12) Election officials and employees.

4 (13) Administrator, executive high sheriff, sheriffs, chief deputy sheriffs, deputy
5 sheriffs, and other employees of the sheriff's division within the department of administration and
6 security officers of the traffic tribunal.

7 (14) Patient or inmate help in state charitable, penal, and correctional institutions and
8 religious instructors of these institutions and student nurses in training, residents in psychiatry in
9 training, and clinical clerks in temporary training at the institute of mental health within the state
10 of Rhode Island medical center.

11 (15) (i) Persons employed to make or conduct a temporary and special inquiry,
12 investigation, project or examination on behalf of the legislature or a committee therefor, or on
13 behalf of any other agency of the state if the inclusion of these persons in the unclassified service
14 is approved by the personnel administrator. The personnel administrator shall notify the house
15 fiscal advisor and the senate fiscal advisor whenever he or she approves the inclusion of a person
16 in the unclassified service.

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

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

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

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

24 (19) Mental health advocate.

25 (20) Child advocate.

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

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

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

30 (24) In the department of public safety: the director.

31 [\(25\) A deputy director for each department.](#)

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

33 **ARTICLE 38**

34 **RELATING TO THE RETIREE HEALTH CARE TRUST FUND**

1 SECTION 1. Section 36-12.1 of the General Laws in Chapter 36-12 of the General Laws
2 entitled 'Insurance Benefits' is hereby amended as follows:

3 **36-12.1-9. Duties of the OPEB board.** -- The OPEB Board shall be responsible for the
4 administration and operation of the OPEB System, determination of the amount of annual
5 contributions, and oversight of OPEB Benefit payments to Retired Employees and their
6 dependents. The OPEB Board shall have the power to collect contributions from the State of
7 Rhode Island, quasi-public agencies or any municipality thereof, to direct benefit payments, the
8 right to research, question, investigate and make recommendation of findings to the department of
9 administration ~~to interpret relevant plan documents, to resolve inconsistencies and ambiguities~~
10 ~~contained therein, to decide any claims for benefits and to resolve disputes.~~

11 **36-12.1-10. Votes of board – record of proceedings.** -- Each member of the board shall
12 be entitled to one vote in the board and a majority of all the votes of the entire board shall be
13 necessary for a decision of the board. The board shall keep a record of all the proceedings which
14 shall be open to public inspection.

15 **36-12.1-11. Reimbursement of board members.** -- Members of the board shall serve
16 without compensation but shall be reimbursed for any necessary expenditures and no employee
17 shall suffer any loss of salary or wages through serving upon the board.

18 **36-12.1-12. Annual report and statement.** -- The OPEB Board shall submit to the
19 governor for transmittal to the general assembly, on or before the first day of ~~January~~
20 February in each year beginning in ~~2011~~ 2012, an annual report showing the financial
21 transactions of the system for the fiscal year of the state next preceding said date. The report shall
22 contain, among other things, a statement of plan net assets, a statement of changes in plan net
23 assets, a valuation balance sheet as prepared by the actuary on a schedule in accordance with
24 generally accepted accounting principles, and other statistical data as are deemed necessary for a
25 proper interpretation of the condition of the system and the results of its operations. The report
26 shall also embody such other data as may be of use in the advancement of knowledge concerning
27 state employee OPEB and any recommendations of the board for changes in the laws pertaining
28 to the system. The OPEB Board shall cause to be published for distribution among the members
29 of the system a financial statement summarizing the results of operations for the fiscal year. All
30 financial statements issued by the OPEB Board shall conform to the requirements of GAAP.

31 **36-12.1-13. Executive officers and secretary.** -- (a) The Board shall elect a Chairperson
32 and Secretary. Moreover, the State Controller shall serve as the Treasurer.

33 (b) Any negotiated agreement entered into after July 1, 2010, between any state or
34 municipal agency or department and an employee or employees, whose conditions are contrary to

1 the general laws or the rules, regulations, and policies as adopted and promulgated by the OPEB
2 Board shall be null and void ~~unless and until approved by formal action of the OPEB Board for~~
3 ~~good cause shown.~~

4 **36-12.1-14. Accounts and statistical records – clerical and professional assistance –**
5 **disbursements.** -- The State Controller, under the direction and supervision of the OPEB Board,
6 shall be charged with the establishment and maintenance of such accounts and statistical records
7 as the OPEB Board may require and he or she shall employ such clerical assistance as shall be
8 necessary to carry out properly the provisions of chapters 12, 12.1 and 12.2 of this title. The
9 OPEB Board shall secure the services of an actuary who shall be the actuarial advisor of the
10 board and who shall make the actuarial computations and valuations required by chapters 12, 12.1
11 and 12.2. The state controller is hereby authorized and directed to draw his or her orders upon the
12 general treasurer for the payment of such sum or sums as may from time to time be necessary,
13 upon receipt by him or her of vouchers for payment of liabilities.

14 **36-12.1-15. Payment of administrative expenses of the OPEB board and maintaining**
15 **the OPEB system – restricted receipts account.** -- (a) There is hereby created within the
16 general fund a restricted receipt account entitled the “OPEB system restricted receipt account”,
17 the proceeds of which shall be used solely to pay the expenses of the OPEB Board, the cost of
18 maintaining the OPEB System, and the costs of administering the OPEB System.

19 (b) For fiscal years 2011 through 2014, the State Controller is authorized to disburse from
20 the fund established under subsection (a) above the actual cost of administration of the fund ~~the~~
21 ~~cost of the actuarial valuation, and the allocated share of investment manager fees incurred by the~~
22 ~~State Investment Commission.~~ In fiscal years, 2015 and thereafter, there shall be transferred to
23 this restricted receipt account twenty five (25) basis points or two hundred thousand dollars
24 (\$200,000), whichever is greater, where one hundred (100.0) basis points equals one percent
25 (1.0%), of the average total investments before lending activities as reported in the annual report
26 of the auditor general for the next preceding five fiscal years. Any non-encumbered funds on June
27 30 of any fiscal year shall be credited to the OPEB System.

28 **36-12.1-16. Collection of actuarial and experience data.** -- The General Treasurer and
29 the state Retirement System, shall collect and keep in convenient form such data as shall be
30 necessary for the preparation of the mortality and service tables and for the compilation of such
31 other information as shall be required for the actuarial valuation of the assets and liabilities of the
32 OPEB System and to comply with the requirements of GASB 43 and 45.

33 **36-12.1-17. Actuarial investigations authorized by board.** -- Immediately after his or
34 her selection, the actuary shall make such investigation of the mortality, service, and

1 compensation experience of the members as the OPEB Board shall authorize for the purpose of
2 determining the proper tables to be prepared and submitted to the OPEB Board for adoption.

3 **36-12.1-18. Periodic actuarial investigations and valuations.** -- Every ~~two year~~ years
4 beginning with fiscal year 2012 on a schedule in accordance with generally accepted accounting
5 principles, the actuary shall make an actuarial investigation into the mortality, service, and
6 compensation experience of the members and beneficiaries of the OPEB System, and shall make
7 a valuation of the assets and liabilities of the system, and, taking into account the result of the
8 investigation and valuation, the OPEB Board shall:

9 (1) Adopt for the OPEB System, such mortality, service, and other tables as shall be
10 deemed necessary in the OPEB System; and

11 (2) Certify the levels of contribution payable by the state of Rhode Island to carry out the
12 provisions of chapters 12, 12.1, and 12.2 of this title.

13 (3) Certify the levels of contribution payable by the Board of Governors for Higher
14 Education to carry out the provisions of chapter 17.1 of title 16.

15 On the basis of such tables as the OPEB Board shall adopt, the actuary shall make a
16 valuation of the liabilities of the funds of the system created by this chapter and the investment
17 advisor or investment manager appointed by the OPEB Board shall make a valuation of the assets
18 of the OPEB System.

19 **36-12.1-19. State contributions.** -- (a) The State of Rhode Island shall make its
20 contribution for the maintenance of the system, including the proper and timely payment of
21 benefits, by annually appropriating an amount equal to a percentage of the total compensation
22 paid to the active membership and teacher payroll base. The percentage shall be computed by the
23 actuary employed by the OPEB Board and shall be certified by the OPEB Board to the director of
24 administration on or before the fifteenth day of October in each year, beginning in 2011. In
25 arriving at the yearly employer contribution the actuary shall determine the value of:

26 (1) The contributions made by the members;

27 (2) Income on investments; and

28 (3) Other income of the system.

29 (b) The Actuary shall thereupon compute the yearly employer contribution that will:

30 (1) Pay the actuarial estimate of the normal cost for the next succeeding fiscal year;

31 (2) Amortize the unfunded liability of the system as of June 30, 2006 utilizing a time
32 period not to exceed thirty (30) years.

33 (c) The State of Rhode Island shall remit to the general treasurer the employer's share of
34 the contribution for state employees, state police, legislators, and judges on a payroll frequency

1 basis, and for teachers in a manner consistent with sound accounting and actuarial practice.

2 (d) The Board of Governors for Higher Education shall remit to the general treasurer that
3 employer's share of the contribution for its non-classified employees, and those of the University
4 of Rhode Island, Rhode Island College, and the Community College of Rhode Island, pursuant to
5 §16-17.1-1 et seq., and in a manner consistent with sound accounting and actuarial practice.

6 **36-12.1-20. Establishment of OPEB trust funds.** -- The OPEB Board shall establish
7 one or more trust funds and/or sub trusts to hold the assets of the OPEB System, to be known as
8 the Rhode Island OPEB System Trust. Title and legal ownership of all assets of the OPEB
9 System shall be in the name of the Rhode Island OPEB System Trust. The OPEB Board, or its
10 delegate is authorized to execute one or more trust instruments to effectuate the purposes of this
11 section. However, such trust instruments shall require that: a) all funds held by such trusts shall
12 be used solely to pay benefits pursuant to the OPEB System, and reasonable and legitimate
13 administrative expenses associated therewith; b) no asset of the OPEB System or contribution
14 made by the State of Rhode Island, may be recovered or returned to the State, until the OPEB
15 Board has certified all liabilities of the System have been satisfied; and c) at no time shall the
16 assets of the Rhode Island OPEB System Trust shall be subject to the claims of the creditors of
17 the State of Rhode Island or the creditors of any beneficiary of the OPEB System.

18 **36-12.1-21. Custody and investment of funds.** -- (a) All money immediately required
19 for the payment of OPEB Benefits shall be invested only in accordance with the written
20 objectives and guidelines established by the state investment commission pursuant to the
21 provisions of chapter 10 of title 35 and other applicable law.

22 (b) All money not immediately required for the payment of OPEB Benefits shall be
23 invested in accordance with the provisions of chapter 10 of title 35 and other applicable law and
24 shall be held in a custodial or trust account in accordance with § 36-12.1-5. The trust and
25 custodial account established under this section shall be maintained pursuant to written
26 documents which expressly provide that it shall be impossible at any time prior to the satisfaction
27 of all liabilities with respect to employees and their beneficiaries for any part of the corpus or
28 income to be used for or diverted to purposes other than the payment of OPEB Benefits to
29 employees and their beneficiaries (except as otherwise permitted by § 36-12.1).

30 **36-12.1-22. Disposition of investment earnings.** -- The OPEB Board shall credit all
31 earned investment income from interest and dividends on investments and bank deposits during
32 any fiscal year to the Rhode Island OPEB System Trust.

33 **36-12.1-23. Improper interest in investments of board.** -- Except as herein provided,
34 no member of the OPEB Board and no employee of the OPEB Board shall have any interest,

1 direct or indirect, in the gains or profits of any investment made by the OPEB Board, nor as such
2 directly or indirectly receive any pay or emolument for his or her services. No member of the
3 OPEB Board or employee of the OPEB Board shall, directly or indirectly, for himself or herself
4 or as an agent, in any manner use the gains or profits, except to make such current and necessary
5 payments as are authorized by the OPEB Board; nor shall any member or employee of the OPEB
6 Board become an endorser or surety or become in any manner an obligor for money loaned or
7 borrowed from the OPEB Board. No member of the OPEB Board shall permit the OPEB System
8 to engage in a transaction that constitutes a sale or exchange, or leasing, of any property between
9 the OPEB System and a party in interest; a lending of money or other extension of credit between
10 the OPEB System and a party in interest; furnishing of goods, services, or facilities between the
11 OPEB System and a party in interest; transfer to, or use by or for the benefit of, a party in interest,
12 of any assets of the OPEB System.

13 **36-12.1-24. Payment of OPEB benefits.** -- All OPEB Benefits shall be paid from the
14 Rhode Island OPEB System Trust, subject to the oversight and approval of the OPEB Board.

15 **36-12.1-25. Annual audits.** -- The auditor general shall conduct upon the request of the
16 OPEB Board a separate annual performance audit of the OPEB System which shall include a
17 report on the actuarial valuation of the assets and liabilities of the OPEB System. The auditor
18 general may examine all records, files, and other documents, and evaluate all policies and
19 procedures for purposes of conducting the audit. The aforementioned performance audit shall be
20 in addition to the annual audit conducted by the auditor general of the financial statements of the
21 OPEB System. A copy of the report shall be given to the governor and the OPEB Board.

22 **36-12.1-26. Internal revenue code qualification.** -- [\(a\) Intent.](#) It is intended that the
23 OPEB System and the Rhode Island OPEB System Trust satisfy the requirements of §115 or
24 §501(c)(9) of the Internal Revenue Code of 1986 as amended from time to time, 26 U.S.C. §§
25 115, 501(c)(9) - ,(hereinafter referred to as the "Code"), in form and operation, to the extent that
26 those requirements apply to a governmental use trust under §115 or a voluntary employee benefit
27 association under §501(c)(9) of the Code. To this end, the following provisions shall be
28 applicable, administered, and interpreted in a manner consistent with maintaining the tax
29 qualification of the OPEB System, and shall supersede any conflicting provisions of chapters 12,
30 12.1 and 12.2 of this title, [of chapter 16 of title 16, or of chapter 21 of title 45].

31 (b) Exclusive benefit. All funds of the OPEB System shall be held in one or more trusts
32 as provided in §36-12.1-21 or if permitted, in accordance with § 401(f) of the code, in one or
33 more custodial accounts treated as trusts or a combination thereof. Under any trust or custodial
34 account, it shall be impossible at any time prior to the satisfaction of all liabilities with respect to

1 employees and their beneficiaries, for any part of the corpus or income to be used for, or diverted
2 to, purposes other than the payment of OPEB allowances and other post employment benefits to
3 Retired Employees and their beneficiaries.

4 **36-12.1-27. Severability.** -- (a) If any provision of this chapter 36-12.1 of this title, any
5 rule, or regulation made thereunder, or the application thereof to any person or circumstance is
6 held invalid by a court of competent jurisdiction the remainder of this chapter, rules, or
7 regulations and the application of those provisions to other persons or circumstances shall not be
8 affected thereby.

9 (b) The invalidity of any section or sections or parts of any section or sections of those
10 chapters shall not affect the validity of the remainder of this chapter.

11 **36-12.1-28. Implementation.** -- Notwithstanding any law to the contrary, the provisions
12 of Chapter 36-12.1 entitled "Retiree Health Care Trust Fund" shall be implemented by July 1,
13 2010.

14 SECTION 2. – This article shall take effect upon passage.

15 **ARTICLE 39**

16 **RELATING TO MUNICIPAL ACCOUNTABILITY, STABILITY, AND TRANSPARENCY** 17 **FUND**

18 SECTION 1. Title 45 of the General Laws entitled "TOWNS AND CITIES" is hereby
19 amended by adding thereto the following chapter:

20 CHAPTER 13.2

21 MUNICIPAL ACCOUNTABILITY, STABILITY, AND TRANSPARENCY FUND

22 **45-13.2-1. Short title.** -- This chapter shall be known as the "Municipal Accountability,
23 Stability, and Transparency Fund Act."

24 **45-13.2-2. Legislative Findings.** -- It is hereby found and declared as follows:

25 (1) The fiscal health of its municipalities is of paramount importance to the state of
26 Rhode Island;

27 (2) Local municipalities in Rhode Island are facing ever-increasing costs for retirement
28 and Other Post Employment Benefits (OPEB) related expenses;

29 (3) Retirement and OPEB plans represent significant cost drivers for municipal budgets;

30 (4) Many municipalities currently have significantly under-funded retirement and OPEB
31 plans;

32 (5) These unfunded liabilities either have or threaten to jeopardize the fiscal stability of
33 municipalities;

34 (6) Fiscal instability in a municipality may adversely affect the state's financial interests;

1 and

2 (7) Local municipalities should be encouraged to focus on improving the sustainability of
3 their retirement and OPEB plans by reducing the unfunded liabilities thereunder; funding the
4 plans in a fiscally responsible manner; and employing fiscally prudent budgeting practices.

5 **45-13.2-3. Fund created.** -- There is hereby created a restricted receipt account entitled
6 “The Municipal Accountability, Stability, and Transparency Fund.” referred to within as the
7 ‘MAST’ Fund. The MAST Fund shall be used solely and exclusively for the purposes set forth
8 herein and shall be administered and managed by the division of municipal finance within the
9 department of revenue. Upon payment instructions from the chief of the division of municipal
10 finance, the tax administrator of the division of taxation within the department of revenue shall
11 disburse funds to the cities and towns in accordance with said payment instructions.

12 **45-13.2-4. Purpose of and payments from MAST.** -- The purpose of the MAST Fund
13 shall be to encourage municipalities to employ fiscally prudent practices; to improve the
14 sustainability of their retirement and OPEB plans; and to reduce the unfunded liabilities there-
15 under by providing additional state aid to municipalities who comply with the requirements and
16 provisions of this chapter; and withholding state aid to communities in those instances where
17 municipalities fail to comply with the requirements of this chapter.

18 **45-13.2-5. Funding of MAST.** -- The MAST Fund shall be funded with fifty percent
19 (50%) of the local meals and beverage tax imposed pursuant to § 44-18-18.1.

20 **45-13.2-6. Distributions from MAST.** -- (a) Commencing in FY 2012, municipalities
21 shall be eligible to receive distributions from the MAST Fund based on the 2009 General
22 Revenue Sharing percentage as follows:

23 (1) For FY 2012, municipalities shall be eligible to receive distributions from the MAST
24 Fund in March of FY 2012, only if the municipality has complied with the provisions of § 44-35-
25 10, § 45-12-22.2, § 45-12-22.3, § 44-5-22, and § 16-2-9;

26 (2) For FY 2013, municipalities shall be eligible to receive distributions from the MAST
27 Fund in March of FY 2013, only if the municipality has complied with provisions of § 44-35-10,
28 § 45-12-22.2, § 45-12-22.3, § 44-5-22, § 16-2-9, and § 45-13.3-2; and

29 (3) For FY 2014 and thereafter, municipalities shall be eligible to receive distributions from
30 the MAST Fund in March of 2014 and each March thereafter, only if the municipality has complied
31 with provisions of § 44-35-10, § 45-12-22.2, § 45-12-22.3, § 44-5-22, § 16-2-9, § 45-13.3-2, and
32 § 45-13.3-3 for FY 2014 and each year thereafter.

33 (4) Commencing in FY 2014, in each year that any city or town does not meet all the
34 requirements set forth in this chapter, the state’s contribution toward that city’s or town’s

1 obligation toward the teacher retirement fund, pursuant to § 16-16-22, shall be decreased by 5
2 percentage points.

3 (b) Before any distribution may be made to a community from the MAST Fund, the chief
4 elected official must certify in writing under oath to the division of municipal finance that the
5 requirements set forth in the sections referenced above have been satisfied. In the event that it is
6 determined that a municipality which submitted such certification had not, in fact, satisfied the
7 requirements as certified, said municipality shall be required to refund to the MAST Fund the
8 amount received in the fiscal year that said certification was submitted. Until such refund is made,
9 said municipality shall not be entitled to receive any further distribution from the MAST Fund;
10 provided, however, the amount owed by the municipality to the MAST Fund as a refund may be
11 offset against any future distributions from the MAST Fund to the municipality.

12 (c)(1) In making a determination as to whether a city or town is entitled to receive a
13 distribution from the MAST Fund in any year, the division of municipal finance may consider any
14 and all reports required to be filed by the city or town with the division, financial statements;
15 audited statements; actuarial valuations and updates thereto; and any and all other information and
16 or documentation deemed relevant by the division.

17 (2) The division of municipal finance may consider extenuating circumstances and the
18 specific pension and OPEB funding structures for each municipality when deciding whether a
19 city or town is in compliance with the MAST criteria.

20 SECTION 2. Title 45 of the General Laws entitled “TOWNS AND CITIES” is hereby
21 amended by adding thereto the following chapter:

22 CHAPTER 13.3

23 FUNDING OF MUNICIPAL PENSION PLANS AND OTHER POST EMPLOYMENT

24 BENEFITS

25 **45-13.3-1. Short title.** -- This chapter shall be known as the Funding of Municipal
26 Pension Plans and Other Post Employment Benefits Act, herein referred to as “OPEB’.

27 **45-13.3-2. Municipal pension plans.** -- (a) Annual Contributions to Pension Plans.

28 (1) Commencing in FY 2013, municipalities shall be required to make their Annually
29 Required Contribution (ARC) or their Annual Pension Cost (APC), whichever is greater, for all
30 municipal pension plans and said contributions shall be made in accordance with generally
31 accepted accounting principles.

32 (2) Commencing in FY 2013, in any fiscal year in which a municipality does not annually
33 fund its ARC or APC, whichever is greater, at a one hundred percent (100%) level, said level to
34 be determined in accordance with the most recent available valuation, said municipality shall be

1 required over each of the next successive five (5) fiscal years to increase its actual contribution to
2 its ARC or APC as follows: (i) in the first year, the municipality's actual contribution shall be
3 increased by the difference between the prior year's ARC or APC, whichever is greater, of the
4 most recent valuation and its prior year actual contribution divided by five (5); and (ii) for years
5 two (2) through year five (5), the annual actual contribution shall be increased by the difference
6 between the ARC or APC, whichever is greater, of the most recent valuation of the immediately
7 preceding year and the actual contribution made by the municipality in the prior year divided by
8 the remaining years.

9 (3) Beginning in FY 2013, cities and towns that have not previously met the goal of one
10 hundred (100%) percent contribution toward ARC or APC, whichever is greater, cannot decrease
11 the dollar amount of contribution compared to the preceding fiscal year.

12 (b) Funding Ratios of Pension Plans. - Starting in FY 2013, in any fiscal year that a city
13 or town has any municipal pension plan that has a funded ratio below fifty percent (50%), as
14 determined in the most recent available actuarial valuation of the municipal pension plan, the city
15 or town will be required to make an additional annual contribution to said municipal pension plan
16 in that fiscal year in an amount equal to ten percent (10%) of the contribution otherwise required
17 to be made in that fiscal year, exclusive of any adjustments also required pursuant to section
18 (a)(2) above. Said additional contributions shall continue to be made annually until such time as
19 the city's or town's funding ratio is fifty percent (50%) or greater.

20 (c) The division of municipal finance will monitor the progress of the cities and towns
21 towards achieving one hundred percent (100%) ARC contributions. The division shall use the
22 municipality's audited financial statements, applicable actuarial valuations; and such other
23 information and/or documentation as it deemed relevant to determine a municipality's
24 compliance with the requirements of this chapter.

25 (d) The Annually Required Contributions or Annual Pension Costs to the pension fund will
26 be based on the most recent available actuarial valuation. The underlying assumptions for the
27 actuarial valuations must adhere to generally accepted accounting principles.

28 (e) The division of municipal finance will conduct a study on locally-administered
29 pension plans. The goal of the study will be to examine the feasibility to move locally-
30 administered pension plans into the state's Municipal Employee Retirement System (MERS). In
31 conducting the study the division of municipal finance will consult with the office of the state's
32 general treasurer, the office of the auditor general, local officials, union representatives, the
33 Rhode Island League of Cities and Towns, the Rhode Island Public Expenditure Council, and
34 such other entities, organizations, and/or individuals as it deems appropriate. The results of the

1 study will be submitted to the Governor, the Speaker of the House, the Senate President, and the
2 Chairs of the House and Senate Finance Committees no later than December 31, 2011.

3 **45-13.3-3. Municipal OPEB Plans.** -- (a) Commencing in FY 2014, municipalities shall
4 be required to make their Annually Required Contribution (ARC), for a municipality's OPEB
5 obligations and said contributions shall be made in accordance with generally accepted
6 accounting principles.

7 (b) Commencing in FY 2014, in any fiscal year in which a municipality does not annually
8 fund its OPEB ARC at a one hundred percent (100%) level, said level to be determined in
9 accordance with the most recent available valuation, said municipality shall be required over each
10 of the next successive ten (10) fiscal years to increase its actual contribution to its ARC as
11 follows: (i) in the first year, the municipality's actual contribution shall be increased by the
12 difference between the prior year's ARC of the most recent valuation and its prior year actual
13 contribution divided by ten (10); and (ii) for years two (2) through year ten (10), the annual actual
14 contribution shall be increased by the difference between the ARC of the most recent valuation of
15 the immediately preceding year and the actual contribution made by the municipality in the prior
16 year divided by the remaining years.

17 (c) All cities and towns shall be required to join a multiple employer OPEB trust in the
18 event that such a trust is established; provided, however, cities and towns that have already
19 established an OPEB trust as of June 30, 2010 shall not be required to join a multiple employer
20 trust for OPEB, if the city's or town's OPEB trust is required to adhere to minimum standards
21 established by the state.

22 (d) The division of municipal finance will monitor the progress of the cities and towns
23 towards achieving one hundred percent (100%) ARC contributions. The Division shall use the
24 municipality's audited financial statements, applicable actuarial valuations; and such other
25 information and/or documentation as it deemed relevant to a municipality's compliance with the
26 requirements of this chapter.

27 (e) The ARC or APC to the pension fund and contributions to OPEB will be based on the
28 most recent available actuarial valuation. The underlying assumptions for the actuarial valuations
29 must adhere to generally accepted accounting principles. The division of municipal finance may
30 consider extenuating circumstances and the specific pension and OPEB funding structures for each
31 municipality when deciding whether a city or town is in compliance with the MAST criteria.

32 SECTION 3. Section 44-35-10 of the General Laws in Chapter 44-35 entitled "Property
33 Tax and Fiscal Disclosure – Municipal Budgets" is hereby amended to read as follows:

34 **44-35-10. Balanced municipal budgets. – Additional reporting requirements –**

1 **Electronic reporting/Municipal Uniform Chart of Accounts -- (a)** The operating budgets for
2 all cities and towns shall provide for total appropriations which do not exceed total estimated
3 receipts, taking into account any general fund surplus or deficit estimated to be carried over from
4 the current fiscal year. The funding of accumulated deficits shall be consistent with the provisions
5 of § 45-12-22.

6 (b) The chief elected official in each city and town shall provide to the division of
7 municipal finance within thirty (30) days of final action, in the form and format required by the
8 division, the adopted budget survey.

9 (c) Within thirty (30) days of final action as referenced in subsection (b) above each city
10 or town shall provide to the division a five (5) year forecast, in the form and format required by
11 the division, for major funds as defined by generally accepted accounting principles as
12 established by the Governmental Accounting Standards Board (GASB). The forecast shall
13 include, but not be limited to, a scenario reflecting pensions and Post Employment Benefits Other
14 Than Pensions (OPEB) obligations at one hundred percent (100%) of the Annual Required
15 Contribution (ARC), both for the general and unrestricted school funds. The forecast shall also
16 reflect any and all underlying assumptions.

17 (d) Within sixty (60) days of executing changes in health care benefits, pension benefits
18 and OPEB a municipality shall provide a fiscal impact statement to the division of municipal
19 finance, reflecting the impact on any unfunded liability and ARC, as well as the impact on the
20 five (5) year forecast. The fiscal impact statements have to show underlying actuarial assumptions
21 and support for underlying assumptions.

22 (e) A municipality shall join electronic reporting/implement municipal uniform chart of
23 accounts (UCOA), within six (6) months of implementation.

24 SECTION 4. Section 45-12-22.2 of the General Laws in Chapter 45-12 entitled
25 “Indebtedness of Towns and Cities” is hereby amended to read as follows:

26 **45-12-22.2. Monitoring of financial operations – Corrective action.** -- (a) The chief
27 financial officer of each municipality and each school district within the state shall continuously
28 monitor their financial operations by tracking actual versus budgeted revenue and expense.

29 (b) The chief financial officer of the municipality shall submit a report on a monthly basis
30 to the municipality's chief executive officer, each member of the city or town council, and school
31 district committee certifying the status of the municipal budget including the school department
32 budget or regional school district. The chief financial officer of the municipality shall also submit
33 a quarterly report on or before the 25th day of the month succeeding the end of each fiscal quarter
34 ~~a quarterly basis~~ to the division of municipal finance ~~property valuation~~ and the auditor general

1 certifying the status of the municipal budget. Each quarterly report submitted must be signed by
2 the chief executive officer, chief financial officer as well as the superintendent of the school
3 district and chief financial officer for the school district. The report has to be submitted to the
4 city/town council president and the school committee chair. It is encouraged, but not required, to
5 have the council president/school committee chair sign the report. The chief financial officer of
6 the school department or school district shall certify the status of the school district's budget and
7 shall assist in the preparation of these reports. The monthly and quarterly reports shall be in a
8 format prescribed by the division of municipal finance ~~property valuation~~ and the state auditor
9 general. The reports shall contain a statement as to whether any actual or projected shortfalls in
10 budget line items are expected to result in a year-end deficit, the projected impact on year-end
11 financial results including all accruals and encumbrances, and how the municipality and school
12 district plans to address any such shortfalls.

13 (c) If any of the quarterly reports required under subsection (b) above ~~this section~~ project
14 a year-end deficit, the chief financial officer of the municipality shall submit to the state division
15 ~~office~~ of municipal affairs and the auditor general a corrective action plan signed by the chief
16 executive officer and chief financial officer on or before the last day of the month succeeding the
17 close of the fiscal quarter ~~no later than thirty (30) days after completion of the monthly budget~~
18 ~~analysis referred to in subsection (b) above~~, which provides for the avoidance of a year-end
19 deficit. The plan may include recommendations as to whether an increase in property taxes and/or
20 spending cuts should be adopted to eliminate the deficit. The plan shall include a legal opinion by
21 municipal counsel that the proposed actions under the plan are permissible under federal, state,
22 and local law. The state division ~~office~~ of municipal finance may rely on the written
23 representations made by the municipality in the plan and will not be required to perform an audit.

24 (d) If the division of municipal finance ~~property valuation~~ concludes the plan required
25 hereunder is insufficient and/or fails to adequately address the financial condition of the
26 municipality, the division of municipal finance ~~property valuation~~ can elect to pursue the
27 remedies identified in § 45-12-22.7.

28 (e) The reports required shall include the financial operations of any departments or funds
29 of municipal government including the school department or the regional school district,
30 notwithstanding the status of the entity as a separate legal body. This provision does not eliminate
31 the additional requirements placed on local and regional school districts by § 16-2-9(f) and § 16-
32 3-11(e)(3).

33 SECTION 5. Section 45-12-22.3 of the General Laws in Chapter 45-12 entitled
34 “Indebtedness of Towns and Cities” is hereby amended to read as follows:

1 **45-12-22.3. Year-end deficits.** -- (a) If, at the end of any fiscal year, the chief financial
2 official determines, based on available data, that it is likely the city or town's general fund or
3 combined general fund and unrestricted school special revenue fund will incur a deficit, the
4 municipality must [notify the auditor general and the division of municipal finance within thirty](#)
5 [\(30\) days and](#) immediately develop a plan to eliminate the deficit. The plan shall provide for the
6 elimination of the accumulated year-end deficit by annual appropriation, over no more than five
7 (5) years, in equal or diminishing amounts. The plan shall indicate the necessary governmental
8 approvals and procedures required, and shall include a legal opinion by municipal counsel that
9 the proposed action is permissible under federal, state, and local law.

10 (b) The plan to eliminate the year-end deficit shall be submitted to the state auditor
11 general for approval. The state auditor general shall determine whether the plan reasonably
12 insures elimination of the accumulated deficit in accordance with the law in a fiscally responsible
13 manner. The state auditor general may rely on the written representations made by the
14 municipality in the plan and will not be required to perform an audit. The judgment of the state
15 auditor general in applying this standard shall be conclusive.

16 (c) If the state auditor general determines the plan is insufficient and/or fails to
17 adequately address the financial condition of the municipality, or if a plan is not submitted, then
18 in such event, the state auditor general can petition the superior court for mandatory injunctive
19 relief seeking to compel the municipality to submit a plan as required hereunder. The state auditor
20 general shall also have standing to pursue the appropriate remedies identified in § 45-12-22.7.

21 SECTION 6. Section 44-5-22 of the General Laws in Chapter 16-2 entitled “Levy and
22 Assessment of Local Taxes” is hereby amended to read as follows:

23 **44-5-22. Certification of tax roll.** -- The tax levy shall be applied to the assessment roll
24 and the resulting tax roll certified by the assessors to the city or town clerk, city or town treasurer,
25 or tax collector, as the case may be, [and to the department of revenue – division of municipal](#)
26 [finance, not later than the next succeeding August 15.](#) ~~Thereafter, the assessor shall cause to be~~
27 ~~published in a newspaper of general circulation within the city or town the rate of tax and the~~
28 ~~percentage of fair market value employed in assessing the tax on manufacturer's machinery and~~
29 ~~equipment.~~

30 SECTION 7. Section 42-142-1 of the General Laws Chapter 42-142 entitled
31 “Department of Revenue” is hereby amended to read as follows:

32 **42-142-1. Department of revenue.** -- (a) There is hereby established within the
33 executive branch of state government a department of revenue.

34 (b) The head of the department shall be the director of revenue, who shall be appointed

1 by the governor, with the advice and consent of the senate, and shall serve at the pleasure of the
2 governor.

3 (c) The department shall contain the division of taxation (chapter 44-1), the division of
4 motor vehicles (chapter 32-2), the division of state lottery (chapter 42-61), the office of revenue
5 analysis (chapter 42-142), and the division of municipal finance ~~property valuation~~ (chapter 42-
6 142). Any reference to the division of property valuation, division of property valuation and
7 municipal finance, or office of municipal affairs in the Rhode Island General Laws shall mean the
8 division of municipal finance.

9 SECTION 8. Section 16-2-9 of the General Laws of Chapter 16-2 entitled "School
10 Committees and Superintendents is hereby amended to read as follows:

11 **16-2-9, General powers and duties of school committees.** -- (a) The entire care,
12 control, and management of all public school interests of the several cities and towns shall be
13 vested in the school committees of the several cities and towns. School committees shall have, in
14 addition to those enumerated in this title, the following powers and duties:

15 (1) To identify educational needs in the community.

16 (2) To develop education policies to meet the needs of the community.

17 (3) To provide for and assure the implementation of federal and state laws, the
18 regulations of the board of regents for elementary and secondary education, and of local school
19 policies, programs, and directives.

20 (4) To provide for the evaluation of the performance of the school system.

21 (5) To have responsibility for the care and control of local schools.

22 (6) To have overall policy responsibility for the employment and discipline of school
23 department personnel.

24 (7) To approve a master plan defining goals and objectives of the school system. These
25 goals and objectives shall be expressed in terms of what men and women should know and be
26 able to do as a result of their educational experience. The committee shall periodically evaluate
27 the efforts and results of education in light of these objectives.

28 (8) To provide for the location, care, control, and management of school facilities and
29 equipment.

30 (9) To adopt a school budget to submit to the local appropriating authority.

31 (10) To adopt any changes in the school budget during the course of the school year.

32 (11) To approve expenditures in the absence of a budget, consistent with state law.

33 (12) To employ a superintendent of schools and assign any compensation and other terms
34 and conditions as the school committee and superintendent shall agree, provided that in no event

1 shall the term of employment of the superintendent exceed three (3) years. Nothing contained in
2 this chapter shall be construed as invalidating or impairing a contract of a school committee with
3 a school superintendent in force on May 12, 1978.

4 (13) To give advice and consent on the appointment by the superintendent of all school
5 department personnel.

6 (14) To establish minimum standards for personnel, to adopt personnel policies, and to
7 approve a table of organization.

8 (15) To establish standards for the evaluation of personnel.

9 (16) To establish standards for conduct in the schools and for disciplinary actions.

10 (17) To hear appeals from disciplinary actions.

11 (18) To enter into contracts.

12 (19) To publish policy manuals which shall include all school committee policies.

13 (20) To establish policies governing curriculum, courses of instruction, and text books.

14 (21) To provide for transportation services which meet or exceed standards of the board
15 of regents for elementary and secondary education.

16 (22) To make any reports to the department of education as are required by the board of
17 regents for elementary and secondary education.

18 (23) To delegate, consistent with law, any responsibilities to the superintendent as the
19 committee may deem appropriate.

20 (24) To address the health and wellness of students and employees.

21 (25) To establish a subcommittee of the school board or committee to decrease obesity
22 and address school health and wellness policies for students and employees consistent with § 16-
23 21-28.

24 (26) To annually undertake a minimum of six (6) hours of professional development as
25 set forth and described in § 16-2-5.1.

26 (b) Nothing in this section shall be deemed to limit or interfere with the rights of teachers
27 and other school employees to collectively bargain pursuant to chapters 9.3 and 9.4 of title 28 or
28 to allow any school committee to abrogate any agreement reached by collective bargaining.

29 (c) The school committees of each city, town, or regional school district shall have the
30 power to bind their successors and successor committees by entering into contracts of
31 employment in the exercise of their governmental functions.

32 (d) Notwithstanding any provisions of the general laws to the contrary, the requirement
33 defined in subsections (d) through (f) of this section shall apply. The school committee of each
34 school district shall be responsible for maintaining a school budget which does not result in a

1 debt.

2 (e) The school committee shall, within thirty (30) days after the close of the first and
3 second quarters of the state's fiscal year, adopt a budget as may be necessary to enable it to
4 operate without incurring a debt, as described in subsection (d).

5 (f) In the event that any obligation, encumbrance, or expenditure by a superintendent of
6 schools or a school committee is in excess of the amount budgeted or that any revenue is less than
7 the amount budgeted, the school committee shall within five (5) working days of its discovery of
8 potential or actual over expenditure or revenue deficiency submit a written statement of the
9 amount of and cause for the over obligation or over expenditure or revenue deficiency to the city
10 or town council president and any other person who by local charter or statute serves as the city
11 or town's executive officer; the statement shall further include a statement of the school
12 committee's plan for corrective actions necessary to meet the requirements of subsection (d). The
13 plan shall be approved by the auditor general and also submitted to the division of municipal
14 finance.

15 (g) Notwithstanding any other provision of law, whether of general or specific
16 application, and notwithstanding any contrary provision of any city or town charter or ordinance,
17 the elected school committee of any city, town and regional school district shall be, and is hereby
18 authorized to retain the services of such independent legal counsel as it may deem necessary and
19 convenient. Any counsel so retained shall be compensated out of funds duly appropriated to the
20 school committee, and in no event shall the independent counsel be deemed to be an employee of
21 the pertinent city or town for any purpose.

22 SECTION 9. This article shall take effect upon passage.

23 **ARTICLE 40**

24 **RELATING TO DISTRESSED COMMUNITIES**

25 SECTION 1. Section 42-61.2-7 of the General Laws in Chapter 42-61.2 entitled "Video
26 Lottery Terminal" is hereby amended to read as follows:

27 **42-61.2-7. Division of revenue. [Effective June 30, 2009 and expires June 30, 2011.].**

28 = (a) Notwithstanding the provisions of § 42-61-15, the allocation of net terminal income derived
29 from video lottery games is as follows:

30 (1) For deposit in the general fund and to the state lottery division fund for
31 administrative purposes: Net terminal income not otherwise disbursed in accordance with
32 subdivisions (a)(2) – (a)(6) herein;

33 (i) Except for the fiscal year ending June 30, 2008, nineteen one hundredths of one
34 percent (0.19%) up to a maximum of twenty million dollars (\$20,000,000) shall be equally

1 allocated to the distressed communities as defined in § 45-13-12 provided that no eligible
2 community shall receive more than twenty-five percent (25%) of that community's currently
3 enacted municipal budget as its share under this specific subsection. Distributions made under
4 this specific subsection are supplemental to all other distributions made under any portion of
5 general laws § 45-13-12. For the fiscal year ending June 30, 2008 distributions by community
6 shall be identical to the distributions made in the fiscal year ending June 30, 2007 and shall be
7 made from general appropriations. For the fiscal year ending June 30, 2009, the total state
8 distribution shall be the same total amount distributed in the fiscal year ending June 30, 2008 and
9 shall be made from general appropriations. For the fiscal year ending June 30, 2010, the total
10 state distribution shall be the same total amount distributed in the fiscal year ending June 30,
11 2009 and shall be made from general appropriations, provided however that \$784,458 of the total
12 appropriation shall be distributed equally to each qualifying distressed community. For the fiscal
13 year ending June 30, 2011, the total state distribution shall be fifteen million five hundred
14 seventy-six thousand six hundred eighty-seven dollars (\$15,576,687) and shall be made from
15 general appropriations, provided however that seven hundred eighty-four thousand four hundred
16 fifty-eight dollars (\$784,458) of the total appropriation shall be distributed equally to each
17 qualifying distressed community.

18 (ii) Five one hundredths of one percent (0.05%) up to a maximum of five million dollars
19 (\$5,000,000) shall be appropriated to property tax relief to fully fund the provisions of § 44-33-
20 2.1. The maximum credit defined in subdivision 44-33-9(2) shall increase to the maximum
21 amount to the nearest five dollar (\$5.00) increment within the allocation until a maximum credit
22 of five hundred dollars (\$500) is obtained. In no event shall the exemption in any fiscal year be
23 less than the prior fiscal year.

24 (iii) One and twenty-two one hundredths of one percent (1.22%) to fund § 44-34.1-1,
25 entitled "Motor Vehicle and Trailer Excise Tax Elimination Act of 1998", to the maximum
26 amount to the nearest two hundred fifty dollar (\$250) increment within the allocation. In no event
27 shall the exemption in any fiscal year be less than the prior fiscal year.

28 (iv) Except for the fiscal year ending June 30, 2008, ten one hundredths of one percent
29 (0.10%) to a maximum of ten million dollars (\$10,000,000) for supplemental distribution to
30 communities not included in paragraph (a)(1)(i) above distributed proportionately on the basis of
31 general revenue sharing distributed for that fiscal year. For the fiscal year ending June 30, 2008
32 distributions by community shall be identical to the distributions made in the fiscal year ending
33 June 30, 2007 and shall be made from general appropriations. For the fiscal year ending June 30,
34 2009, no funding shall be disbursed. For the fiscal year ending June 30, 2010 and thereafter,

1 funding shall be determined by appropriation.

2 (2) To the licensed video lottery retailer:

3 (a) Prior to the effective date of the NGJA Master Contract, Newport Jai Ali twenty-six
4 percent (26%) minus three hundred eighty four thousand nine hundred ninety-six dollars
5 (\$384,996);

6 (ii) On and after the effective date of the NGJA Master Contract, to the licensed video
7 lottery retailer who is a party to the NGJA Master Contract, all sums due and payable under said
8 Master Contract minus three hundred eighty four thousand nine hundred ninety-six dollars
9 (\$384,996).

10 (b) Prior to the effective date of the UTGR Master Contract, to the present licensed video
11 lottery retailer at Lincoln Park which is not a party to the UTGR Master Contract, twenty-eight
12 and eighty-five one hundredths percent (28.85%) minus seven hundred sixty-seven thousand six
13 hundred eighty-seven dollars (\$767,687);

14 (ii) On and after the effective date of the UTGR Master Contract, to the licensed video
15 lottery retailer who is a party to the UTGR Master Contract, all sums due and payable under said
16 Master Contract minus seven hundred sixty-seven thousand six hundred eighty-seven dollars
17 (\$767,687).

18 (3) To the technology providers who are not a party to the GTECH Master Contract as
19 set forth and referenced in Public Law 2003, Chapter 32, seven percent (7%) of the net terminal
20 income of the provider's terminals;

21 (ii) To contractors who are a party to the Master Contract as set forth and referenced in
22 Public Law 2003, Chapter 32, all sums due and payable under said Master Contract;

23 (iii) Notwithstanding paragraphs (i) and (ii) above, there shall be subtracted
24 proportionately from the payments to technology providers the sum of six hundred twenty-eight
25 thousand seven hundred thirty-seven dollars (\$628,737);

26 (4) To the city of Newport one and one hundredth percent (1.01%) of net terminal
27 income of authorized machines at Newport Grand except that effective November 9, 2009, the
28 allocation shall be one and two tenths percent (1.2%) of net terminal income of authorized
29 machines at Newport Grand for each week the facility operates video lottery games on a twenty-
30 four (24) hour basis for all eligible hours authorized and to the town of Lincoln one and twenty-
31 six hundredths percent (1.26%) of net terminal income of authorized machines at Lincoln Park
32 except that effective November 9, 2009, the allocation shall be one and forty-five hundredths
33 percent (1.45%) of net terminal income of authorized machines at Lincoln Park for each week the
34 facility operates video lottery games on a twenty-four (24) hour basis for all eligible hours

1 authorized;

2 (5) To the Narragansett Indian Tribe, seventeen hundredths of one percent (0.17%) of net
3 terminal income of authorized machines at Lincoln Park up to a maximum of ten million dollars
4 (\$10,000,000) per year, which shall be paid to the Narragansett Indian Tribe for the account of a
5 Tribal Development Fund to be used for the purpose of encouraging and promoting: home
6 ownership and improvement, elderly housing, adult vocational training; health and social
7 services; childcare; natural resource protection; and economic development consistent with state
8 law. Provided, however, such distribution shall terminate upon the opening of any gaming facility
9 in which the Narragansett Indians are entitled to any payments or other incentives; and provided
10 further, any monies distributed hereunder shall not be used for, or spent on previously contracted
11 debts; and

12 (6) Unclaimed prizes and credits shall remit to the general fund of the state;

13 (7) Payments into the state's general fund specified in subdivisions (a)(1) and (a)(6) shall
14 be made on an estimated monthly basis. Payment shall be made on the tenth day following the
15 close of the month except for the last month when payment shall be on the last business day.

16 (b) Notwithstanding the above, the amounts payable by the Division to UTGR related to
17 the Marketing Program shall be paid on a frequency agreed by the Division, but no less
18 frequently than annually.

19 (c) Notwithstanding anything in this chapter 61.2 of this title 42 to the contrary, the
20 Director is authorized to fund the Marketing Program as described above in regard to the First
21 Amendment to the UTGR Master Contract.

22 (d) Notwithstanding the above, the amounts payable by the Division to Newport Grand
23 related to the Marketing Program shall be paid on a frequency agreed by the Division, but no less
24 frequently than annually.

25 (d) Notwithstanding anything in this chapter 61.2 of this title 42 to the contrary the
26 Director is authorized to fund the Marketing Program as described in regard to the First
27 Amendment to the Newport Grand Master Contract.

28 SECTION 2. Section 45-13-12 of the General Laws in Chapter 45-18 entitled "Distressed
29 communities relief fund" is hereby amended to read as follows:

30 **45-13-12. Distressed communities relief fund.** -- (a) There is established a fund to
31 provide state assistance to those Rhode Island cities and towns which have the highest property
32 tax burdens relative to the wealth of taxpayers.

33 (b) *Establishment of indices.* Four (4) indices of distress shall be established to determine
34 eligibility for the program. Each community shall be ranked by each distress index and any

1 community which falls into the lowest twenty percent (20%) of at least three (3) of the four (4)
2 indices shall be eligible to receive assistance. The four (4) indices are established as follows:

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

6 (2) *Per capita income.* This shall be the most recent estimate reported by the U.S.
7 Department of Commerce, Bureau of the Census.

8 (3) *Percent of personal income to full value of property.* This shall be computed by
9 multiplying the per capita income above by the most recent population estimate as reported by the
10 U.S. Department of Commerce, Bureau of the Census, and dividing the result by the full value of
11 property.

12 (4) *Per capita full value of property.* This shall be the full value of property divided by
13 the most recent estimate of population by the U.S. Department of Commerce, Bureau of the
14 Census.

15 (c) *Distribution of funds.* Funds shall be distributed to each eligible community on the
16 basis of the community's tax levy relative to the total tax levy of all eligible communities. For the
17 fiscal year 1990-91, the reference year for the tax levy shall be the assessment date of December
18 31, 1988. For each fiscal year thereafter, except for fiscal year 2007-2008, the reference year and
19 the fiscal year shall bear the same relationship. For the fiscal year 2007-2008 the reference year
20 shall be the same as for the distributions made in fiscal year 2006-2007. Any newly qualifying
21 community shall be paid fifty percent (50%) of current law requirements the first year it qualifies.
22 The remaining fifty percent (50%) shall be distributed to the other distressed communities
23 proportionately. When any community falls out of the distressed community program, it shall
24 receive a one-time payment of fifty percent (50%) of the prior year requirement exclusive of any
25 reduction for first year qualification. The community shall be considered a distressed community
26 in the fall-out year.

27 (d) *Appropriation of funds.* The state of Rhode Island shall appropriate funds in the
28 annual appropriations act to support this program. For the fiscal year ending June 30, 2011, the
29 total state distribution shall be fifteen million five hundred seventy-six thousand six hundred
30 eighty-seven dollars (\$15,576,687) and shall be made from general appropriations, provided
31 however, that seven hundred eighty-four thousand four hundred fifty-eight dollars (\$784,458) of
32 the total appropriation shall be distributed equally to each qualifying distressed community. In
33 order to receive supplemental state aid payments, distressed communities shall submit a five (5)
34 year budget forecast, in the form and format required by the division, to the division of municipal

1 finance by June 20, 2011 for major funds, as defined by generally accepted accounting principles
2 as established by the Governmental Accounting Standards Board (GASB). The forecast shall
3 include, but not be limited to, a scenario reflecting pensions and Post Employment Benefits Other
4 Than Pensions (OPEB) obligations at one hundred percent (100%) of the Annual Required
5 Contribution (ARC), both for the general and unrestricted school funds. The forecast shall also set
6 forth any and all underlying assumptions.

7 (e) *Payments.* Payments shall be made to eligible communities each March equal to one
8 half of the appropriated amount and each August equal to one half of the appropriated amount.

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

10 **ARTICLE 41**
11 **RELATING TO RESTRICTED RECEIPT ACCOUNTS**

12 SECTION 1. Section 35-4-27 of the General Laws of Chapter 35-4 entitled ‘State Funds’
13 is hereby amended to read as follows:

14 **35-4-27. Indirect cost recoveries on restricted receipt accounts.** -- Indirect cost
15 recoveries of ten percent (10%) of cash receipts shall be transferred from all restricted receipt
16 accounts, to be recorded as general revenues in the general fund. However, there shall be no
17 transfer from cash receipts with restrictions received exclusively: (1) from contributions from
18 non-profit charitable organizations; (2) from the assessment of indirect cost recovery rates on
19 federal grant funds; or (3) through transfers from state agencies to the department of
20 administration for the payment of debt service. These indirect cost recoveries shall be applied to
21 all accounts, unless prohibited by federal law or regulation, court order, or court settlement. The
22 following restricted receipt accounts shall not be subject to the provisions of this section:

- 23 Department of Human Services
- 24 Veterans' home – Restricted account
- 25 Veterans' home – Resident benefits
- 26 Organ transplant fund
- 27 Veteran's Cemetery Memorial Fund
- 28 Department of Health
- 29 Pandemic medications and equipment account
- 30 Department of Mental Health, Retardation and Hospitals
- 31 Eleanor Slater non-Medicaid third-party payor account
- 32 Hospital Medicare Part D Receipts
- 33 RICLAS Group Home Operations
- 34 Vigneron Memorial Fund Grant

1 Department of Environmental Management
2 National heritage revolving fund
3 Environmental response fund II
4 Underground storage tanks registration fees
5 Rhode Island Council on the Arts
6 Art for public facilities fund
7 Rhode Island Foundation Grant
8 Rhode Island Historical Preservation and Heritage Commission
9 Historic preservation revolving loan fund
10 Historic Preservation loan fund – Interest revenue
11 Department of Public Safety
12 Forfeited property – Retained
13 Forfeitures – Federal
14 Forfeited property – Gambling
15 Donation – Polygraph and Law Enforcement Training
16 Rhode Island State Firefighter's League Training Account
17 Fire Academy Training Fees Account
18 Attorney General
19 Forfeiture of property
20 Federal forfeitures
21 Attorney General multi-state account
22 Department of Administration
23 Restore and replacement – Insurance coverage
24 Convention Center Authority rental payments
25 Investment Receipts – TANS
26 Car Rental Tax/Surcharge-Warwick Share
27 OPEB System Restricted Receipt Account
28 ARRA Administrative Expenses - Bureau of Audits
29 ARRA Administrative Expenses - Purchasing
30 Legislature
31 Audit of federal assisted programs
32 Department of Elderly Affairs
33 Pharmaceutical Rebates Account
34 Department of Children Youth and Families

- 1 Children's Trust Accounts – SSI
- 2 Military Staff
- 3 RI Military Family Relief Fund
- 4 Treasury
- 5 Admin. Expenses – State Retirement System
- 6 Retirement – Treasury Investment Options
- 7 Business Regulation
- 8 Banking Division Reimbursement Account
- 9 Office of the Health Insurance Commissioner Reimbursement Account
- 10 Securities Division Reimbursement Account
- 11 Commercial Licensing and Racing and Athletics Division Reimbursement Account
- 12 Insurance Division Reimbursement Account
- 13 Historic Preservation Tax Credit Account.
- 14 Judiciary
- 15 Arbitration Fund Restricted Receipt Account
- 16 Department of Elementary and Secondary Education
- 17 Statewide Student Transportation Services Account
- 18 Office of the Governor
- 19 ARRA Administrative Expenses – Office of Economic Recovery and ReInvestment
- 20 Department of Labor and Training
- 21 Job Development Fund – Title XII loans principal and interest.
- 22 [Department of Revenue](#)
- 23 [Municipal Accountability, Stability and Transparency Fund](#)
- 24 [Tourism Asset Protection Fund](#)

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

26 **ARTICLE 42**

27 **RELATING TO BORROWING IN ANTICIPATION OF RECEIPTS FROM TAXES**

28 SECTION 1. (a) The State of Rhode Island is hereby authorized to borrow during its
 29 fiscal year ending June 30, 2012, in anticipation of receipts from taxes such sum or sums, at such
 30 time or times and upon such terms and conditions not inconsistent with the provisions and
 31 limitations of Section 17 of Article VI of the constitution of Rhode Island, as the general
 32 treasurer, with the advise of the Governor, shall deem for the best interests of the state, provided
 33 that the amounts so borrowed shall not exceed three hundred and fifty million dollars
 34 (\$350,000,000), at any time outstanding. The state is hereby further authorized to give its

1 promissory note or notes signed by the general treasurer and counter-signed by the secretary of
2 state for the payment of any sum so borrowed. Any such proceeds shall be invested by the general
3 treasurer until such time as they are needed. The interest income earned from such investments
4 shall be used to pay the interest on the promissory note or notes, or other forms of obligations,
5 and any expense of issuing the promissory note or notes, or other forms of obligations, with the
6 balance remaining at the end of said fiscal year, if any, shall be used toward the payment of long-
7 term debt service of the state, unless prohibited by federal law or regulation.

8 (b) Notwithstanding any other authority to the contrary, duly authorized bonds or notes of
9 the state issued during the fiscal year ending June 30, 2012 may be issued in the form of
10 commercial paper, so-called. In connection herewith, the state, acting through the general
11 treasurer, may enter into agreements with banks, trust companies or other financial institutions
12 within or outside the state, whether in the form of letters or lines of credit, liquidity facilities,
13 insurance or other support arrangements. Any notes issued as commercial paper shall be in such
14 amounts and bear such terms as the general treasurer, with the advice of the governor, shall
15 determine, which may include provisions for prepayment at any time with or without premium at
16 the option of the state. Such notes may be sold at a premium or discount, and may bear interest or
17 not and, if interest bearing, may bear interest at such rate or rates variable from time to time as
18 determined by the Federal Reserve Bank Composite Index of Commercial Paper, or the
19 Municipal Market Data General Market Index or other similar commercial paper offerings, or
20 other method specified in any agreement with brokers for the placement or marketing of any such
21 notes issued as commercial paper, or other like agreements. Any such agreement may also
22 include such other covenants and provisions for protecting the rights, security and remedies of the
23 lenders as may, in the discretion of the general treasurer, be reasonable, legal and proper. The
24 general treasurer may also enter into agreements with brokers for the placement or marketing of
25 any such notes of the state issued as commercial paper. Any notes to the state issued as
26 commercial paper in anticipation of receipts from taxes in any fiscal year must also be issued in
27 accordance with the provisions of Section 17 of Article VI of the constitution of Rhode Island and
28 within the limitations set forth in Subsection (a) of Section 1 of this Article.

29 (c) Notwithstanding any other authority to the contrary, other forms of obligations of the
30 state not to exceed twenty million dollars (\$20,000,000) of the three hundred fifty million dollar
31 (\$350,000,000) amount authorized in Section 1 may be issued during the fiscal year ending June
32 30, 2011 in the form of a commercial or business credit account, at any time outstanding, with
33 banks, trust companies or other financial institutions within or outside the state in order to finance
34 a payables incentive program for the state with its vendors. Any such forms of obligations entered

1 into pursuant to this subsection shall be in such amounts and bear such terms as the general
2 treasurer, with the advice of the governor, shall determine, which may include provisions for
3 prepayment at any time with or without premium at the option of the state. Any such forms of
4 obligations entered into pursuant to this subsection may also include such other covenants and
5 provisions for protecting the rights, security and remedies of the lenders as may, in the discretion
6 of the general treasurer, be reasonable, legal and proper. Any such forms of obligations entered
7 into pursuant to this subsection must also be issued in accordance with the provisions of Section
8 17 of Article VI of the Constitution of Rhode Island and within the limitations set forth in
9 Subsection (a) of Section 1 of this Article.

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

11 **ARTICLE 43**
12 **RELATING TO EFFECTIVE DATE**

13 This act shall take effect as of July 1, 2011, except as otherwise provided herein.

=====
LC02105
=====